



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2019**

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

216 South Sixth Street
Griffin, Georgia 30224

Prepared by:
Finance Department,
Griffin-Spalding County School System

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BOARD MEMBERS

R. Syntel Brown
Barbara Jo Cook
Will Doss
Zachery Holmes
Sue McDonald

James D. Smith, Superintendent



216 South Sixth Street
P. O. Drawer N
Griffin, Georgia 30224
Phone: (770) 229-3700
Fax: (770) 229-3708
www.spalding.k12.ga.us

Accredited by SACS and GAC

October 28, 2019

**To the Honorable Members of the Griffin-Spalding County
Board of Education and Citizens of Spalding County**

The Comprehensive Annual Financial Report of the Griffin-Spalding County School System (System) for the fiscal year ended June 30, 2019, is herewith submitted. The report was prepared by the Finance Department of the Griffin-Spalding County School System. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

This report consists of management's representations concerning the finances of the System. To provide a reasonable basis for making these representations, management of the System has established a comprehensive internal control framework that is designed to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the System's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Designed to meet the needs of a broad spectrum of readers of financial statements, this comprehensive annual financial report (CAFR) is divided into four major sections:

- Introductory section – introduces the reader to the report and includes this transmittal letter, organizational chart of the System, and the list of elected and appointed officials.
- Financial section – consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining and fund statements and schedules.
- Statistical section – contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends as well as the fiscal capacity of the System.

- Single Audit section – contains auditor’s reports on the internal control structure and compliance with applicable laws and regulations, schedule of expenditures of federal awards, and findings and questioned costs as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, “*Audits of State, Local Governments, and Nonprofit Organizations*”.

Independent Audit

In accordance with state law, an annual audit of the financial records, books of account, and financial affairs of the System has been made by an independent auditor. The goal of the independent audit was to provide reasonable assurance that the financial statements of the System for the year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The auditor’s opinion, as prepared by Robinson, Grimes and Company, P.C., is included within the financial section of this report.

The independent audit of the financial statements of the System is part of a broader, federally mandated “Single Audit” process designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

Management’s Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial reports in the form of a management’s discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System’s MD&A can be found immediately following the report of the independent auditors.

System Profile

The System was created pursuant to an amendment to the Constitution of the State of Georgia ratified in November 1952 and acts of the General Assembly of the State of Georgia. The System resulted from the consolidation of separate city and county school districts within the borders of Spalding County, Georgia. The System is a legally separate entity enjoying all rights and privileges accorded political subdivisions of the State of Georgia. The System is fiscally independent. Policymaking and legislative

authority are vested in the Board of Education consisting of five members, each elected from single member districts. Board members, elected on a non-partisan basis, serve four-year staggered terms with no more than three board members elected every two years. The Board of Education is responsible for, among other things, developing policy, adopting the budget, levying taxes, incurring bonded debt with voter approval, and hiring all System employees.

The primary purpose of the System is to provide public education for those who reside within the boundaries of Spalding County, Georgia. The philosophy of the System is that all students can and will learn in a safe and appropriate environment that supports the physical, emotional, mental and learning abilities of students. The *vision* of the school system is “to be an agent of change, transforming our students into future-ready learners and contributing members of society.” The *mission* of the school system is “to empower students to graduate college and career ready.” The vision and mission guided the development of a five year strategic plan. The strategic plan informs the development of a budget for the efficient use of resources to go towards expected outcomes.

During the 2018-19 school year, the System serviced eleven elementary schools (pre-kindergarten through grade five), four middle schools (grades six through eight), and three high schools (grades nine through twelve). The third high school, A.Z. Kelsey Academy, opened in August 2007, as an alternative setting for students in need of additional academic emphasis and greater organizational structure.

The System also operates a Program Challenge center, the Griffin Region College and Career Academy, and an alternative program. The Program Challenge center is for elementary school students qualifying for services under the gifted education program. These students experience a unique setting focused on gifted level activities. The Griffin Region College and Career Academy (GRCCA) opened for the first time during the 2016-17 school year. This program services three public school systems by providing career-related (vocational) and dual enrollment opportunities. GRCCA focuses on preparing students to fill local business and industry employment needs. The alternative program is for middle and high school students with disciplinary issues.

The System served 10,353 students as of the student enrollment count taken in October 2018, a decrease of 30 from the prior year. Total enrollment includes 506 students served in the pre-kindergarten program funded through proceeds of the State of Georgia’s lottery for education program. System enrollment has experienced little movement over the past several years. Current trends suggest that enrollment will remain constant for the foreseeable future in line with the slow, but steady, growth in county population.

System of Internal Controls

Management of the System is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with generally accepted accounting

principles. Internal controls over major business functions are subject to periodic evaluation by management. Included therein are controls over data processing functions as well as the security of backup information in the event of catastrophic damage or loss to the primary records. Financial policies adopted by the Board of Education are a primary component of the internal control system and are subject to annual review in light of current conditions.

Budgetary Control

The System adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Revisions may be implemented during the year authorizing a larger appropriation of available resources with approval from the Board of Education. All annual appropriations lapse at year-end with the exception of those indicated as assignment of fund balance.

The development of the budget is a year-long process tied to the System's strategic plan. Staffing allocations are determined by a formula that takes into account maximum class sizes and equity components (e.g. economically disadvantaged, gifted). Goals and expected outcomes are established for various levels of investment and resource allocations are made based on estimates of the revenue available.

The System Superintendent submits an annual budget to the Board of Education in May prior to the commencement of the new fiscal year on July 1. The budget includes proposed expenditures as well as the means of financing them. Public hearings are held on the budget after which the Board of Education adopts a budget for the year by resolution. In addition, under provisions of state law, public hearings must be held if the proposed property tax millage rate exceeds the rate of the prior year, or if the rate is not rolled back sufficiently to fully offset the effects of revaluation increases on the taxable value of property in the County.

Budgetary control is maintained at the aggregate level for each budgeted fund. For fiscal year 2019, budgets were adopted for the general fund, special revenue fund, school nutrition fund, debt service fund, and capital projects fund.

Major Initiatives

The Board of Education adopted a five year strategic plan in 2015 to guide our instructional program. The plan will guide school system operations over a five year window (2016-2021). Four primary strategic directions form the framework of the strategic plan.

- Student Performance
 - To increase graduation rates
 - To provide appropriate student support
 - To ensure mastery of the curriculum
- Family and Community Engagement

- To increase consistent family engagement
- To increase business and community support
- To increase community awareness of district improvement initiatives
- Organizational Effectiveness
 - To ensure fiscal responsibility and accountability
 - To maintain a safe and inviting school environment
 - To provide effective and reliable operational processes
- High Performing Staff
 - To provide relevant professional development
 - To evaluate staff effectively
 - To recruit and retain high performing staff

Several instructional initiatives have been implemented to support these goals. Examples include the following programs.

- Infinite Campus – student information system
- Mastery Connect – data analysis software
- Measures of Academic Progress (MAP) – student performance software
- Read 180 and Math 180 for remediation
- Instructional coaches for professional development
- Credit recovery and summer enrichment program
- Audio Enhancement program for recorded instruction, professional development and safety
- Rigorous Curriculum Design (RCD) – curriculum guides for all grade levels in English/Language Arts, Math and Science
- Special Entities
 - Program Challenge Elementary Gifted Center
 - Elementary Science Enrichment Center
 - A. Z. Kelsey Academy
 - Griffin Region College and Career Academy
 - Partnership with Southern Crescent Technical College
 - Partnership with University of Georgia – Griffin campus
 - Partnership with Georgia Institute of Technology
 - Elementary After School Program
- Parent/Community Involvement
 - PTA/PTO
 - School Councils
 - Griffin-Spalding Partners in Education, Inc.
 - Archway Initiative

Economic Condition and Outlook

Spalding County, Georgia, has experienced modest economic growth over the past several years with a varied manufacturing and industrial base adding to the relative stability of the area. The county government completed the development of infrastructure for an eco-friendly, industrial park. New industrial companies continue to

locate into the park. Since inception, five Japanese companies have announced selection of the park, with four completing construction. A Dollar General distribution center has completed construction on the border of Spalding County and Butts County. These companies have improved the industrial base within the county and are providing stability and potential for moderate growth in the tax digest. The announcement of additional companies are anticipated in the near future. Negotiations aimed at securing the new industries to Spalding County included abatements of school property taxes on real property at declining percentages for up to five years. Spalding County is currently considering the acquisition of new land for the next phase of an additional industrial park. In addition, a new airport inside Spalding County, one large enough to accommodate approximately 95% of the current commercial fleet, is progressing with the acquisition of property and is slated to open in 2022.

The average annual unemployment rate in Spalding County dropped to 4.7% for calendar year 2018 from 5.8% the prior year. Southern Crescent Technical College and the University of Georgia – Griffin Campus have both experienced enrollment increases along with physical plant expansions designed to improve the level of preparedness of the available workforce. These expansions included a Film Institute, a Food Product Innovation Center and a Turf Grass facility.

Countywide population changes mirror those experienced within the school system. Total population in Spalding County is estimated to have remained virtually unchanged over the past twelve months. For several years, the only significant residential development showing signs of construction activity has been designated as an “active adult community” with no school-age children to impact local enrollment. The county is seeing the construction of a new apartment complex that could impact enrollment. Building permits for new housing are increasing, but at a slow pace. SPLOST collections continue to remain strong, which has been a positive sign for the overall health of the local economy.

Long-term Financial Planning

Since 1997, SPLOST has been the primary funding vehicle available to school districts for the construction and renovation of school facilities and technology enhancement. Currently, school facilities have an average age of thirty-eight years. However, this includes buildings placed into service within the past five years as well as others that are over eighty years old. Despite the average age of facilities, SPLOST has allowed all schools to be renovated on a regular cycle. Spalding County voters approved an extension of SPLOST for a five year period ending June 30, 2020, and the issuance of bonds, covering a project list which included facility expansion and renovation along with the purchase of new technology for classroom use. Bonds were used for the construction of the Griffin Region College and Career Academy, technology infrastructure, and bus purchases. Work continued in fiscal year 2019 on renovations from SPLOST V. During FY20, the System will be preparing for the next SPLOST window (SPLOST VI).

The System monitors budget related activity in the Georgia General Assembly. With the improving Georgia economy, funding for the System has also improved. Cuts to the state funding formula (amended formula adjustments) have been eliminated. The System has experienced increases to required expenditures such as classified employee health insurance rates for employers, teacher pay raises, and contributions to the Teachers Retirement System of Georgia. The System is focusing investments in the educational program based on the recommendations of a curriculum audit and the implementation of the strategic plan. This process requires the review and evaluation of operations to improve efficiency, including personnel allocations, employee benefits, software usage, specialized instructional programs, student transportation services, and technology infrastructure. Sustainability is a critical piece of budget planning. Budget items proposed for inclusion or modification are viewed in terms of the system's ability to sustain the item into the future. Adequate, available fund reserves are key to preserving the school system's ability to operate free of short-term borrowing to fund daily operations. As of June 30, 2019, fund balance for the System is 67 days of projected FY20 operations. Fund balance has steadily increased over the past five years and placed the System in a position of financial stability.

Relevant Financial Policies

During fiscal year 2019, financial policies related to purchasing and procurement continued to be important, particularly with the increase in federal funds coming to the school system. In particular, the establishment of procedures surrounding the purchase of computer hardware and software while maintaining compliance with applicable federal grant guidelines was significant. In addition, an annual review is conducted of all financial policies to determine the need for any additions or changes.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the System for its Comprehensive Annual Financial Report for the year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This is the fourteenth consecutive year that the System has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to GFOA to determine its eligibility for another certificate.

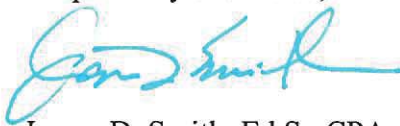
The System also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2018.

The award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The Certificate of Excellence is valid for a one year period. This is the fourteenth consecutive year the System has received this prestigious award. We believe our current report continues to conform to Certificate of Excellence program requirements, and we will be submitting it to ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express appreciation to all members of the department who assisted in the preparation of this report. We would also like to express our appreciation to the members of the Board of Education who continue to show their interest and support in conducting the financial affairs of the System in a responsible and progressive manner.

Respectfully submitted,



James D. Smith, Ed.S., CPA
Superintendent



Ryan McLemore, CPA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Griffin-Spalding County
School System, Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Griffin-Spalding County School System

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

**GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
BOARD OF EDUCATION**

FUNCTION AND COMPOSITION

The Griffin-Spalding County Board of Education governs all matters relating to education and operations in the Griffin-Spalding County School System, as provided by Georgia law.

The Board is responsible, through its oversight function, for maintaining a reasonable and uniform system of public schools serving students in grades pre-kindergarten through 12. With the advice of the Superintendent, the Board determines policies and prescribes rules and regulations for the management of the school system. This includes, but is not limited to, adopting system wide goals and objectives, developing a financial budget for the school year, and receiving regular reports on the progress of serving students and families throughout the year.

The Board currently consists of five members elected from single member districts. The Board has independent taxing authority for the purpose of funding public education inside Spalding County, Georgia.

Regular meetings of the Board of Education are held on the first Tuesday of each month beginning at 6:00 p.m. and workshops are held on the third Tuesday of each month at 4:00 p.m. in the Board meeting room of the main administration building located at 216 South Sixth Street, Griffin, Georgia. Special meetings may be called at other times by the Board Chairperson. At all meetings, a majority of the entire membership constitutes a quorum. All meetings are open to the public.

The Board elects a Chairperson and Vice-Chairperson annually from its members.

As of June 30, 2019, the members of the Board of Education and dates of expiration of their terms are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expiration</u>
Mr. William B. Doss	Chairperson	12/31/20
Mr. Zachery B. Holmes	Vice-Chairperson	12/31/22
Mr. Syntel Brown	Member	12/31/22
Mrs. Barbara Jo Cook	Member	12/31/20
Ms. Sue McDonald	Member	12/31/22

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF
As of June 30, 2019

EXECUTIVE ADMINISTRATION

James D. Smith	Superintendent of Schools
Dr. Kiawana Kennedy	Deputy Superintendent
Joanie Mullins	Administrative Assistant to Superintendent

DIVISION OF INSTRUCTIONAL SERVICES

Sara Jones	Executive Director of Instruction
Ashley Crawford	Director of K-12 Curriculum
Michele Purvis	Director of School Improvement
Melvina Crawl	Director of Professional Development
Shelia Mincey	Director Program Evaluation and Assessment/Special Education
Ashley McLemore	Director of Federal Programs

DIVISION OF ADMINISTRATIVE SERVICES

Anthony Aikens	Executive Director of Administrative Services
Bruce Ballard	Director of Facilities and Construction
Todd Harris	Director of Pupil Transportation
Tiffany Lawrence	Director of Nutrition Services
Bonita Fluker	Director of Student Services
Lonny Harper	Director of Instructional Technology
Josh Griffis	Director of Administrative Technology

DIVISION OF ELEMENTARY EDUCATION

Dr. Norman Sauce	Executive Director of Elementary Education
Dr. Chris Bearden	Director of Pre-Kindergarten/ELL

DIVISION OF ELEMENTARY EDUCATION

Dr. Donald Warren	Executive Director of Secondary Education
Laura Ergle	Director of GRCCA and CTAE

FINANCE

Ryan McLemore	Chief Financial Officer
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HUMAN RESOURCES

Stephanie Dobbins	Executive Director of Human Resources
Edna Aikens	Assistant Director of Human Resources

SCHOOL AND COMMUNITY SERVICES

Kimberly Willis-Green	Executive Director of Communications and Partnerships
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GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
ADMINISTRATIVE STAFF (continued)
As of June 30, 2019

SCHOOL PRINCIPALS

Pearla Hodo	Anne Street Elementary School
Tiffany Campbell	Atkinson Elementary School
Dr. Renee Mallard	Beaverbrook Elementary School
Hoby Davenport	Cowan Road Elementary School
Natalie Wood	Crescent Road Elementary School
Ben Steele	Futral Road Elementary School
Julie Robinson	Jackson Road Elementary School
Dottie English	Jordan Hill Road Elementary School
Gloria Brown	Moore Elementary School
Stan Mangham	Moreland Road Elementary School
Larry Jones	Orrs Elementary School
Tiffany Taylor	Carver Road Middle School
Derrick Dalton	Cowan Road Middle School
Gregory Gardner	Kennedy Road Middle School
Laura Jordan	Rehoboth Road Middle School
Darrell Evans	Griffin High School
Lindy Pruitt	Spalding High School
Stephanie Evans	A.Z. Kelsey Academy

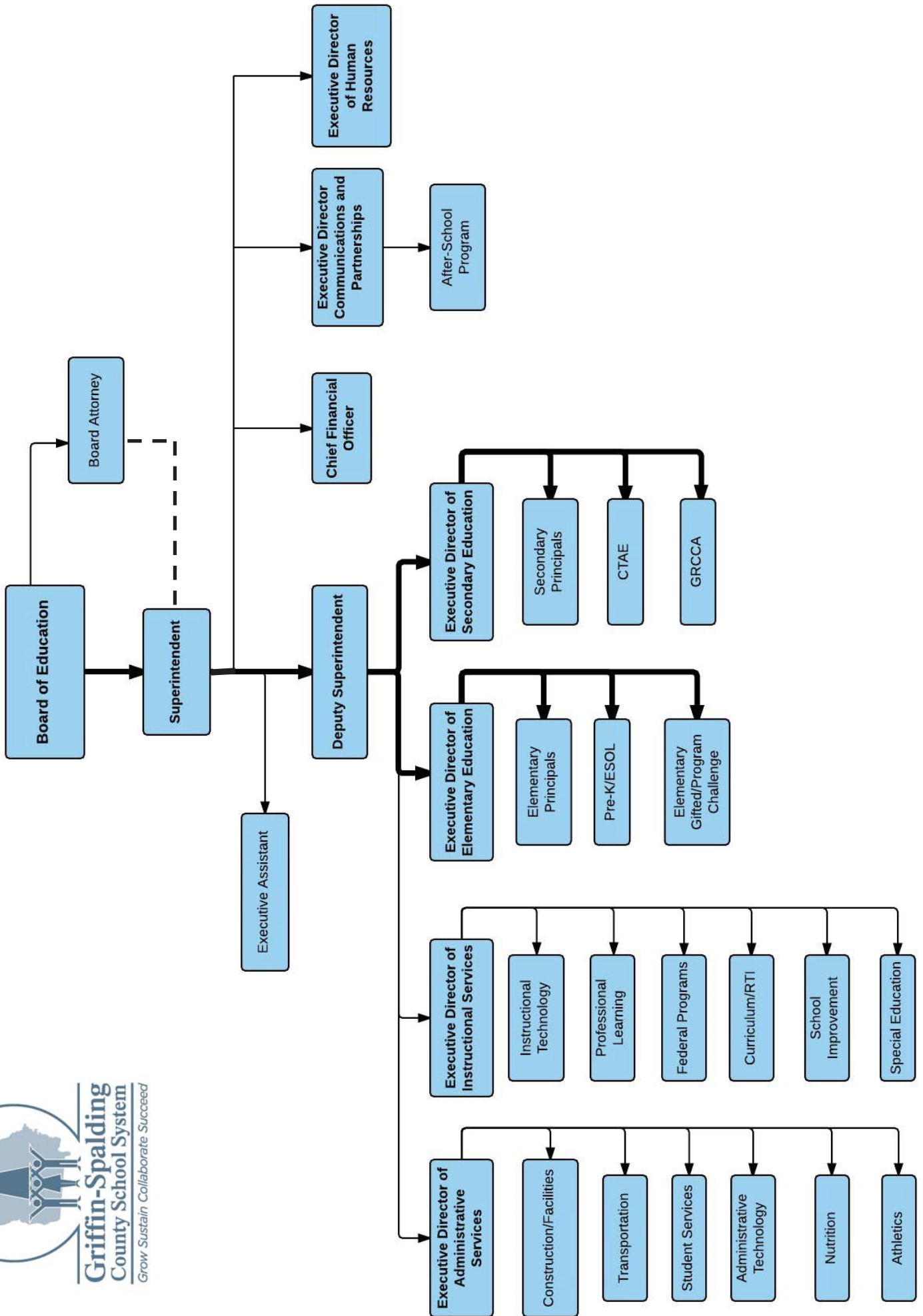
LEGAL COUNSEL

Timothy N. Shepherd, P.C.	Griffin, Georgia
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INDEPENDENT AUDITORS

Robinson, Grimes & Company, P.C.	Columbus, Georgia
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Griffin-Spalding County School System



Independent Auditor's Report

The Board of Education
Griffin-Spalding County School System
Griffin, 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 Griffin-Spalding County School System, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Griffin-Spalding County School System'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 government'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 government'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 Griffin-Spalding County School System, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and other required supplementary information on pages 57 through 62 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 Griffin-Spalding County School System's basic financial statements. The introductory section, combining nonmajor fund financial statements and other schedules, statistical tables and the Schedule of Expenditures of Federal Awards, required by the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements on pages 65 through 78, and other schedules on pages 79 and 80, and the Schedule of Expenditures of Federal Awards on page 121 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 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 nonmajor fund financial statements and other schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section on pages i through xiv and statistical section on pages 81 through 115 are presented for purposes of additional analysis, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2019 on our consideration of Griffin-Spalding County School System'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 System'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 Griffin-Spalding County School System's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

Columbus, Georgia

October 28, 2019

Griffin-Spalding County School System
Management's Discussion and Analysis
For the Year Ended June 30, 2019

The discussion and analysis of Griffin-Spalding County School System's (herein referred to as the "System") financial performance provides an overall review of the System's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the System's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the System's financial performance.

Financial Highlights

- The assets of the System exceeded its liabilities at June 30, 2019, by \$41,891,813.
- Net position increased by a total of \$9,680,357 from the beginning of the year. The increase is attributable to Special Purpose Local Option Sales Tax (SPLOST) revenue which financed investments made in capital assets during the year and a decrease in Other Post-employment Benefits (OPEB) expense.
- The System-wide Statement of Net Position includes the employer's proportionate share of pension liabilities in accordance with GASB 68 and the net Other Post-employment Benefits (OPEB) liability in accordance with GASB 75. Net pension liability as of June 30, 2019, was \$90,835,778. Net OPEB liability as of June 30, 2019, was \$80,605,763.
- At June 30, 2019, the System's General Fund reported a fund balance of \$18,056,230, an increase of \$648,254 from the prior fiscal year. Of this total, \$559,064 has been committed to the risk management function in compliance with GASB 54. Unassigned fund balance totaled \$17,497,166.
- SPLOST collections in fiscal year 2019 increased 7.45% as compared to collections in fiscal year 2018.
- The System's current general obligation bond indebtedness, net of related premiums, is \$12,022,577. Principal and interest debt service payments were made in FY19 in the amount of \$1,770,000 and \$591,501, respectively.

Overview of the Financial Statements

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

System-wide Financial Statements

The System-wide financial statements are designed to provide readers with a broad overview of the System's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the System's assets and liabilities with the difference between the two 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 System is improving or deteriorating. It is important to note that this statement consolidates the System's current financial resources (short-term) with capital assets and long-term liabilities.

The Statement of Activities presents information showing how the System'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 result in cash flows in future fiscal periods (e.g. uncollected taxes, etc.)

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 System, 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 System can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Most of the System's activities are reported in governmental funds focusing on how money flows in and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds

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

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the system-wide and fund financial statements.

System-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2019, System assets exceeded liabilities by \$41,891,813.

Assets

By far, the largest portion the System's total assets (72.36 percent) reflects its investment in capital assets (e.g. buildings, land, machinery and equipment, construction in progress) net of depreciation related to those assets. The System uses the capital assets to provide services to our students, faculty, and community; consequently, these assets are not available for future spending. Capital asset increases are directly related to the continued investment of Special Purpose Local Option Sales Tax (SPLOST) revenues into renovation work, buses, and instructional technology. Current and other assets held relatively steady compared to the prior year. Cash and cash equivalents and property taxes receivable were slightly higher than FY18.

Deferred outflows and inflows of resources

Deferred outflows of resources represents a consumption of resources that applies to a future period and therefore will not be recognized as an outflow of resources until then. Deferred inflows of resources represents an acquisition of resources that applies to a future period and therefore will not be recognized as an inflow of resources until that time. These two financial statement elements represent the System's contributions to the pension plans and other post-employment benefits as well as the changes in assumptions and actuarial values of those plans. Deferred outflow of resources increased \$5,692,497 and deferred inflow of resources increased \$11,321,261 based on the changes in the contributions and actuarial values. Note 11, Retirement Plans, and Note 12, Other Post-Employment Benefits (OPEB) provide details for the calculation of these amounts.

Liabilities

Liabilities included significant changes in three areas: bonds payable, proportionate share of net pension liability and proportionate share of net OPEB liability. Bonds payable decreased due to the payment of \$1,770,000 in principal during FY19. Proportionate share of net pension liability and net OPEB liability represent the System's share of state pension plans (e.g. TRS, ERS, PSERS) and health insurance (State Health) for retirees. These liabilities are based on actuarial values provided by the respective pension plans and State Health Benefit Plan. Note 11, Retirement Plans, and Note 12, Other Post-Employment Benefits (OPEB) provide details for the calculation of these amounts.

The following chart details the major categories of assets, liabilities, and net position with a comparison to the prior fiscal year.

Griffin-Spalding County School System
Net Position – as of June 30, 2019 and 2018

	Governmental Activities	
	<u>FY 2019</u>	<u>FY 2018</u>
Current and other assets	\$ 65,514,579	\$ 65,218,471
Capital Assets	171,530,339	168,399,995
Total assets	237,044,918	233,618,466
Deferred Outflows of Resources	23,548,729	17,856,232
Current and other liabilities	20,361,524	16,918,959
Long-term liabilities	178,564,118	193,889,352
Total liabilities	198,925,642	210,808,311
Deferred Inflows of Resources	19,776,192	8,454,931
Net Position:		
Net investment in capital assets	159,507,762	154,269,357
Restricted	28,995,707	29,458,799
Unrestricted	(146,611,656)	(151,516,700)
Total net position, as restated	\$ 41,891,813	\$ 32,211,456

Net Position

The System’s total net position represents resources that are subject to external restrictions on how they may be used. Comprising the majority of restricted net position are assets being accumulated for use in capital projects accounting for 89.67% of total restricted net position. The remaining 10.33% of restricted net position represents non-expendable, permanent funds and funds set aside for the continuation of federal and other programs.

Unrestricted net position includes the school system’s proportionate share of the collective net pension liability in each cost sharing benefit plan in which the district participates. For the second year, the net Other Post-employment Benefits (OPEB) liability was also recorded to reflect the school system’s share of healthcare benefits for retirees. The net pension liability was first recorded on the FY2015 system-wide financials as part of the implementation of GASB 68. The net OPEB liability was recorded in FY2018 as part of the implementation of GASB 75. Because of these

changes, the System continues to report a deficit unrestricted net position on the System-wide Statement of Net Position.

Changes in Net Position from Operating Results

Net position increased \$9,680,357 from operating results in the fiscal year ended June 30, 2018, compared to an increase of \$1,274,851 in the prior fiscal year.

Revenues

In 2019, the System's total revenues increased \$4,285,472 (3.52%) over FY18.

- Operating grants and contributions increased by 2.48%, or \$2.09 million, primarily due to an increase in the State QBE funding formula which takes into account student growth (FTEs) and increased funding for salary and benefit costs. The primary driver of additional QBE funds was a 24.33% increase in the employer's contribution to the Teachers Retirement System of Georgia (TRS), which is in the funding formula.
- General property taxes increased \$839,850. Ad valorem taxes showed a steady increase while Title Ad Valorem Taxes (TAVT), a tax on motor vehicles, increased \$282,751.
- Special Purpose Local Option Sales Tax (SPLOST) increased 7.45%, or \$.67 million, due to strong growth in spending in the local economy.
- Investment earnings increased 70.99%, or \$.42 million, as interest rates on the GA Fund I investment pool improved from 1.86% to 2.41% on higher average account balances.

Expenses

In 2019, the System's total expenses decreased \$4,120,034 (3.42%) over FY18.

- Pension expense and OPEB expense decreased \$3.90 million. This expense is spread out among the functional categories.
- Food service operations expenses decreased \$1.05 million due to lower payroll related to position vacancies and lower food costs from a decrease in USDA products received and used.
- Depreciation expense increased \$.28 million with increased investments in capital projects.

Key elements of the increase are as follows on the next page:

Griffin-Spalding County School System
Changes in Net Position from Operating Results

	Governmental Activities		
	<u>FY 2019</u>	<u>FY 2018</u>	<u>Change</u>
Revenues			
Program revenues:			
Operating grants and contributions	\$ 86,216,523	\$ 84,128,840	2.5%
Charges for services	1,055,032	806,326	30.8%
General revenues:			
Property taxes	27,951,586	27,111,736	3.1%
Special purpose local option sales tax	9,691,463	9,019,297	7.5%
Other general revenues	1,021,885	584,818	74.7%
Total revenues	<u>125,936,489</u>	<u>121,651,017</u>	3.5%
Expenses			
Instruction	67,870,442	70,571,495	-3.8%
Pupil support services	3,508,379	3,573,107	-1.8%
Improvement of instructional services	7,030,486	7,004,975	.4%
Educational media services	1,690,025	1,761,282	-4.0%
General and school administration	11,067,871	11,433,594	-3.2%
Business administration	466,909	442,700	5.5%
Maintenance and operation of plant	9,405,687	9,148,396	2.8%
Student transportation services	5,331,174	5,596,906	-4.7%
Central support services	1,716,182	1,972,739	-13.0%
Other support services	1,013,974	903,044	-12.3%
Food service operations	6,104,243	7,156,285	-14.7%
Community services operations	216,000	217,390	-.6%
Interest on long-term debt	392,440	276,066	42.2%
Unallocated depreciation	442,320	318,187	39.0%
Total expenses	<u>116,256,132</u>	<u>120,376,166</u>	-3.4%
Increase in net position	9,680,357	1,274,851	
Net position, beginning of year	32,211,456	30,936,605	
Net position, end of year	<u>\$ 41,891,813</u>	<u>\$ 32,211,456</u>	30.1%

Financial Analysis of the System's Funds

General Fund Budgetary Highlights

The System's budget is prepared in accordance with Georgia law and is based on accounting for certain transactions on the modified accrual basis of accounting. The System uses site-based budgeting and the budgeting system is designed to tightly control site budgets but provide flexibility for site management.

The most significant budgeted fund is the general fund. The original fiscal year 2019 budget, as adopted, projected a use of fund balance in the amount of \$523,326. The use of fund balance was tied to specific initiatives in a curriculum audit and strategic plan. Revenues were projected to be \$92,374,144 and expenditures and other financing uses were projected to be \$92,897,470. These amounts represented an increase of .91% from fiscal year 2018 actual revenues and an increase of 1.49% from fiscal year 2018 actual expenditures. The System's earnings under the State's Quality Basic Education (QBE) funding formula increased significantly. With sustained revenue growth, the Georgia General Assembly was able to eliminate the "amended formula adjustment," which has negatively impacted the funding formula for sixteen years. This formula adjustment effectively decreased the amount of funding earned by school systems according to the QBE formula in order to meet state revenue projections. With the increase in funding; however, came increases in mandated costs. These costs included a full year of an increase in the employer's cost for health insurance for classified employees (\$945/month), the required longevity steps on the state salary schedule for certified employees, and a 24.33% increase in the employer's contribution to the Teachers Retirement System of Georgia (TRS). The System also received additional state funds from the equalization grant due to the System's decrease in rankings comparing the relative property wealth per student among Georgia school districts. Budgeted revenues for property taxes and the Title Ad Valorem Tax increased to reflect a decrease in exemptions for industrial properties and an upward trend in the collection of taxes from the sale of motor vehicles. The Board of Education adopted a local property tax millage rate of 18.066, a decrease of .138 mills.

The final amended general fund budget added \$1,404,887 to revenues, an increase of 1.52% from the original budget for the year. The amended budget included a decrease to state revenues. In June 2019, the State instituted a State Health Benefit Plan (SHBP) Employer Contribution Holiday which eliminated the employer share of health cost for the month of June. While revenues through the QBE funding formula decreased, the net result was positive since the school system has health insurance costs that far exceed the amount allotted in the formula. Despite the decrease in state funds, local revenues were amended to reflect better collections of property tax and Title Ad Valorem taxes as well as rising investment revenues associated with higher interest rates. Amended revenues also included the addition of several local and state grants received during the year.

The original budget for fiscal year 2019 included appropriated expenditures of \$92,897,470. The original budget included funding for a 175 day instructional calendar

with teachers working 190 days, five additional teachers, a longevity step for all eligible employees, and a 24.33% increase to the employer's contribution rate to the Teachers Retirement System of Georgia. FY19 funding initiatives also included the second phase of the development of comprehensive curriculum guides for social studies and specific elective courses, school resource officers at middle and high schools, and transfers to subsidize the nutrition and Pre-Kindergarten programs.

As the year progressed, an amended budget totaling \$94,550,375 was approved by the Board of Education, an increase of \$1,652,905 in appropriated expenditures. For internal budgeting purposes, the self-insured workers compensation fund and after-school program are maintained separate from the general fund; however, the amended budget includes collapsing these two accounts into the general fund for the preparation of financial statements. Similar to the revenue side, additional expenditures include several local and state grants received during the year.

General Fund Operations

The general fund finished fiscal year 2019 with a fund balance of \$18,056,230, an increase of \$648,254 from fiscal year 2018. \$559,064 of the fund balance was committed to the risk management function in compliance with GASB 54. Actual revenues exceeded budget projections by \$343,210 while actual expenditures were \$1,018,164 lower than budgeted.

Local revenue sources represented 31.18% of total general fund revenues for the year, down from 31.43% in the prior year. Local revenues exceeded budgeted projections by \$422,762. Ad valorem property taxes came in under budget by \$80,860. Property taxes are dependent on collection rates of current and prior years while the Title Ad Valorem Tax relates to the volume of vehicles sold during the year. Property taxes held relatively flat while Title Ad Valorem Tax collections increased significantly. State revenues came in on target with the budget difference representing some unused grant funds. Federal revenues are comprised of two items, Medicaid reimbursements for speech services and funding for the Junior Reserve Officers' Training Corps (JROTC) program. Due to a staff vacancy in the program, the System did not receive funds for the position and the resulting federal revenues were less than budgeted.

At year end, total expenditures were under budget by \$1,018,164. Expenditures for direct classroom instruction (e.g. teacher salaries and benefits, textbooks, classroom supplies, etc.) accounted for 62.13% of total general fund expenditures, slightly down from the prior fiscal year. Savings in expenditures were spread out among the functional categories. Areas of savings include personnel changes that occur from the time of budget adoption to the end of the year. The budget is a snapshot at one point in time and the school system experiences a significant amount of change in personnel over the summer and throughout the year. This change can lead to savings in salaries as new personnel fill positions held by retirees, people add or drop health benefits, or positions remained unfilled for a period of time. One large area of savings came with the SHBP

Employer Contribution Holiday. The System did not have to pay the State Health bill for the month of June which saved the System approximately \$869,000.

The following chart details the major components of revenues and expenditures by function for fiscal year 2019, a comparison of changes with the previous fiscal year, and the change in fund balance for the general fund.

Griffin-Spalding County School System
General Fund - Revenue and Expenditures Comparison

	<u>Amount</u>	<u>% of Total</u>	<u>Increase (Decrease) Over FY2018</u>
Revenues			
State	\$ 64,435,501	68.29	\$ 2,270,494
Federal	504,310	0.53	(97,441)
Local and other	<u>28,773,516</u>	<u>31.18</u>	<u>646,686</u>
Total revenues	\$ <u>94,360,013</u>	<u>100</u>	\$ <u>2,819,739</u>
Expenditures			
Instruction	\$ 57,866,372	61.97	\$ 1,166,758
Pupil support services	2,130,706	2.28	181,614
Instructional staff support	4,122,176	4.41	264,731
Media Services	1,668,656	1.79	58,312
General and school administration	10,379,527	11.12	448,688
Business administration	480,116	0.51	43,883
Maintenance and Operations	8,474,516	9.08	285,794
Student Transportation	5,302,206	5.68	374,395
Other support services	2,668,779	2.86	(150,200)
Community services	215,222	0.23	2,817
School Nutrition Services	<u>66,707</u>	<u>0.07</u>	<u>(3,990)</u>
Total expenditures	\$ <u>93,374,983</u>	<u>100</u>	\$ <u>2,672,802</u>
Other Financing Sources (Uses)			
Proceeds from sale of assets	21,891		
Transfers in/(out)	<u>(358,667)</u>		
Total other financing sources (uses)	\$ <u>(336,776)</u>		
Net change in fund balance	<u>\$ 648,254</u>		

General fund – changes in fund balance

State revenues increased \$2.27 million due to funding for a 24.33% increase to the cost of contributions to the Teachers Retirement System of Georgia and the elimination of the amended formula adjustment. This increase was partially offset by a decrease in funding for health insurance due to the SHBP Employer Contribution Holiday. Increases in Title Ad Valorem Tax collections combined with increases in investment earnings comprise the bulk of the change in local revenues.

The largest impact to functional categories was the increase in the TRS contribution rate. The increase in the cost of TRS for the general fund was approximately \$1.9 million spread out among the functional categories. More significant increases to functional categories were partially offset by the SHBP Employer Contribution Holiday, which eliminated the cost of health insurance for one month (June). The savings from this holiday amounted to approximately \$869,000. Other factors in the changes between years include the following:

- Direct instruction includes five additional teachers. Instructional staff also received a longevity step (pay increase) on their respective salary schedules.
- Instructional staff support includes the second phase of a significant investment toward the development of curriculum guides following the Rigorous Curriculum Design (RCD) process.
- Maintenance and operations and transportation, which have few expenditures related to TRS, include a longevity step (pay increase) on the salary schedule for eligible employees and an increase in health insurance expenditures for classified employees.

Capital Projects Fund Operations

The capital projects fund is used to account for school construction and the purchase of large capital assets. Current capital construction costs continue to be paid directly from prior receipts collected during the 2007 SPLOST (SPLOST III) and 2012 SPLOST (SPLOST IV) cycles and current receipts from the 2015 SPLOST (SPLOST V). SPLOST collections in fiscal year 2019 increased 7.45% compared to fiscal year 2018 with receipts of \$9,691,463 and \$9,019,297, respectively.

Capital project expenditures primarily consisted of renovation work on SPLOST V projects. These projects included the Griffin Region College and Career Academy, Moore Elementary, and A.Z. Kelsey Academy. Expenditures also included instructional technology and school buses. The fund balance for the capital projects fund reflects amounts collected for use on projects not yet begun.

Debt Service Fund Operations

The debt service fund is used to accumulate resources for the retirement of long-term debt. The System issued general obligation sales tax bonds in the amount of \$13,370,000 in FY16 for capital projects to fund the initial construction of the Griffin Region College and Career Academy, the installation of system-wide instructional technology and bus purchases. The fund reflects principal and interest payments in the amount of \$1,770,000 and 591,501, respectively.

Capital Assets and Debt Administration

Capital Assets

The System's investment in capital assets for its governmental activities as of June 30, 2019, totaled \$171,530,339, net of accumulated depreciation. The investment in capital assets includes land, buildings, vehicles, and equipment used in providing services to our students and community as well as construction in progress on several building projects.

Many of the changes to the System's capital asset accounts came from the renovation of existing buildings. Renovation work at Memorial Stadium, Griffin Region College and Career Academy, Moore Elementary, and A.Z. Kelsey Academy constituted the majority of the year's activity. Note 4 to the basic financial statements provides additional information on the System's capital assets including a detailed breakdown of the types of capital assets included in the computation of depreciation charges. As of June 30, 2019, 26.83% of the cost basis of depreciable assets had been taken as a depreciation charge since the various assets were placed in service. A summary of capital assets follows.

Griffin-Spalding County School System Capital Assets, Net of Accumulated Depreciation

		Governmental Activities	
		FY 2019	FY 2018
Land	\$	3,365,294	\$ 3,360,708
Construction in progress		1,347,670	1,152,494
Buildings		97,738,338	99,483,914
Building Improvements		61,600,128	56,872,520
Vehicles and Equipment		7,478,909	7,530,359
		<hr/>	<hr/>
Total	\$	171,530,339	\$ 168,399,995

Debt Administration

The Griffin-Spalding County School System issued General Obligation Sales Tax Bonds, Series 2015, in July 2015. The proceeds of this bond issuance has gone toward the following 2015 SPLOST (SPLOST V) projects: Griffin Region College and Career Academy, the System-wide installation of the Audio Enhancement classroom technology product, and bus purchases.

At June 30, 2019, the System had \$12,022,577 in outstanding general obligation bond indebtedness, net of related premiums. The current debt limitation for the System is \$144,019,992 based on state law limiting the amount of general obligation debt a government entity may issue to ten (10) percent of the total assessed value of taxable property.

The System maintains a rating of AA from Standard & Poor's for general obligation debt subject to the State intercept program.

Additional information on the System's long-term debt can be found in Note 5 to the basic financial statements.

Outlook for the Future

The System continues to maintain a strong financial position. As the economic position of the State has improved, so has the funding for the school system. FY19 saw the elimination of the cut to the State funding formula, known as the "amended formula adjustment." This cut existed since 2003 and its elimination was a welcome sign of an improving economy. The largest increases in funding were tied to increases in mandated costs such as the employer's contribution to the Teachers Retirement System of Georgia and longevity steps on the state salary schedule for certified employees (e.g. teachers). Throughout the past year and into FY20, state revenues improved. The State increased funds for public education significantly by providing \$3,000 pay raises to certified staff. Month to month growth in state revenues is slowing; however, funding for public education is not expected to decline.

The assessed net value of the county property digest increased approximately 6.9% in 2019 due to a large amount of property revaluations. Taxable property from new growth increased \$49.3 million in the 2019 tax digest, but much of the increase was offset by a \$34.9 million increase in exemptions. As part of the 2019 tax digest, voters in the county approved an assessment freeze on the value of property for seniors aged 65 and older. The school system will have to monitor the impact of the freeze since the state funding formula disregards local exemptions when calculating the value of 5 mills of tax (Local Five Mill Share) removed from the state allotment to the school system. The increase in the tax digest typically has an inverse relationship with funding the system receives through the Equalization Grant, a significant source of funding. The grant can have large shifts from one year to the next, so the System will have to be prepared for movement in this allocation.

Effective for FY20, the State changed the allocation percentages to local governments for the Title Ad Valorem Tax (TAVT). TAVT works in a similar manner as a sales tax on motor vehicles and is incrementally replacing motor vehicle property taxes on the tax digest. TAVT has shown very strong increases year over year. The change in the allocation percentage is a beneficial shift to local governments and is expected to result in a sizable increase in TAVT revenues for the Griffin-Spalding County School System. The first few months of collections have shown this to be the case. The increase in this revenue source is anticipated to offset potential declines in state funding based on the increases in Local Five Mill Share and declines in the equalization grant funding.

The Board of Education adopted a millage rate of 17.077 mills, a decrease of .989 mills. This millage rate is the rollback rate that takes into account digest growth from revaluations. By adopting the rollback rate, the System negates the effect of the increased digest from revaluations. While negating the portion of growth from revaluations, the System will receive approximately \$250,000 in additional property taxes from new growth. The Board of Education will continue to be mindful in obligating funds for programs and uses that might be needed to cover expenses not funded through state appropriations.

As of June 30, 2019, the General Fund reflected a fund balance of \$18,056,230, translating to 67 days of operation based on the fiscal year 2020 budget. Of this balance, \$559,064 was committed for risk management purposes by the Board of Education. Through careful planning, the System has been able to make intentional investments in the instructional program without having to resort to drastic changes from one year to the next. The fiscal year 2020 budget includes a 175 day student calendar with 190 work days for teachers, a \$3,000 pay raise for certified staff (e.g. teachers), a 3% pay raise for classified staff (e.g. custodians), a longevity step for eligible employees on employee pay scales, funding for the third phase of development of curriculum guides for elective courses, and support positions at the school level. Financial decisions focus on the sustainability of programs or costs and performance metrics tied to strategic objectives of the system.

We expect student enrollment to remain constant for the foreseeable future. Residential growth has been limited to a senior community in the county; however, building has started for a new apartment complex. The county's industrial park continues to pick up new industries, albeit at a slow pace. Initially, these industries include abatements in school property taxes, but a regular phase out of these abatements will help the digest to grow over time. Overall, growth in population and new construction is incremental.

Requests for Information

This financial report is designed to provide a general overview of Griffin-Spalding County School System's finances for those with an interest in the System's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ryan McLemore, CFO, Griffin-Spalding County School System, P.O. Drawer N, Griffin, Georgia 30224. Alternatively, you may send requests to the following e-mail address: ryan.mclemore@gscs.org.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 STATEMENT OF NET POSITION
JUNE 30, 2019

	ALL GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 51,020,815
Property taxes receivable	1,797,334
Due from other governments	12,138,799
Other receivables	309,616
Investments	20,000
Inventories	145,581
Other assets	82,434
Capital assets not depreciable	4,712,964
Capital assets, net of accumulated depreciation	166,817,375
Total assets	237,044,918
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pension plan	19,832,370
Deferred outflow of resources - OPEB	3,716,359
Total deferred outflows of resources	23,548,729
LIABILITIES	
Accounts payable and other current liabilities	15,221,241
Accrued interest payable	139,000
Unearned revenue	101,283
Bonds payable - due within one year	4,900,000
Long-term liabilities:	
Bonds payable - due in more than one year	7,122,577
Proportionate share of net pension liability	90,835,778
Proportionate share of net OPEB liability	80,605,763
Total liabilities	198,925,642
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources - pension plan	3,080,215
Deferred inflow of resources - OPEB	16,695,977
Total deferred inflows of resources	19,776,192
NET POSITION	
Net investment in capital assets	159,507,762
Restricted for:	
Capital projects	26,000,493
Debt service	319,704
Continuation of federal and state programs	1,560,717
Permanent funds - nonexpendable	1,114,793
Unrestricted	(146,611,656)
Total net position	\$ 41,891,813

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	OPERATING CHARGES FOR SERVICES		GRANTS AND CONTRIBUTIONS
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
Instruction	\$ 67,870,442	\$ 572,623	\$ 49,972,677	\$ (17,325,142)
Pupil support services	3,508,379		2,702,659	(805,720)
Improvement of instructional services	7,030,486		5,248,261	(1,782,225)
Educational media services	1,690,025		1,229,011	(461,014)
General and school administration	11,067,871		8,534,443	(2,533,428)
Business administration	466,909		353,619	(113,290)
Maintenance and operation of plant	9,405,687		6,255,658	(3,150,029)
Student transportation services	5,331,174		4,322,132	(1,009,042)
Central support services	1,716,182		1,272,668	(443,514)
Other support services	1,013,974		746,820	(267,154)
Food services operation	6,104,243	482,409	5,419,485	(202,349)
Community services operations	216,000		159,090	(56,910)
Interest on long-term debt	392,440			(392,440)
Unallocated depreciation (net of direct depreciation)	442,320			(442,320)
Total school system	\$ 116,256,132	\$ 1,055,032	\$ 86,216,523	\$ (28,984,577)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	27,951,586
Special purpose local option sales tax	9,691,463
Investment earnings	999,994
Gain on sale of assets	21,891
Total general revenues	38,664,934
Change in net position	9,680,357
Net position, beginning (as restated)	32,211,456
Net position, ending	\$ 41,891,813

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 18,416,813	\$ 27,767,053	\$ 458,704	\$ 4,378,245	\$ 51,020,815
Receivables					
Spalding County tax commissioner	1,797,334				1,797,334
State of Georgia, Department of Revenue		814,543			814,543
State of Georgia, Department of Education	8,525,674			2,798,582	11,324,256
Due from other funds	1,220,509	54,012			1,274,521
Other	218,837			90,779	309,616
Investments				20,000	20,000
Inventories				145,581	145,581
Other assets	76,398			6,036	82,434
Total assets	<u>\$ 30,255,565</u>	<u>\$ 28,635,608</u>	<u>\$ 458,704</u>	<u>\$ 7,439,223</u>	<u>\$ 66,789,100</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,167,449	\$ 1,448,888	\$ 0	\$ 301,258	\$ 2,917,595
Accrued salaries and benefits	9,624,356			2,420,497	12,044,853
Unearned revenue	1,366			99,917	101,283
Retainage payable		258,793		0	258,793
Due to other funds	54,012	27,270		1,193,239	1,274,521
Total liabilities	<u>10,847,183</u>	<u>1,734,951</u>	<u>0</u>	<u>4,014,911</u>	<u>16,597,045</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,352,152				1,352,152
Total deferred inflows of resources	<u>1,352,152</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,352,152</u>
FUND BALANCES					
Nonspendable:					
Inventories				145,581	145,581
Permanent funds				1,114,793	1,114,793
Restricted for:					
Debt service			458,704		458,704
Capital projects		26,000,493			26,000,493
Continuation of federal and state programs				1,560,717	1,560,717
Committed to:					
Risk management	559,064				559,064
School activity funds and other programs				532,378	532,378
Assigned to:					
Permanent funds				70,843	70,843
Capital projects		900,164			900,164
Unassigned	17,497,166				17,497,166
Total fund balances	<u>18,056,230</u>	<u>26,900,657</u>	<u>458,704</u>	<u>3,424,312</u>	<u>48,839,903</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,255,565</u>	<u>\$ 28,635,608</u>	<u>\$ 458,704</u>	<u>\$ 7,439,223</u>	<u>\$ 66,789,100</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds		\$ 48,839,903
Amounts reported for governmental activities in the statement of net position are different because:		
Other long-term assets are not available to pay for current period expenditures:		
Property taxes reported as unavailable revenue in the funds		1,352,152
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$232,708,047 and the accumulated depreciation is \$61,177,708		
		171,530,339
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:		
Accrued interest	\$ (139,000)	
Net pension liability	(90,835,778)	
Net OPEB liability	(80,605,763)	
Bonds payable	(11,600,000)	
Premium on bonds issued	(1,774,821)	
Accumulated amortization of bond premium	1,352,244	
	(183,464,118)	(183,603,118)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflow of employer contributions related to pensions	12,250,541	
Deferred outflow of resources - proportionate share of collective deferred outflows of resources	7,581,829	
Deferred outflow of resources related to OPEB	3,716,359	23,548,729
Deferred inflow of resources from the difference between expected and actual experience	(186,783)	
Deferred inflow of resources from the difference between projected and actual earnings on pension plan investments	(2,482,729)	
Deferred inflow of resources from change in proportionate share of pension expense	(410,703)	
Deferred outflow of resources related to OPEB	(16,695,977)	(19,776,192)
Total net position - governmental activities		\$ 41,891,813

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property taxes	\$ 28,053,280				\$ 28,053,280
Sales taxes		\$ 7,388,477	\$ 2,302,986		9,691,463
Fees and charges	522,623			\$ 532,409	1,055,032
State funds	64,435,501			5,305,116	69,740,617
Federal funds	504,310			13,851,790	14,356,100
Earnings on investments	407,372	552,273		40,349	999,994
Miscellaneous	436,927			1,801,894	2,238,821
Total revenues	<u>94,360,013</u>	<u>7,940,750</u>	<u>2,302,986</u>	<u>21,531,558</u>	<u>126,135,307</u>
EXPENDITURES					
Current operating					
Instruction	57,866,372			9,957,228	67,823,600
Support services					
Pupil support services	2,130,706			1,538,754	3,669,460
Improvement of instructional services	4,122,176			3,003,505	7,125,681
Educational media services	1,668,656				1,668,656
General and school administration	10,379,527			1,207,876	11,587,403
Business administration	480,116				480,116
Maintenance and operation of plant	8,474,516			18,929	8,493,445
Student transportation services	5,302,206	492,000		74,049	5,868,255
Central support services	1,727,692			238	1,727,930
Other support services	941,087			72,887	1,013,974
School nutrition services	66,707			5,849,773	5,916,480
Community service operations	215,222			778	216,000
Debt service					
Principal retirement			1,770,000		1,770,000
Interest and fiscal charges			591,501		591,501
Capital outlay		7,980,460			7,980,460
Total expenditures	<u>93,374,983</u>	<u>8,472,460</u>	<u>2,361,501</u>	<u>21,724,017</u>	<u>125,932,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>985,030</u>	<u>(531,710)</u>	<u>(58,515)</u>	<u>(192,459)</u>	<u>202,346</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	21,891				21,891
Transfers in				358,667	358,667
Transfers out	(358,667)				(358,667)
Total other financing sources (uses)	<u>(336,776)</u>	<u>0</u>	<u>0</u>	<u>358,667</u>	<u>21,891</u>
Net change in fund balances	648,254	(531,710)	(58,515)	166,208	224,237
Fund balances, beginning	17,407,976	27,432,367	517,219	3,258,104	48,615,666
Fund balances, ending	<u>\$ 18,056,230</u>	<u>\$ 26,900,657</u>	<u>\$ 458,704</u>	<u>\$ 3,424,312</u>	<u>\$ 48,839,903</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds	\$	224,237
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period.</p>		
Capital outlays	\$ 7,518,343	
Depreciation	<u>(4,387,999)</u>	3,130,344
Repayment of bonds is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,770,000
Interest expense reported in the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.		(139,000)
<p>Governmental funds report the effect of premiums when the debt is first issued. These amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of bond premium	<u>338,061</u>	338,061
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:</p>		
Property tax revenue		(101,694)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
System pension contributions	12,250,541	
Pension contributions - State support	256,759	
Cost of benefits earned net of employee contributions	(9,393,147)	
System OPEB contributions	3,398,171	
OPEB expense	<u>(2,053,915)</u>	<u>4,458,409</u>
Change in net position of governmental activities	\$	<u><u>9,680,357</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL		OVER (UNDER)
REVENUES				
Property taxes	\$ 26,633,208	\$ 27,643,208	\$ 28,053,280	\$ 410,072
State funds	64,177,761	64,203,781	64,197,729	(6,052)
Federal funds	517,810	577,810	504,310	(73,500)
Other local funds	1,045,365	1,354,232	1,366,922	12,690
Total revenues	<u>92,374,144</u>	<u>93,779,031</u>	<u>94,122,241</u>	<u>343,210</u>
EXPENDITURES				
Current operating				
Instruction	57,930,961	58,535,807	57,866,372	(669,435)
Support services				
Pupil services	2,088,727	2,159,732	2,130,706	(29,026)
Improvement of instructional services	4,113,298	4,142,511	4,122,176	(20,335)
Educational media services	1,729,087	1,724,922	1,668,656	(56,266)
General and school administration	10,267,160	10,369,502	10,378,280	8,778
Business administration	420,529	475,988	474,215	(1,773)
Maintenance and operation of plant	8,545,092	8,320,764	8,393,884	73,120
Student transportation services	4,744,538	5,442,902	5,223,678	(219,224)
Other support services	2,488,078	2,771,247	2,664,022	(107,225)
Community service operations	0	212,000	215,222	3,222
Total expenditures	<u>92,327,470</u>	<u>94,155,375</u>	<u>93,137,211</u>	<u>(1,018,164)</u>
Excess (deficiency) of revenues over (under) expenditures	46,674	(376,344)	985,030	1,361,374
OTHER FINANCING USES				
Proceeds from sale of assets	0	0	21,891	21,891
Transfers in	75,000	400,000	325,000	(75,000)
Transfers out	(645,000)	(795,000)	(683,667)	111,333
Total other financing uses	<u>(570,000)</u>	<u>(395,000)</u>	<u>(336,776)</u>	<u>58,224</u>
Net change in fund balances	(523,326)	(771,344)	648,254	1,419,598
Fund balances, beginning	<u>17,407,976</u>	<u>17,407,976</u>	<u>17,407,976</u>	<u>0</u>
Fund balances, ending	<u>\$ 16,884,650</u>	<u>\$ 16,636,632</u>	<u>\$ 18,056,230</u>	<u>\$ 1,419,598</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$ 200,861
	<hr/>
Total assets	\$ 200,861
	<hr/> <hr/>

LIABILITIES

Accounts payable	\$ 21,079
Due to student and faculty groups	179,782
	<hr/>
Total liabilities	\$ 200,861
	<hr/> <hr/>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Griffin-Spalding County School System (the “System”) was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The financial statements of the System have been prepared in conformity 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 System’s combined financial statements include the accounts of all System operations. The criteria for including organizations as component units within the System’s reporting entity, as set forth in Financial Reporting Standards, include whether:

- The organization is legally separate
- The Board holds the corporate powers of the organization
- The Board appoints a voting majority of the organization’s board
- The Board is able to impose its own will on the organization
- The organization has the potential to impose a financial benefit/burden on the System
- There is fiscal dependency by the organization on the System

Based on the aforementioned criteria, the System has no component units.

B. System-wide and fund financial statements

The system-wide financial statements (i.e., the statement of net position and the statement of activities) report information of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Normally, governmental activities are supported by taxes and intergovernmental revenues.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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 system-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The system-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are also reported using the *accrual basis of accounting*; however, fiduciary funds have *no measurement focus*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). 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 respective rules and regulations of the QBE program, the State of Georgia reimburses the School System over the same twelve month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School System recognizes its portion of that reimbursement as a receivable and revenue, consistent with symmetrical recognition.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the System.

The System reports the following major governmental funds:

The *general fund* is the operating fund of the System. It is used to account for all financial resources except those required to be accounted for in another fund.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *debt service fund* is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt.

Additionally, the School System reports the following funds:

The *special revenue funds* are used to account for federal and state funded grants. These grants are awarded to the System for the purpose of accomplishing specific educational tasks, which are defined in the grant agreements. These funds contain several locally funded programs whose expenditures are restricted to specific purposes. In addition, these funds are used to account for the school nutrition program whose revenues and expenditures are associated with the operations of the school cafeterias.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

Permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

The *permanent funds* apply the current financial resources measurement focus and modified accrual basis of accounting. Nonexpendable permanent funds account for assets of which the principal may not be spent.

Agency funds are used to account for assets held on behalf of outside parties.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present the results of operations nor have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These fiduciary funds are used to account for assets that the System holds on behalf of other funds of the System and are comprised primarily of amounts collected through fundraising efforts of individual school activity organizations.

Amounts reported as *program revenues* include 1) charges to customers or application for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed. As a general rule the effect of interfund activity has been eliminated from the system-wide financial statements.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash, Cash Equivalents and Investments

The System'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. Investments of the System are reported at fair value.

Statutes authorize the System to invest in obligations of the United States and of its agencies and instrumentalities; bonds or certificates of indebtedness of the state of Georgia and of its agencies and instrumentalities; certificates of deposit of banks insured by the F.D.I.C. to the extent that such investments are legal investments; repurchase agreements;

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

and the Local Government Investment Pool, administered by the State of Georgia. Certificates of deposit must be collateralized to the extent they exceed \$250,000.

Receivables

Property taxes were levied on August 27, 2018, based on property values assessed as of January 1, 2018, and were payable on or before November 15, 2018. Property taxes became an enforceable lien on January 15, 2019. Taxes levied in calendar year 2018 for operations were levied at 18.066 mills.

Receivables due but not available are deferred inflows from resources in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Total property tax revenues reported for the fiscal year amounted to \$28.1 million, including \$1.8 million reported as taxes receivable of which \$1.4 million is reflected as deferred inflow of resources in the general fund.

The State of Georgia, Department of Revenue receivable represents Special Local Option Sales Tax (SPLOST) revenues earned in the prior year but received within 30 days after year-end from the State Department of Revenue. Amounts due from the State of Georgia, Department of Education reflect QBE allotments related to the State's reimbursement amount for its portion of general fund salaries and benefits, which totaled \$8.5 million at June 30, 2019.

Other receivables consist of amounts due to the System from other grants, tuition, or other revenue sources. The System anticipates collection of all receivables within one year.

Inventories

Inventories consist of donated food commodities and purchased foods used in the preparation of meals. Inventories are stated at cost (principally first in, first-out), which is not in excess of market. The System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased. Reported inventories are reflected as nonspendable fund balance. The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at its Federally assigned value.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the system-wide financial statements. Capital assets are defined by the System as assets with an initial 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 fair market value at the date of donation.

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

Land and construction in progress are not depreciated. Depreciation of all other capital assets is charged as an expense against their operations in the Statement of Activities. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Permanent buildings	40 - 80
Portable buildings	10
Building improvements	20
Vehicles	5 - 10
Office equipment	3 - 10
Computer equipment	3 - 10

Accrued Salaries and Benefits

Accrued salaries and benefits relate primarily to salaries of employees paid over a twelve-month period for contract services of ten months. The twelve-month pay period begins September 1 and ends August 31. Salaries payable in July and August along with the employee benefits relating to those salaries are accrued as of the end of the fiscal year.

Compensated Absences

It is the System's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the System does not have a policy to pay any amounts when employees separate from service with the System. Vacation pay is awarded on a fiscal year basis, with no provisions for carryover of unused days. Accordingly, as of June 30, there is no liability for accrued vacation pay.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources

Government-wide

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources until then. Under the full accrual method of accounting, the System has reported the contributions to the cost sharing benefit pension plan subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources. The System has also reported the actuarial changes in the System's proportionate share of the State of Georgia cost sharing benefit pension plan, as discussed in Note 11.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources until that time. Under the full accrual method of accounting, the System has reported the actuarial changes in the System's proportionate share of the State of Georgia cost sharing benefit pension plan, as discussed in Note 11. This item is reported only in the System-wide Statement of Net Position.

Governmental funds

Additionally, the System has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and this amount is deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS), Employees' Retirement System (ERS), and Public School Employees Retirement System (PSERS) and additions to/deductions from the respective plans' fiduciary net position have been determined on the same basis as they are reported by each. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are at fair value. The General Fund has been and will continue to be used to liquidate pension liabilities.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In accordance with the requirements of GASB 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance- amounts that are not in a spendable form or are required to be maintained intact;
- Restricted fund balance- amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation);
- Committed fund balance- amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the System's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board;
- Assigned fund balance- amounts the System intends to use for a specific purpose; but are neither restricted nor committed. The Board of Education may assign fund balance. In addition, the Board has authorized the Superintendent or Chief Financial Officer to assign amounts to be used for specific purposes;
- Unassigned fund balance- consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

The Board establishes (and modifies or rescinds) fund balance commitments by taking formal action in the form of a resolution. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). When multiple categories of fund balance are available for expenditure, the System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

E. Budgetary Information

General Budget Policies

The System has a legally authorized appropriated budget which is formally approved by the Board at the aggregate level for each budgeted fund. Budgets are prepared to provide a basis for funding operations. There is no legal prohibition regarding over expenditure of the aggregate budget as long as there is an adequate available fund balance.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies (Continued)

The budget process begins when the System's administration prepares a tentative aggregated budget for the Board's approval. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality.

At the next regular 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 Section 20-2-167, to the Georgia Department of Education. From time to time, the budget is amended by Board approval at the fund level.

The System prepares its budgets on the modified accrual basis, which is the same basis it presents its fund financial statements. In addition, certain on-behalf payments for retirement benefits are not included in the general fund budget. The actual results on page 23 have, accordingly, been restated for comparative purposes. The System legally adopts budgets for its general fund, special revenue (excluding "other funds"), capital projects and debt service funds.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources recorded in order to reserve that portion of the applicable appropriation, is utilized by the System. Encumbrances outstanding at year-end are reported as assignments of fund balance since they do not constitute actual expenditures or liabilities. They are reappropriated in the subsequent fiscal year since appropriations lapse at year-end.

NOTE 2: Deposits and Investments

The System maintains a cash and investment pool that is available for use by all governmental funds. Each fund type's portion of this pool is included in "Cash and cash equivalents". In addition, deposits are separately held by several of the System's funds.

The System has not adopted a formal investment policy. Most of the System's cash is invested in the State of Georgia Government Pool. Other investments consist of securities backed by Federal Government agencies and one-day repurchase agreements with local banks. The following pages will disclose deposit and investment risks that could affect the System's ability to provide services and meet its obligations as they become due.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2: Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the System’s deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk. The System’s cash and cash equivalents are summarized below. All deposits are carried at cost plus accrued interest.

<u>Depository Accounts</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Insured	\$ 797,934	\$ 797,934
Collateralized		
Collateral held by pledging bank's trust department in the System's name	14,575,698	12,039,671
Local government investment pool	<u>38,203,210</u>	<u>38,203,210</u>
 Total Deposits	 53,576,842	 51,040,815
Less: Investments shown below	<u>(20,000)</u>	<u>(20,000)</u>
 Net cash and cash equivalents	 <u>\$ 53,556,842</u>	 <u>\$ 51,020,815</u>

Agency funds had bank deposits totaling \$200,861 as reported on the Statement of Fiduciary Assets and Liabilities.

The System’s investment in the local government investment pool is comprised of Georgia Fund 1 and another local investment pool, which has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2019, was 39 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2: Deposits and Investments (Continued)

Credit Risk, Concentration of Credit Risk, and Interest Rate Risk – Investments

The System follows state law for its choices of investments. The System has few investments and chooses to disclose its investments by specifically identifying each. As of June 30, 2019, the System’s investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>%</u>
First National Bank - Certificate of Deposit	August 24, 2019	20,000	100.00%
Total		<u>\$ 20,000</u>	<u>100.00%</u>

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices.

Interest Rate Risk - the System does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk - the System is not limited on the amount that may be invested in any one issuer.

NOTE 3: Interfund Receivables, Payables and Transfers

During the course of its operations, the School System makes transfers between funds to finance operations, provide services, acquire assets, and service debt. To the extent that certain transfers between funds have not been received as of year-end, balances of interfund amounts receivable or payable have been recorded. Outstanding balances between funds are reported as “due to/from other funds.”

Interfund receivable and payable balances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,193,239
Capital Projects Fund	General Fund	54,012
General Fund	Capital Projects Fund	27,270

The general fund was due \$1,220,509 from other funds to be repaid upon receipt of grant revenues and capital projects fund was due \$54,012 from the general fund for bus purchase. All interfund balances will be repaid in the next fiscal year.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: Interfund Receivables, Payables and Transfers (Continued)

Transfers from/to other funds at June 30, 2019 are as follows:

<u>Transfers to</u>	<u>Transfers from</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 358,667

These transfers are to cover overages from the operation of certain grants.

NOTE 4: Capital Assets

Governmental capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Capital assets, not being depreciated:					
Land	\$ 3,360,708	\$ 4,586	\$ 0	\$ 0	3,365,294
Construction in progress	<u>1,152,494</u>	<u>4,046,241</u>	<u>0</u>	<u>(3,851,065)</u>	<u>1,347,670</u>
Total capital assets, not being depreciated	<u>4,513,202</u>	<u>4,050,827</u>	<u>0</u>	<u>(3,851,065)</u>	<u>4,712,964</u>
Capital assets, being depreciated:					
Buildings	135,219,991	0	0	0	135,219,991
Building improvements	64,570,939	1,993,359	0	3,843,555	70,407,853
Vehicles and equipment	<u>21,537,357</u>	<u>1,474,157</u>	<u>(651,785)</u>	<u>7,510</u>	<u>22,367,239</u>
Total capital assets, being depreciated	<u>221,328,287</u>	<u>3,467,516</u>	<u>(651,785)</u>	<u>3,851,065</u>	<u>227,995,083</u>
Less accumulated depreciation for:					
Buildings	(35,736,077)	(1,745,576)	0	0	(37,481,653)
Building improvements	(7,698,419)	(1,109,306)	0	0	(8,807,725)
Vehicles and equipment	<u>(14,006,998)</u>	<u>(1,533,117)</u>	<u>651,785</u>	<u>0</u>	<u>(14,888,330)</u>
Total accumulated depreciation	<u>(57,441,494)</u>	<u>(4,387,999)</u>	<u>651,785</u>	<u>0</u>	<u>(61,177,708)</u>
Total capital assets, being depreciated, net	<u>163,886,793</u>	<u>(920,483)</u>	<u>0</u>	<u>3,851,065</u>	<u>166,817,375</u>
Capital assets, net	<u>\$ 168,399,995</u>	<u>\$ 3,130,344</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 171,530,339</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4: Capital Assets (Continued)

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

Instruction	\$ 2,143,688
Improvement of instructional services	111,458
Media services	104,151
General and school administration	94,779
Business Services	2,097
Maintenance and operations	595,968
Transporation	534,276
Central support services	27,938
School nutrition	331,322
Unallocated depreciation	<u>442,322</u>
 Total depreciation expense	 <u>\$ 4,387,999</u>

NOTE 5: Long-Term Debt

Bonds Payable

In July 2015, the System issued \$13,370,000 in General Obligation Sales Tax Bonds (the "Bonds") with interest rates ranging from 3.00% - 5.00%, based on current market rates. Interest is payable semi-annually beginning April 2016 and principal is due annually beginning in October 2018 with final payment due October 2020. The Bonds were issued to finance various planned construction activities for the System. The Bonds are direct and general obligations of the System. The System pays the principal and interest first from the System's portion of a 1 percent sales and use tax for educational purposes collected within the County. To the extent that the proceeds of the SPLOST are insufficient to make such payments, the principal and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the School System subject to taxation for school bond purposes.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5: Long-Term Debt (Continued)

A summary of changes in bonds payable for the year ended June 30, 2019 follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due within</u> <u>one year</u>
2015 General					
Obligation	\$ 13,370,000	\$ 0	\$ (1,770,000)	\$ 11,600,000	\$ 4,900,000
Unamortized					
bond premium	<u>760,638</u>	<u>0</u>	<u>(338,061)</u>	<u>422,577</u>	<u>0</u>
Total	<u>\$ 14,130,638</u>	<u>\$ 0</u>	<u>\$ (2,108,061)</u>	<u>\$ 12,022,577</u>	<u>\$ 4,900,000</u>

The annual debt service requirements to maturity are as follows:

<u>Years</u> <u>Ending</u> <u>June 30,</u>	<u>2015</u> <u>General Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 4,900,000	\$ 433,500
2021	<u>6,700,000</u>	<u>155,500</u>
	<u>\$ 11,600,000</u>	<u>\$ 589,000</u>

NOTE 6: Non-Monetary Transactions and On-Behalf Payments

The System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$222,410 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues and expenditures in the Other Governmental Funds.

The Georgia Department of Education paid \$237,772 to the Public School Employee Retirement System on behalf of the System for the fiscal year ending June 30, 2019. These on-behalf payments were for health insurance and retirement contributions and were reported in the General Fund as both revenues and expenditures.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7: Special Purpose Local Option Sales Tax (SPLOST)

On March 20, 2007, the voters of Spalding County authorized the imposition of a Special Purpose Local Option Sales Tax (SPLOST) effective July 1, 2007. The sales tax was authorized for a maximum period of time not to exceed five years for the purpose of raising not more than \$57,000,000, although the SPLOST only generated \$42,783,556. Total expenditures of 2007 SPLOST proceeds incurred in 2019 were \$1,508,781. The funds were used to fund school improvements.

On March 6, 2012, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2012. The reimposed sales tax was authorized for a maximum period of time not to exceed three years for the purpose of raising not more than \$30,000,000, although the SPLOST only generated \$25,332,346. Total expenditures of 2012 SPLOST proceeds incurred in 2019 were \$299,683. The funds generated by the sales tax were used to renovate, remove, repair, improve, and equip existing school facilities and acquire system-wide technology improvements.

On March 17, 2015, the voters of Spalding County authorized the SPLOST to be reimposed effective July 1, 2015. The reimposed sales tax was authorized for a maximum period of time not to exceed five years for the purpose of raising not more than \$50,000,000. Total expenditures of 2015 SPLOST proceeds incurred in 2019 were \$8,481,730. The funds generated by the sales tax will be used to renovate, remove, repair, improve, and equip existing school facilities, acquire system-wide technology improvements and refurbish and renovate school buses.

The status of the SPLOST projects are as follows:

	<u>2012 SPLOST</u>	<u>2015 SPLOST</u>
Anticipated proceeds, as originally projected	\$ 30,000,000	\$ 50,000,000
Amount not yet collected	(4,667,654)	(13,931,738)
Amount collected through June 30, 2018	<u>\$ 25,332,346</u>	<u>\$ 36,068,262</u>
Amounts expended in previous years	\$ 23,465,106	\$ 23,138,029
Amounts expended in current year	299,683	8,481,730
Amounts expended to date	<u>\$ 23,764,789</u>	<u>\$ 31,619,759</u>

NOTE 8: Risk Management

The System is exposed to various risks of loss related to torts: theft of loss, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The System has established a limited risk management program for Workers' Compensation.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 8: Risk Management (Continued)

Estimated claims are budgeted by management based on known claims and prior experience. An excess coverage insurance policy covers aggregate claims in excess of \$500,000 up to \$1,000,000.

Claims and associated expenses incurred during the fiscal years 2019, 2018 and 2017 are shown below. Outstanding year end liabilities are considered to be immaterial.

<u>Year</u>	<u>Balance July 1, 2018</u>	<u>Current Year Claims Accrued</u>	<u>Current Year Claims Paid</u>	<u>Unpaid Balance June 30, 2019</u>
2019	\$ 0	\$ 279,613	\$ (279,613)	\$ 0
2018	\$ 0	\$ 250,012	\$ (250,012)	\$ 0
2017	\$ 0	\$ 298,750	\$ (298,750)	\$ 0

The System participates in Georgia School Boards Association Risk Management Fund for property and liability insurance. Coverage for losses arising from certain liability and property risks to the System is provided through a group self-insurance plan. For accounting purposes this plan is considered to be a Risk Transfer Pool. Under this plan, the System is responsible for the first \$5,000 of each property loss, \$5,000 of each machinery breakdown loss, \$1,000 of auto physical damage loss, and the first \$10,000 of each liability claim. The plan assumes certain risks of the System in excess of state retentions up to certain customary coverage limits. The System is required to make a financial contribution to the plan each year in an amount determined on the basis of actuarial projections of losses.

Settled claims have not exceeded insurance coverage in any of the past three years nor has the System significantly reduced coverage for these risks.

NOTE 9: Contingencies and Commitments

The System is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine System operations. It is the opinion of management and legal counsel that the System has adequate legal defenses or insurance coverage and these actions will not materially affect the System's results of operations or financial position.

At June 30, 2019, the System's future construction commitments consist of additions to various schools in the amount of approximately \$9,640,684. At June 30, 2019, the System had no significant encumbrances.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10: Tax Abatements

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

For the fiscal year ended June 30, 2019, Spalding County abated real and personal property taxes due to the System that were levied on August 27, 2018 and due on November 15, 2018 totaling \$332,607 for real property and \$436,705 for personal property. Included in the amount abated, the following are individual tax abatement agreements that each exceeded 10% of the total amount abated:

- a 20% real property tax abatement totaling \$135,083 to a manufacturing company,
- a 50% personal property tax abatement to a manufacturing company totaling \$12,399,
- a 60% real property tax abatement totaling \$9,489 to a hospital,
- a 67% personal property tax abatement to a manufacturing company totaling \$31,871,
- a 70% personal property tax abatement totaling \$30,336 to a manufacturing company,
- a 80% real property tax abatement totaling \$102,103 to a manufacturing company and a 80% personal property tax abatement totaling \$81,231 to manufacturing company,
- a 90% personal property tax abatement totaling \$234,857 to a manufacturing company,
- a 100% real property tax abatement totaling \$11,484 to a joint development authority, education service agency, and manufacturing company, and
- personal property tax abatements ranging from 20%-100% to a large equipment company totaling \$46,012.

NOTE 11: Retirement Plans

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

Teachers Retirement System (TRS)

Plan description: All teachers of the System as defined in §47-3-60 of the Official Code of Georgia Annotated (OCGA) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

Board of Trustees (TRS Board). Title 47 of the OCGA, assigns the authority to establish and amend benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the member 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 OCGA, contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to OCGA §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2019. The System's contractually required contribution rate for the year ended June 30, 2019 was 20.90% excluding payroll attributable to those personnel funded on behalf of the School District by the state. System contributions to TRS (excluding contributions funded by the State on behalf of the System) were \$12,250,541 for the year ended June 30, 2019.

Employees Retirement System (ERS)

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

Benefits Provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4% of annual compensation, up to \$4,200.00, plus 6% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2019 was 24.78% of annual covered payroll for old and new plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.66% of annual covered payroll of new and old plan members and 21.66% for GSEPS members, plus a 0.12% adjustment for the HB 751 one-time benefit adjustment of 3% to retired state employees. 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. There were no employer contributions to for the current fiscal year.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

Public School Employees Retirement System (PSERS)

Plan description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the OCGA assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

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

Upon retirement, the member will receive a monthly benefit of \$15.00, 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 OCGA §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The contribution by the State for the year ended June 30, 2019 amounted to \$237,772.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

Pension liabilities, Pension expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the System reported a liability of \$90,835,778 for its proportionate share of the net pension liability for TRS (\$90,627,431) and ERS (\$208,347). The TRS net pension liability reflected a reduction for support provided to the System by the State of Georgia for certain public school support personnel.

The amount recognized by the System 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 System were as follows:

	<u>TRS</u>	<u>ERS</u>	<u>PSERS</u>	<u>Total</u>
System's proportionate share of the net pension liability	\$ 90,627,431	\$ 208,347	\$ 0	\$ 90,835,778
State of Georgia's proportionate share of the net pension liability associated with the System	45,292	0	1,256,874	1,302,166
Total	<u>\$ 90,672,723</u>	<u>\$ 208,347</u>	<u>\$ 1,256,874</u>	<u>\$ 92,137,944</u>

The net pension liability for TRS and ERS was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The System's proportion of the net pension liability was based on contributions during the fiscal year ended June 30, 2018. At June 30 2018, the System's proportion was .488238% for TRS and .005068% for ERS, which was an increase (decrease) of (.000796)% for TRS and (.000080)% for ERS from its proportion measured as of June 30, 2017.

At June 30, 2019, the System did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the System is \$1,256,874.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

The PSERS net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the System was based on actuarially determined contributions paid by the State during the year ended June 30, 2018.

For the year ended June 30, 2019, the System recognized total net pension expense of \$9,427,406 for its proportionate share of which \$9,110,911 was for TRS, \$25,483 for ERS and \$291,012 for PSERS and total revenue of \$325,265 of which \$34,253 was for TRS and \$291,012 for PSERS. The revenue is support provided by the State of Georgia. For TRS, the State of Georgia support is provided only for certain support personnel.

At June 30, 2019, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>TRS</u>		<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,999,259	\$ 186,785	\$ 6,480	\$ 0
Changes in assumption	1,367,535	0	9,816	0
Net difference between projected and actual earnings on pension plan investments	0	2,477,930	0	4,801
Changes in proportion and differences between Employer contributions and proportionate share of contributions	198,739	407,335	0	3,370
Employer contributions subsequent to the measurement date	12,250,541	0	0	0
Total	<u>\$ 19,816,074</u>	<u>\$ 3,072,050</u>	<u>\$ 16,296</u>	<u>\$ 8,171</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

System contributions subsequent to the measurement date of \$12,250,541 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	TRS	ERS
Year ended June 30:		
2020	4,539,979	13,033
2021	2,320,796	5,218
2022	(2,389,635)	(7,981)
2023	(60,534)	(2,145)
2024	82,883	0
Thereafter	0	0
Total	\$ 4,493,489	\$ 8,125

Actuarial 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:

	TRS	ERS	PSERS
Inflation	2.75%	2.75%	2.75%
Salary increase (average, including inflation)	3.25 - 9.00%	3.25 - 7.00%	N/A
Investment rate of return (net of pension plan investment expense, including inflation)	7.50%	7.30%	7.30%

For TRS, mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

For ERS, mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

For PSERS, mortality rates were based on the RP-2000 Combined Mortality Table set forward one year for males for the period after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back two years for males and set forward one year for females for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on TRS, ERS and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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 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%	-0.50%
Domestic large stocks	37.20%	9.00%
Domestic mid stocks	3.40%	12.00%
Domestic small stocks	1.40%	13.50%
International developed market stocks	17.80%	8.00%
International emerging market stocks	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	100.00%	

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

Discount rate: The discount rate used to measure the total TRS, ERS, and PSERS pension liability was 7.50% for both the current and prior measurement dates. 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 TRS, ERS, and

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

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

Sensitivity of the System’s proportionate share of the net pension liability to changes in the discount rate: The following presents the System’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the System’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	TRS			ERS		
	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	151,283,132	90,627,431	40,644,046	296,343	208,347	133,372

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

Supplemental Retirement Plan- Public School Employees' Retirement System Only

Plan Description: All employees participating in the Public School Employees' Retirement System are also eligible to participate in the System's Supplemental Retirement Plan. The Board of Education recognized that PSERS was a limited defined benefit plan which did not provide for an adequate retirement for this group of employees and thus established this Plan in 2016 to supplement the retirement for this group of employees.

This Plan, as a defined contribution plan, puts 3% of salary for all PSERS employees into a 403(b) type plan. The plan requires 36 months of service or meeting normal retirement age to vest 100% in the employer portion. Failure to complete the 36 month vesting requirement will result in forfeiture of the employer contributions. The employee contributions will be refunded 100%, if the vesting requirement is not met.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11: Retirement Plans (Continued)

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 3 years of service to the System. If an employee terminates employment prior to achieving 3 years of service, funds paid on behalf of the non-vested employee are credited back to the System.

Valic Retirement Services is the supplemental plan provider and National Benefit Services, LLC, has been set up as the third party administrator. The plan offers an investment menu from which the employees may select their investment mix.

Funding Policy: the System contributes 3% of the employee's monthly compensation for all eligible employees. Contributions are sent monthly to the third party administrator to be invested based upon the employee's investment choices.

The System's contributions to the Supplemental Retirement Plan for the fiscal year ending June 30, 2019 were \$146,386.

NOTE 12: Other Post-Employment Benefits (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (OCGA) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 20 of the OCGA assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment Benefits (OPEB) (Continued)

administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$3,398,171 for the year ended June 30, 2019. 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, 2019, the School District reported a liability of \$80,605,763 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the School District's proportion was .634207%, which was an decrease of (.009433)% from its proportion measured as of June 30, 2017.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment Benefits (OPEB) (Continued)

For the year ended June 30, 2019, the School District recognized OPEB expense of \$2,053,915. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 1,833,464
Changes in Assumptions	0	13,655,004
Net difference between projected and actual earnings on OPEB plan investments	109,059	0
Changes in proportion and differences between School District contributions and proportionate share of contributions	209,129	1,207,509
School District contributions subsequent to the measurement date	3,398,171	0
Total	\$ 3,716,359	\$ 16,695,977

School District contributions subsequent to the measurement date of \$3,398,171 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPEB
Year ended June 30:	
2020	\$ (3,158,467)
2021	(3,158,467)
2022	(3,158,467)
2023	(3,164,982)
2024	(2,670,580)
Thereafter	(1,066,826)

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment Benefits (OPEB) (Continued)

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 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, 2018:

OPEB:

Inflation	2.75%
Salary increases	3.25% - 9.00%, average, including inflation
ERS	3.25 - 7.00%, including inflation
JRS	4.50%, including inflation
LRS	N/A
TRS	3.25% - 9.00%, average, including inflation
PSERS	N/A
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.50%
Medicare Eligible	5.50%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

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

- For ERS, JRS and LRS members: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB set back 7 years for males and set forward 3 years for females is used for the period after disability retirement.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment Benefits (OPEB) (Continued)

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

The actuarial assumptions used in the June 30, 2017 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.

The remaining actuarial assumptions (e.g., initial per capital costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

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

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment Benefits (OPEB) (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	-0.50%
Domestic large stocks	37.20%	9.00%
Domestic mid stocks	3.40%	12.00%
Domestic small stocks	1.40%	13.50%
International developed market stocks	17.80%	8.00%
International emerging market stocks	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	<u>100.00%</u>	

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

Discount rate: The discount rate has changed since the prior measurement date from 3.58% to 3.87%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.87% 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 (3.87% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118. 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 2018. Therefore, the calculated discount rate of 3.87% was applied to all periods of projected benefit payments to determine the total OPEB liability.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12: Other Post-Employment 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 School District’s proportionate share of the net OPEB liability calculated using the discount rate of 3.87%, 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 (2.87%) or 1 percentage-point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability (asset)	94,122,258	80,605,763	69,706,125

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (asset)	67,765,914	80,605,763	97,014,617

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
DEFINED BENEFIT PENSION PLANS
FOR THE YEAR ENDED JUNE 30

	TRS				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
System's proportion of the net pension liability	0.488238%	0.489034%	0.487142%	0.489235%	0.492510%
System's proportionate share of the net pension liability	90,627,431	90,888,475	100,502,826	74,481,171	62,063,084
State of Georgia's proportionate share of the net pension liability associated with the System	45,292	96,829	110,995	93,019	148,698
System's covered payroll	58,151,431	56,151,054	53,473,168	51,677,582	50,116,513
System's proportionate share of the net pension liability as a percentage of its covered payroll	155.85%	161.86%	187.95%	144.13%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	80.27%	79.33%	76.06%	81.44%	84.03%
	ERS				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
System's proportion of the net pension liability	0.005068%	0.005148%	0.005291%	0.004636%	0.004523%
System's proportionate share of the net pension liability	208,347	209,078	250,287	187,823	169,640
State of Georgia's proportionate share of the net pension liability associated with the System	0	0	0	0	0
System's covered payroll	129,267	126,264	123,014	105,989	101,849
System's proportionate share of the net pension liability as a percentage of its covered payroll	161.18%	165.59%	203.46%	177.21%	166.56%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	76.33%	72.34%	76.20%	77.99%
	PSERS				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
System's proportion of the net pension liability	N/A	N/A	N/A	N/A	N/A
System's proportionate share of the net pension liability	0	0	0	0	0
State of Georgia's proportionate share of the net pension liability associated with the System	1,256,874	1,257,961	1,654,512	1,106,184	943,529
System's covered payroll	4,910,563	5,098,826	4,955,278	4,820,391	4,955,076
System'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
Plan fiduciary net position as a percentage of the total pension liability	85.26%	86.00%	81.00%	87.00%	88.29%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30

	OPEB	
	<u>2019</u>	<u>2018</u>
System's proportion of the collective net OPEB liability	0.634200%	.643640%
System's proportionate share of the collective net OPEB liability	80,605,763	90,431,161
System's covered payroll	63,191,261	61,187,881
System's proportionate share of the collective net OPEB as a percentage of its covered payroll	127.56%	147.79%
Plan fiduciary net position as a percentage of the total collective OPEB liability	63.42%	79.33%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLANS
FOR THE YEAR ENDED JUNE 30

	TRS				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 12,250,541	\$ 9,775,004	\$ 8,012,744	\$ 7,630,622	\$ 6,795,397
Contributions in relation to the contractually required contribution	<u>12,250,541</u>	<u>9,775,004</u>	<u>8,012,744</u>	<u>7,630,622</u>	<u>6,795,397</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
System's covered payroll	\$ 58,615,034	\$ 58,151,431	\$ 56,151,054	\$ 53,473,168	\$ 51,677,582
Contributions as a percentage of covered payroll	20.90%	16.81%	14.27%	14.27%	13.15%
	ERS				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 0	\$ 32,071	\$ 31,326	\$ 30,409	\$ 23,275
Contributions in relation to the contractually required contribution	<u>0</u>	<u>32,071</u>	<u>31,326</u>	<u>30,409</u>	<u>23,275</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
System's covered payroll	\$ 0	\$ 129,267	\$ 126,264	\$ 123,014	\$ 105,989
Contributions as a percentage of covered payroll	0.00%	24.81%	24.81%	24.72%	21.96%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 OPEB
FOR THE YEAR ENDED JUNE 30

	OPEB	
	2019	2018
Contractually required contribution	\$ 3,398,171	\$ 3,298,340
Contributions in relation to the contractually required contribution	3,398,171	3,298,340
Contribution deficiency (excess)	\$ 0	\$ 0
System's covered payroll	\$63,080,751	\$63,191,261
Contributions as a percentage of covered payroll	5.39%	5.22%

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

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Retirement Systems

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

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

Changes of benefit terms: For PSERS, The member contribution rate was increased from \$4 to \$10 per month for members joining the System on or after July 1, 2012. The monthly benefit accrual rate was increased from \$14.75 to \$15.00 per year of creditable service effective July 1, 2017.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three 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 contractually required contributions for year ended June 30, 2015 reported in that schedule:

	<u>TRS</u>	<u>ERS</u>	<u>PSERS</u>
Valuation date	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	28.4 years	19.4 years	22.9 years
Asset valuation method	Five-year smoothed market	Five-year smoothed market	Five-year smoothed market
Inflation rate	2.75%	2.75%	2.75%
Salary increase	3.25 - 9.00%	3.25 - 7.00%	N/A
Investment rate of return (net of pension plan investment expense, including inflation)	7.50%	7.50%	7.50%
Cost of living adjustment	1.50% semi-annually	N/A	1.50% semi-annually

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

OPEB

Changes of benefit terms: In June 30, 2010 actuarial valuation, there was a change of 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.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three 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 contractually required contributions for year ended June 30, 2015 reported in that schedule:

	<u>OPEB</u>
Valuation date	June 30, 2017
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, open infinite
Remaining amortization period	Infinite
Asset valuation method	Fair value of assets
Inflation rate	2.75%
Salary increase	
ERS	3.25%
GJRS	4.50%
LRS	N/A
Investment rate of return (net of investment expense, including inflation)	7.50%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Description

Special revenue funds are used to account for revenues received from other governmental agencies or locally generated revenues that are legally restricted to expenditures for specified purposes.

School Nutrition Program: This fund was established to provide accounting of the System's School Food Service operations.

Other Special Revenue Funds:

Title I: This fund used to account for federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing remedial education in the areas of reading and math.

Title VIB & Project Aware: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of providing special education programs for handicapped students and increasing awareness of mental health issues among school-aged youth; provide training in Youth Mental Health First Aid; and connect children, youth, and families who have behavioral health issues with appropriate services.

Perkins CTAE: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of developing career, technical, vocation, and academic skills of students.

Title IIA: This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving teacher and principal quality and ensuring that all teachers are highly qualified.

Title III (LEP & Immigrant): This fund was established to provide accounting of federal categorical grant funds flowing through the Department of Education, State of Georgia, for the purpose of improving the education of limited English proficient (LEP) and immigrant students by helping them learn English and meet student academic achievement standards.

Title IV, Part A (Student Support and Academic Enrichment): This fund was established to provide accounting of federal categorical grant funds flowing through to Department of Education, State of Georgia, for the purpose of improving students' academic achievement by increasing the capacity of States, LEAs, schools, and local communities to provide all students with access to a well-rounded education; improve school conditions for student learning; and improve the use of technology in order to

Other Special Revenue Funds: (Continued)

Title IV, Part A (Student Support and Academic Enrichment)(continued): improve the academic achievement and digital literacy of all students. (ESEA section 4101).

School Activity Accounts: Consistent with the philosophy of financial independence of the schools, this fund was established to provide accounting for the accounts maintained at the school level.

Mainstay Psycho Ed: This fund was established to provide accounting of state and federal grant funds flowing through the Georgia Network for Educational and Therapeutic Support (GNETS), State of Georgia, for the purpose of providing specialized educational treatment for emotionally disturbed students.

Pre-K: This fund was established to provide accounting of state lottery funds flowing through the Georgia Department of Early Care and Learning, for the purpose of providing early care and education programs for pre-kindergarten students.

Nursing Grant: This fund was established to provide accounting of funds donated by the Hospital Authority, a local foundation, for the purpose of providing nurses in each school.

Other Funds: This fund was established to provide accounting for certain special programs that are typically one-time monies awarded for distinct program objectives.

PERMANENT FUNDS

Description

The permanent funds are used to account for assets held by the System resulting from a trust arrangement in which the System is the beneficiary which include scholarships and endowments.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	SCHOOL NUTRITION PROGRAM	OTHER SPECIAL REVENUE FUNDS	TOTAL SPECIAL REVENUE FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,470,160	\$ 1,565,394	\$ 3,035,554	\$ 1,342,691	\$ 4,378,245
Receivables					
State of Georgia, Department of Education	58,959	2,716,678	2,775,637	22,945	2,798,582
Due from other funds					
Other	3,517	73,204	76,721	14,058	90,779
Investments				20,000	20,000
Inventories	145,581		145,581		145,581
Other assets		6,036	6,036		6,036
Total assets	<u>\$ 1,678,217</u>	<u>\$ 4,361,312</u>	<u>\$ 6,039,529</u>	<u>\$ 1,399,694</u>	<u>\$ 7,439,223</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable	\$ 35,358	\$ 251,842	\$ 287,200	\$ 14,058	\$ 301,258
Accrued salaries and benefits	383,339	2,037,158	2,420,497		2,420,497
Unearned revenue	43,126	56,791	99,917		99,917
Due to other funds		993,239	993,239	200,000	1,193,239
Total liabilities	<u>461,823</u>	<u>3,339,030</u>	<u>3,800,853</u>	<u>214,058</u>	<u>4,014,911</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventories	145,581		145,581		145,581
Permanent funds				1,114,793	1,114,793
Restricted for:					
Continuation of federal and state programs	1,070,813	489,904	1,560,717		1,560,717
Committed to:					
School activity funds and other programs		532,378	532,378		532,378
Assigned to:					
Permanent funds				70,843	70,843
Total fund balances	<u>1,216,394</u>	<u>1,022,282</u>	<u>2,238,676</u>	<u>1,185,636</u>	<u>3,424,312</u>
Total liabilities and fund balances	<u>\$ 1,678,217</u>	<u>\$ 4,361,312</u>	<u>\$ 6,039,529</u>	<u>\$ 1,399,694</u>	<u>\$ 7,439,223</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS			PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SCHOOL NUTRITION PROGRAM	OTHER SPECIAL REVENUE FUNDS	TOTAL SPECIAL REVENUE FUNDS		
REVENUES					
Fees and charges	\$ 482,409	\$ 50,000	\$ 532,409		\$ 532,409
State funds	153,832	5,151,284	5,305,116		5,305,116
Federal funds	5,265,653	8,586,137	13,851,790		13,851,790
Earnings on investments	1,651	11,377	13,028	\$ 27,321	40,349
Miscellaneous	1,765	1,747,394	1,749,159	52,735	1,801,894
Total revenues	<u>5,905,310</u>	<u>15,546,192</u>	<u>21,451,502</u>	<u>80,056</u>	<u>21,531,558</u>
EXPENDITURES					
Current operating					
Instruction		9,942,228	9,942,228	15,000	9,957,228
Support services					
Pupil support services		1,538,754	1,538,754		1,538,754
Improvement of instructional services		3,003,505	3,003,505		3,003,505
General and school administration		1,207,876	1,207,876		1,207,876
Maintenance and operation of plant		18,929	18,929		18,929
Student transportation services		74,049	74,049		74,049
Central support services		238	238		238
Other support services		13,887	13,887	59,000	72,887
School nutrition services	5,849,773		5,849,773		5,849,773
Community service operations		778	778		778
Total expenditures	<u>5,849,773</u>	<u>15,800,244</u>	<u>21,650,017</u>	<u>74,000</u>	<u>21,724,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,537</u>	<u>(254,052)</u>	<u>(198,515)</u>	<u>6,056</u>	<u>(192,459)</u>
OTHER FINANCING SOURCES					
Transfers in	<u>150,000</u>	<u>208,667</u>	<u>358,667</u>		<u>358,667</u>
Total other financing sources	<u>150,000</u>	<u>208,667</u>	<u>358,667</u>	<u>0</u>	<u>358,667</u>
Net change in fund balances	205,537	(45,385)	160,152	6,056	166,208
Fund balances, beginning	<u>1,010,857</u>	<u>1,067,667</u>	<u>2,078,524</u>	<u>1,179,580</u>	<u>3,258,104</u>
Fund balances, ending	<u>\$ 1,216,394</u>	<u>\$ 1,022,282</u>	<u>\$ 2,238,676</u>	<u>\$ 1,185,636</u>	<u>\$ 3,424,312</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING BALANCE SHEET
 OTHER SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	TITLE I	TITLE VI-B (IDEA) & PROJECT AWARE	PERKINS CTAE	TITLE II A	TITLE III (LEP & IMMIGRANT)	TITLE IV (STUDENT SUPPORT)
<u>ASSETS</u>						
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivables						
State of Georgia, Department of Education	1,352,656	491,935	19,218	77,779	1,956	60,087
Other		275		0		
Other assets		0	4,650	1,386	0	0
Total assets	\$ 1,352,656	\$ 492,210	\$ 23,868	\$ 79,165	\$ 1,956	\$ 60,087
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts payable	\$ 177,904	\$ 8,815	\$ 0	\$ 168	\$ 1,956	\$ 7,603
Accrued salaries and benefits	715,250	302,160		12,855		10,704
Unearned revenue						
Due to other funds	459,502	181,235	23,868	66,142	0	41,780
Total liabilities	\$ 1,352,656	\$ 492,210	\$ 23,868	\$ 79,165	\$ 1,956	\$ 60,087
<u>FUND BALANCES</u>						
Restricted for:						
Continuation of federal and state programs		0		0		
Committed to:						
School activity funds and other programs						
Total fund balances	0	0	0	0	0	0
Total liabilities and fund balances	\$ 1,352,656	\$ 492,210	\$ 23,868	\$ 79,165	\$ 1,956	\$ 60,087

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING BALANCE SHEET
 OTHER SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2019

ASSETS	MAINSTAY PSYCHOED	PRE-K	SCHOOL ACTIVITY ACCOUNTS	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
Cash and cash equivalents	\$ 0	\$ 406,542	\$ 518,690	\$ 95,545	\$ 544,617	\$ 1,565,394
Receivables						
State of Georgia, Department of Education	713,047					2,716,678
Other	66			58,333	14,530	73,204
Other assets	0			0		6,036
Total assets	<u>\$ 713,113</u>	<u>\$ 406,542</u>	<u>\$ 518,690</u>	<u>\$ 153,878</u>	<u>\$ 559,147</u>	<u>\$ 4,361,312</u>
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ 45,945	\$ 1,353	\$ 7,393	\$ 0	\$ 705	\$ 251,842
Accrued salaries and benefits	442,755	396,110		152,588	4,736	2,037,158
Unearned revenue		5,222		1,290	50,279	56,791
Due to other funds	220,712					993,239
Total liabilities	<u>709,412</u>	<u>402,685</u>	<u>7,393</u>	<u>153,878</u>	<u>55,720</u>	<u>3,339,030</u>
FUND BALANCES						
Restricted for:						
Continuation of federal and state programs	3,701	3,857			482,346	489,904
Committed to:						
School activity funds and other programs	<u>3,701</u>	<u>3,857</u>	<u>511,297</u>	<u>0</u>	<u>21,081</u>	<u>532,378</u>
Total fund balances			<u>511,297</u>		<u>503,427</u>	<u>1,022,282</u>
Total liabilities and fund balances	<u>\$ 713,113</u>	<u>\$ 406,542</u>	<u>\$ 518,690</u>	<u>\$ 153,878</u>	<u>\$ 559,147</u>	<u>\$ 4,361,312</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 OTHER SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	TITLE I	TITLE VI-B (IDEA) & PROJECT AWARE	PERKINS CTAE	TITLE II A	TITLE III (LEP & IMMIGRANT)	TITLE IV (STUDENT SUPPORT)
REVENUES						
Fees and charges						
State funds						
Federal funds	\$ 4,711,589	\$ 2,693,788	\$ 148,356	\$ 401,461	\$ 41,929	\$ 267,257
Earnings on investments						
Miscellaneous						
Total revenues	<u>4,711,589</u>	<u>2,693,788</u>	<u>148,356</u>	<u>401,461</u>	<u>41,929</u>	<u>267,257</u>
EXPENDITURES						
Current operating						
Instruction	1,730,719	1,854,058	120,083	86,682	31,813	88,467
Support services						
Pupil support services	333,834	306,816			90	78,945
Improvement of instructional services	2,042,928	530,173	24,506	284,746	9,441	94,455
General and school administration						
Maintenance and operation of plant	575,049	2,775	3,767	30,033	585	5,390
Student transportation services						
Central support services	73,998					
Other support services						
Community service operations						
Total expenditures	<u>4,756,528</u>	<u>2,693,822</u>	<u>148,356</u>	<u>401,461</u>	<u>41,929</u>	<u>267,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,939)</u>	<u>(34)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES						
Transfers in						
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>(44,939)</u>	<u>(34)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, beginning	<u>44,939</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	MAINSTAY PSYCHO ED	PRE-K	SCHOOL ACTIVITY ACCOUNTS	NURSING GRANT	OTHER FUNDS	TOTAL OTHER SPECIAL REVENUE FUNDS
REVENUES						
Fees and charges					\$ 50,000	\$ 50,000
State funds	2,957,712	2,193,572				5,151,284
Federal funds	321,757					8,586,137
Earnings on investments			\$ 11,377	337,500	45,600	11,377
Miscellaneous			1,364,294			1,747,394
Total revenues	3,279,469	2,193,572	1,375,671	337,500	95,600	15,546,192
EXPENDITURES						
Current operating						
Instruction	2,224,362	2,386,859	1,403,364		15,821	9,942,228
Support services				337,500		
Pupil support services	481,540				29	1,538,754
Improvement of instructional services	2,625	9,545			5,086	3,003,505
General and school administration	570,942	5,835			13,500	1,207,876
Maintenance and operation of plant					18,929	18,929
Student transportation services					51	74,049
Central support services					238	238
Other support services					13,887	13,887
Community service operations					778	778
Total expenditures	3,279,469	2,402,239	1,403,364	337,500	68,319	15,800,244
Excess (deficiency) of revenues over (under) expenditures	0	(208,667)	(27,693)	0	27,281	(254,052)
OTHER FINANCING SOURCES						
Transfers in		208,667				208,667
Total other financing sources	0	208,667	0	0	0	208,667
Net change in fund balances	0	0	(27,693)	0	27,281	(45,385)
Fund balances, beginning	3,701	3,857	538,990	0	476,146	1,067,667
Fund balances, ending	\$ 3,701	\$ 3,857	\$ 511,297	\$ 0	\$ 503,427	\$ 1,022,282

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE OVER (UNDER)</u>
REVENUES			
Sales taxes	\$ 6,350,000	\$ 7,388,477	\$ 1,038,477
Earnings on Investments	0	552,273	552,273
Total revenues	<u>6,350,000</u>	<u>7,940,750</u>	<u>1,590,750</u>
EXPENDITURES			
Current operating			
Student transportation services	0	492,000	492,000
Capital outlay *	<u>19,246,876</u>	<u>7,980,460</u>	<u>(11,266,416)</u>
Total expenditures	<u>19,246,876</u>	<u>8,472,460</u>	<u>(10,774,416)</u>
Net change in fund balances	(12,896,876)	(531,710)	12,365,166
Fund balances, beginning	<u>27,432,367</u>	<u>27,432,367</u>	<u>0</u>
Fund balances, ending	<u>\$ 14,535,491</u>	<u>\$ 26,900,657</u>	<u>\$ 12,365,166</u>

* Capital outlay for budget purposes reflects the entire project; but actual amount reflects expenditures incurred during the fiscal year.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE OVER (UNDER)</u>
REVENUES			
Sales taxes	\$ 2,100,000	\$ 2,302,986	\$ 202,986
Total revenues	<u>2,100,000</u>	<u>2,302,986</u>	<u>202,986</u>
EXPENDITURES			
Debt Service			
Principal Retirement	1,770,000	1,770,000	0
Interest and Fiscal Charges	<u>587,577</u>	<u>591,501</u>	<u>3,924</u>
Total expenditures	<u>2,357,577</u>	<u>2,361,501</u>	<u>3,924</u>
Net change in fund balances	(257,577)	(58,515)	199,062
Fund balances, beginning	<u>517,219</u>	<u>517,219</u>	<u>0</u>
Fund balances, ending	<u>\$ 259,642</u>	<u>\$ 458,704</u>	<u>\$ 199,062</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES			
State funds	\$ 158,879	\$ 153,832	\$ (5,047)
Federal funds	5,271,631	5,265,653	(5,978)
Other local funds	590,538	485,825	(104,713)
Total revenues	<u>6,021,048</u>	<u>5,905,310</u>	<u>(115,738)</u>
EXPENDITURES			
Current operating			
Support services			
School nutrition services	6,335,936	5,849,773	(486,163)
Total expenditures	<u>6,335,936</u>	<u>5,849,773</u>	<u>(486,163)</u>
Excess (deficiency) of revenues over (under) expenditures	(314,888)	55,537	370,425
OTHER FINANCING SOURCES			
Transfers in	150,000	150,000	0
Total other financing uses	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net change in fund balances	(164,888)	205,537	370,425
Fund balances, beginning	1,010,857	1,010,857	0
Fund balances, ending	<u>\$ 845,969</u>	<u>\$ 1,216,394</u>	<u>\$ 370,425</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	TITLE I			TITLE VI-B (IDEA) & PROJECT AWARE		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	\$ 5,851,357	\$ 4,711,589	\$ (1,139,768)	\$ 2,948,979	\$ 2,693,788	\$ (255,191)
Total revenues	5,851,357	4,711,589	(1,139,768)	2,948,979	2,693,788	(255,191)
EXPENDITURES						
Current operating						
Instruction	2,008,420	1,730,719	(277,701)	1,990,348	1,854,058	(136,290)
Support services						
Pupil services	684,803	333,834	(350,969)	427,085	306,816	(120,269)
Improvement of instructional services	2,375,689	2,042,928	(332,761)	530,546	530,173	(373)
General and school administration	637,433	575,049	(62,384)	1,000	2,775	1,775
Student transportation services	145,012	73,998	(71,014)	0	0	0
Other support services	0	0	0	0	0	0
Total expenditures	5,851,357	4,756,528	(1,094,829)	2,948,979	2,693,822	(255,157)
Excess (deficiency) of revenues over (under) expenditures	0	(44,939)	(44,939)	0	(34)	(34)
Fund balances, beginning	44,939	44,939	0	34	34	0
Fund balances, ending	\$ 44,939	\$ 0	\$ (44,939)	\$ 34	\$ 0	\$ (34)

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	PERKINS CTAE			TITLE IIA		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	\$ 148,380	\$ 148,356	\$ (24)	\$ 474,112	\$ 401,461	\$ (72,651)
Total revenues	148,380	148,356	(24)	474,112	401,461	(72,651)
EXPENDITURES						
Current operating						
Instruction	132,017	120,083	(11,934)	97,439	86,682	(10,757)
Support services						
Improvement of instructional services	15,888	24,506	8,618	338,508	284,746	(53,762)
General and school administration	475	3,767	3,292	38,165	30,033	(8,132)
Central support services	0	0	0	0	0	0
Other support services	0	0	0	0	0	0
Total expenditures	148,380	148,356	(24)	474,112	401,461	(72,651)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	0	0	0	0	0	0
Fund balances, ending	0	0	0	0	0	0

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	TITLE III (LEP & IMMIGRANT)			TITLE IV (STUDENT SUPPORT)		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	\$ 43,274	\$ 41,929	\$ (1,345)	\$ 333,979	\$ 267,257	\$ (66,722)
Other local funds	0	0	0	0	0	0
Total revenues	<u>43,274</u>	<u>41,929</u>	<u>(1,345)</u>	<u>333,979</u>	<u>267,257</u>	<u>(66,722)</u>
EXPENDITURES						
Current operating						
Instruction	30,855	31,813	958	92,920	88,467	0
Support services						
Pupil services	2,055	90	(1,965)	126,632	78,945	(47,687)
Improvement of instructional services	9,764	9,441	(323)	108,744	94,455	(14,289)
General and school administration	600	585	(15)	5,683	5,390	(293)
Other support services	0	0	0	0	0	0
Total expenditures	<u>43,274</u>	<u>41,929</u>	<u>(1,345)</u>	<u>333,979</u>	<u>267,257</u>	<u>(66,722)</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0	0
Fund balances, beginning	0	0	0	0	0	0
Fund balances, ending	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

	MAINSTAY PSYCHO ED			PRE-K		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
State funds	\$ 3,213,888	\$ 2,957,712	\$ (256,176)	\$ 2,166,783	\$ 2,193,572	\$ 26,789
Federal funds	456,250	321,757	(134,493)	0	0	0
Other local funds	0	0	0	0	0	0
Total revenues	3,670,138	3,279,469	(390,669)	2,166,783	2,193,572	26,789
EXPENDITURES						
Current operating						
Instruction	2,492,390	2,224,362	(268,028)	2,397,783	2,386,859	(10,924)
Support services						
Pupil services	537,653	481,540	(56,113)	0	0	0
Improvement of instructional services	24,000	2,625	(21,375)	10,000	9,545	(455)
General and school administration	609,095	570,942	(38,153)	4,000	5,835	1,835
Maintenance and operation of plant	7,000	0	(7,000)	0	0	0
Other support services	0	0	0	0	0	0
Total expenditures	3,670,138	3,279,469	(390,669)	2,411,783	2,402,239	(9,544)
Excess (deficiency) of revenues over (under) expenditures	0	0	0	(245,000)	(208,667)	36,333
OTHER FINANCING SOURCES						
Transfers in	0	0	0	245,000	208,667	(36,333)
Total other financing sources	0	0	0	245,000	208,667	(36,333)
Net change in fund balances	0	0	0	0	0	0
Fund balances, beginning	3,701	3,701	0	3,857	3,857	0
Fund balances, ending	\$ 3,701	\$ 3,701	\$ 0	\$ 3,857	\$ 3,857	\$ 0

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	SCHOOL ACTIVITY ACCOUNTS			NURSING GRANT		
	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)	BUDGET	ACTUAL AMOUNTS	VARIANCE OVER (UNDER)
REVENUES						
Federal funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other local funds	1,500,000	1,375,671	(124,329)	350,000	337,500	(12,500)
Total revenues	<u>1,500,000</u>	<u>1,375,671</u>	<u>(124,329)</u>	<u>350,000</u>	<u>337,500</u>	<u>(12,500)</u>
EXPENDITURES						
Current operating						
Instruction	1,500,000	1,403,364	(96,636)	0	0	0
Support services						
Pupil services	0		0	350,000	337,500	(12,500)
Total expenditures	<u>1,500,000</u>	<u>1,403,364</u>	<u>(96,636)</u>	<u>350,000</u>	<u>337,500</u>	<u>(12,500)</u>
Excess (deficiency) of revenues over (under) expenditures	0	(27,693)	(27,693)	0	0	0
Fund balances, beginning	538,990	538,990	0	0	0	0
Fund balances, ending	<u>\$ 538,990</u>	<u>\$ 511,297</u>	<u>\$ (27,693)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
 GRIFFIN, GEORGIA
 AGENCY FUNDS - SCHOOL ACTIVITY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2018</u>	<u>Additions</u>		<u>June 30, 2019</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 222,116	\$ 433,996	\$ 455,251	\$ 200,861
Total assets	<u>\$ 222,116</u>	<u>\$ 433,996</u>	<u>\$ 455,251</u>	<u>\$ 200,861</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ 21,079	\$ 6,992	\$ 21,079	\$ 6,992
Due to student and faculty groups	<u>201,037</u>	<u>427,004</u>	<u>434,172</u>	<u>193,869</u>
Total liabilities	<u>\$ 222,116</u>	<u>\$ 433,996</u>	<u>\$ 455,251</u>	<u>\$ 200,861</u>

See Independent Auditor's Report.

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
 GRIFFIN, GEORGIA
 SCHEDULE OF ALLOTMENTS AND EXPENDITURES - BY PROGRAM
 GENERAL FUND - QUALITY BASIC EDUCATION PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2019

	ALLOTMENTS FROM DEPARTMENT OF EDUCATION	DIRECT INSTRUCTIONAL EXPENDITURES AMOUNT REPORTED TO DEPARTMENT OF EDUCATION		
	AMOUNT	SALARIES	OPERATIONS	TOTAL
<u>GENERAL AND CAREER EDUCATION PROGRAMS</u>				
Kindergarten	\$ 2,150,795	\$ 4,308,897	\$ 15,045	\$ 4,323,942
Kindergarten EIP	2,667,903	67,498	1,236	68,734
Grades 1 – 3	5,036,439	10,597,851	68,276	10,666,127
Grades 1 – 3 EIP	7,557,458	130,133	6,651	136,784
Sub-Total - K-3	<u>17,412,595</u>	<u>15,104,379</u>	<u>91,208</u>	<u>15,195,587</u>
Grades 4 - 5	2,719,197	6,560,973	28,214	6,589,187
Grades 4 - 5 EIP	4,193,649	65,723	2,333	68,056
Middle School (6 - 8)	7,309,902	8,524,577	79,793	8,604,370
Grades 9 - 12	6,171,677	9,041,555	128,480	9,170,035
Vocational Education Laboratories	2,278,493	1,112,217	135,396	1,247,613
Total General and Career Education Programs	<u>40,085,513</u>	<u>40,409,424</u>	<u>465,424</u>	<u>40,874,848</u>
<u>SPECIAL EDUCATION PROGRAMS</u>				
Students with Disabilities				
Category I	307,003	0	3,318	3,318
Category II	1,168,821	563,545	1,654	565,199
Category III	5,382,349	6,651,848	8,526	6,660,374
Category IV	1,756,156	270,808	5,659	276,467
Category V	469,350	0	1,348	1,348
Sub-Total – Regular	<u>9,083,679</u>	<u>7,486,201</u>	<u>20,505</u>	<u>7,506,706</u>
Category VI (Gifted)	2,205,008	406,146	17,083	423,229
Total Special Education Programs	<u>11,288,687</u>	<u>7,892,347</u>	<u>37,588</u>	<u>7,929,935</u>
<u>REMEDIAL EDUCATION PROGRAM</u>	<u>920,840</u>	<u>269,101</u>	<u>0</u>	<u>269,101</u>
<u>ALTERNATIVE EDUCATION PROGRAMS</u>	<u>528,287</u>	<u>441,865</u>	<u>0</u>	<u>441,865</u>
<u>ENGLISH FOR SPEAKERS OF OTHER LANGUAGES</u>	<u>552,836</u>	<u>381,888</u>	<u>0</u>	<u>381,888</u>
<u>SPECIAL EDUCATION ITINERANT</u>	<u>10,383</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>SPECIAL EDUCATION SUPPLEMENTAL SPEECH</u>	<u>12,865</u>	<u>0</u>	<u>0</u>	<u>0</u>
Direct Instruction Total	<u>53,399,411</u>	<u>49,394,625</u>	<u>503,012</u>	<u>49,897,637</u>
<u>TWENTY DAYS ADDITIONAL INSTRUCTION</u>	<u>408,895</u>	<u>0</u>	<u>0</u>	<u>0</u>
Twenty Days Additional Instruction Total	<u>408,895</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>MEDIA CENTER PROGRAMS</u>	<u>1,334,067</u>	<u>1,599,352</u>	<u>69,291</u>	<u>1,668,643</u>
Media Center Total	<u>1,334,067</u>	<u>1,599,352</u>	<u>69,291</u>	<u>1,668,643</u>
<u>PROFESSIONAL DEVELOPMENT PROGRAMS</u>	<u>246,995</u>	<u>0</u>	<u>0</u>	<u>643,717</u>
Professional Development Total	<u>246,995</u>	<u>0</u>	<u>0</u>	<u>643,717</u>
Grand Total	<u>\$ 55,389,368</u>	<u>\$ 50,993,977</u>	<u>\$ 572,303</u>	<u>\$ 52,209,997</u>

Note: Expenditure tests focus on spending 100% of allotted direct instructional funds on a system-wide basis rather than by school or program. However, certain programs such as twenty days additional instruction, media, and professional development are under a 100% expenditure requirement. Griffin-Spalding County School System met the spending requirements for fiscal year June 30, 2019.

See Independent Auditor's Report.

STATISTICAL SECTION (UNAUDITED)

This part of the System’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the System’s overall financial health.

Contents

	Page
Financial Trends	82
<i>These schedules contain trend information to help the reader understand how the System’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	87
<i>These schedules contain information to help the reader assess the System’s most significant local revenue source, the property tax.</i>	
Debt Capacity	95
<i>These schedules present information to help the reader assess the affordability of the System’s current levels of outstanding debt and the System’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	100
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the System’s financial activities take place.</i>	
Operating Information	105
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the System’s financial report relates to the services the System provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Griffin-Spalding County School System
Comparative Statement of Net Position, Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 ¹	2016	2017	2018 ²	2019
Assets:										
Cash and cash equivalents	\$40,383,138	\$33,498,312	\$32,831,774	\$35,266,312	\$39,502,468	\$44,312,538	\$54,214,718	\$47,512,338	\$50,924,778	\$51,020,815
Property taxes receivable	2,150,347	2,780,354	2,564,245	2,969,255	3,135,866	2,767,012	2,283,426	2,614,790	1,863,733	1,797,334
Due from other governments	6,856,779	9,675,630	11,195,238	10,191,867	9,594,956	9,661,485	9,759,490	14,641,094	11,858,666	12,138,799
Other receivables	593,176	983,744	250,087	308,194	317,248	359,288	374,631	362,339	250,161	309,616
Note receivable	332,270	272,270	212,270	152,270	77,270					
Investments	1,050,000	1,050,000	1,050,000	1,075,483	1,059,715	554,774	50,000	20,000	20,000	20,000
Inventory	65,202	51,577	126,169	13,029	27,016	127,417	156,463	164,854	172,138	145,581
Prepaid assets		52,000		6,135						
Capital assets not depreciable	9,104,843	13,792,646	10,866,707	15,374,752	3,700,571	12,724,954	7,241,265	17,713,117	4,513,202	4,712,964
Capital assets, net of accumulated depreciation	120,065,795	117,476,627	124,186,955	122,020,657	134,764,729	133,416,521	146,330,095	147,237,307	163,886,793	166,817,375
Other assets (net of accumulated amortization)	82,776	46,591	10,407	11,926	50,462	96,987	93,602	67,109	128,995	82,434
Total assets	180,684,326	179,679,751	183,293,852	187,389,880	192,230,301	204,020,976	220,503,690	230,332,948	233,618,466	237,044,918
Deferred Outflows of Resources:										
						6,826,825	7,667,253	24,905,028	17,856,232	23,548,729
Liabilities:										
Accounts payable and other current liabilities	14,655,769	12,561,257	13,557,279	12,093,085	11,454,304	15,209,391	12,506,704	15,847,646	15,048,068	15,221,241
Accrued interest payable										139,000
Unearned revenue	265,894	276,968	176,484	58,708	106,378	59,393	77,551	103,846	100,891	101,283
Bonds payable - due within one year	4,495,000	4,665,000	4,840,000						1,770,000	4,900,000
Long-term liabilities:										
Capitalized lease obligations - due within one year	192,021	201,084	88,838							
Capitalized lease obligations - due in more than one year	289,922	88,837								
Bond premium	122,838	68,243	13,649							
Bonds payable - due in more than one year	9,505,000	4,840,000								
Net pension liability						62,232,724	74,668,994	100,753,113	91,097,553	90,835,778
Net OPEB liability									90,431,161	80,605,763
Total liabilities	29,526,444	22,701,389	18,676,250	12,151,793	11,560,682	77,501,508	102,060,009	131,173,304	210,808,311	198,925,642
Deferred Inflows of Resources:										
						22,421,037	7,804,384	1,395,619	8,454,931	19,776,192
Net Position:										
Net investment in capital assets	114,565,857	121,406,109	130,111,176	137,395,409	138,465,300	146,141,475	148,434,069	150,481,724	154,269,357	159,507,762
Restricted for:										
Capital projects	13,605,759	15,239,012	14,516,860	19,060,913	22,637,265	21,480,389	21,361,113	25,587,066	26,540,689	26,000,493
Debt service	8,092,803	3,832,266	4,954,100	605			283,916	369,032	517,219	319,704
Other purposes	1,356,314	2,269,853	2,186,850	2,200,973	2,217,705	2,354,839	2,132,742	2,269,772	2,400,891	2,675,510
Unrestricted	13,537,149	14,231,122	12,848,616	16,580,187	17,349,349	(59,051,447)	(53,905,290)	(56,038,541)	(151,516,700)	(146,611,656)
Total net position	\$151,157,882	\$156,978,362	\$164,617,602	\$175,238,087	\$180,669,619	\$110,925,256	\$118,306,550	\$122,669,053	\$32,211,456	\$41,891,813

¹ First year of implementation of GASB Statement No. 68.

² First year of implementation of GASB Statement No. 75.

Griffin-Spalding County School System
Net Position by Component, Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 ¹	2016	2017	2018 ²	2019
Governmental activities:										
Current and other assets	\$51,513,688	\$48,358,478	\$48,240,190	\$49,988,336	\$53,765,001	\$57,879,501	\$66,932,330	\$65,382,524	\$65,218,471	\$65,514,579
Capital assets	129,170,638	131,269,273	135,053,662	137,395,409	138,465,300	146,141,475	153,571,360	164,950,424	168,399,995	171,530,339
Total assets	180,684,326	179,627,751	183,293,852	187,383,745	192,230,301	204,020,976	220,503,690	230,332,948	233,618,466	237,044,918
Deferred Outflows of Resources						6,826,825	7,667,253	24,905,028	17,856,232	23,548,729
Current and other liabilities	19,416,663	17,503,225	18,573,763	12,151,793	11,560,682	13,268,784	12,584,255	15,951,492	16,918,959	20,361,524
Long-term liabilities outstanding	10,109,781	5,198,164	102,487	0	0	62,232,724	89,475,754	115,221,812	193,889,352	178,564,118
Total liabilities	29,526,444	22,701,389	18,676,250	12,151,793	11,560,682	77,501,508	102,060,009	131,173,304	210,808,311	198,925,642
Deferred Inflows of Resources						22,421,037	7,804,384	1,395,619	8,454,931	19,776,192
Net position:										
Net investment in capital assets	114,565,857	121,406,109	130,111,176	137,395,409	138,465,300	146,141,475	148,434,069	150,481,724	154,269,357	159,507,762
Restricted	23,054,876	21,341,131	21,657,810	21,262,491	24,854,970	23,835,228	23,777,771	28,225,870	29,458,799	28,995,707
Unrestricted	13,557,149	14,231,122	12,848,616	16,580,187	17,349,349	(59,051,447)	(53,905,290)	(56,038,541)	(151,516,700)	(146,611,656)
Total governmental activities net position	\$151,157,882	\$156,978,362	\$164,617,602	\$175,238,087	\$180,669,619	\$110,925,256	\$118,306,550	\$122,669,053	\$32,211,456	\$41,891,813

¹ First year of implementation of GASB Statement No. 68.

**Griffin-Spalding County School System
Changes in Net Position, Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Instruction	\$65,038,443	\$63,217,366	\$62,865,938	\$60,807,268	\$63,560,323	\$61,195,688	\$63,207,574	\$68,115,614	\$70,571,495	\$67,870,442
Pupil support services	3,041,075	3,155,458	2,650,382	2,367,075	2,459,659	2,397,156	2,646,558	3,405,213	3,573,107	3,508,379
Improvement of instructional services	3,649,259	4,540,524	4,875,165	4,288,607	3,804,161	4,344,137	4,806,082	6,065,947	7,004,975	7,030,486
Educational media services	1,974,281	1,928,462	1,752,187	1,524,908	1,568,570	1,551,391	1,553,385	1,701,942	1,761,282	1,690,025
General and school administration	8,022,284	8,175,375	8,250,954	8,068,277	8,338,418	8,560,997	9,171,348	10,664,979	11,433,594	11,067,871
Business administration	421,419	330,052	335,644	348,784	386,548	373,588	398,971	448,078	442,700	466,909
Maintenance and plant operations	8,999,351	8,507,364	8,235,705	8,405,731	9,163,199	8,747,253	8,687,442	9,051,874	9,148,396	9,405,687
Student transportation services	3,680,349	3,799,576	4,040,572	4,394,079	4,712,870	4,854,254	4,715,730	5,365,352	5,596,906	5,331,174
Central support services	1,167,341	1,154,965	1,173,057	1,257,984	1,462,350	1,567,518	1,784,328	1,837,944	1,972,739	1,716,182
Other support services	1,247,689	1,309,216	1,011,001	1,181,099	1,209,923	1,347,676	1,232,454	981,592	903,044	1,013,974
Food service operations	5,470,823	5,619,731	5,940,725	6,125,485	6,388,230	6,334,315	6,502,881	6,793,323	7,156,285	6,104,243
Community services operations	152,963	149,722	132,624	126,811	128,120	129,182	158,680	150,809	217,390	216,000
Interest on long-term debt	644,738	535,173	337,402	123,280			249,101	276,066	276,066	392,440
Unallocated depreciation and other expenses	266,318	228,752	232,792	244,769	270,621	231,702	243,823	199,477	318,187	442,320
Total governmental activities expenses	103,776,333	102,651,736	101,834,148	99,264,157	103,452,992	101,634,857	105,358,357	115,058,210	120,376,166	116,256,132
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	391,364	377,149	334,172	293,976	346,634	382,589	382,156	406,802	479,822	572,623
Food service operations	894,109	786,979	749,548	663,209	585,734	547,497	509,233	510,892	326,504	482,409
Operating grants and contributions	72,330,693	72,127,662	69,265,558	71,892,094	72,773,169	76,184,510	76,669,919	80,210,632	84,128,840	86,216,523
Capital grants and contributions			3,093,618	2,119,430		579,228	149,761	2,500,000		
Total governmental activities program revenues	73,616,166	73,291,790	73,440,896	74,968,709	73,705,537	77,693,824	77,711,069	83,628,326	84,935,166	87,271,555
Net (Expense) Revenue										
Governmental activities	(30,160,167)	(29,359,946)	(28,393,252)	(24,295,448)	(29,747,455)	(23,941,033)	(27,647,288)	(31,429,884)	(35,441,000)	(28,984,577)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	27,434,435	26,111,674	26,660,363	25,567,376	26,841,369	26,035,024	26,108,637	27,090,314	27,111,736	27,951,586
Special Purpose Local Option Sales Taxes	8,479,090	8,243,365	8,706,803	8,450,570	8,285,565	8,596,211	8,818,726	8,538,776	9,019,297	9,691,463
Investment earnings	117,706	72,348	31,392	7,457	22,898	34,457	86,916	211,146	584,818	999,994
Gain on sale of fixed assets	613,986	21,138	159,823	283,113	29,155	75,915	14,303	(47,849)		21,891
Miscellaneous	367,185	731,901	474,111	607,417						
Total general revenues and other changes in net position - governmental activities	37,012,402	35,180,426	36,032,492	34,915,933	35,178,987	34,741,607	35,028,582	35,792,387	36,715,851	38,664,934
Change in Net Position	\$6,852,235	\$5,820,480	\$7,639,240	\$10,620,485	\$5,431,532	\$10,800,574	\$7,381,294	\$4,362,503	\$1,274,851	\$9,680,357

**Griffin-Spalding County School System
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

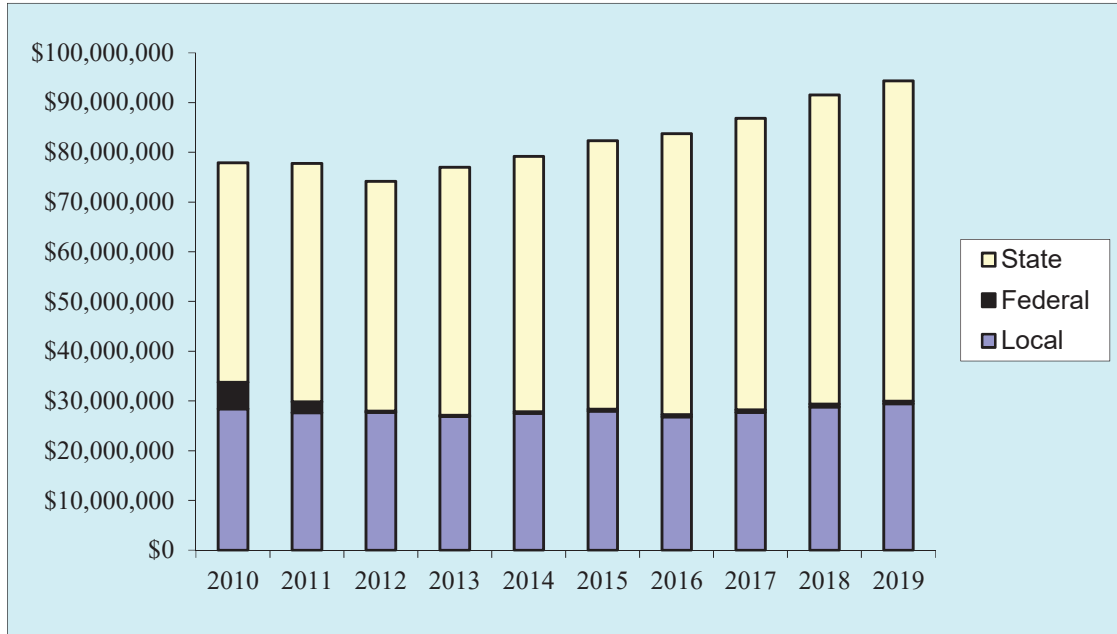
	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved										
Unreserved	\$9,223,538									
Committed to:		\$366,497	\$409,223	\$428,995	\$444,070	\$334,926	\$348,175	\$451,258	\$505,527	\$559,064
Risk Management										
Assigned to:				\$400,693						
Subsequent period expenditures		\$3,125,760	\$8,222,547	\$11,487,321	\$12,448,015	\$14,423,807	\$16,646,486	\$16,953,863	\$16,902,449	\$17,497,166
Unassigned		\$6,630,770								
Total general fund	<u>\$9,223,538</u>	<u>\$10,123,027</u>	<u>\$8,631,770</u>	<u>\$12,317,009</u>	<u>\$12,892,085</u>	<u>\$14,758,733</u>	<u>\$16,994,661</u>	<u>\$17,405,121</u>	<u>\$17,407,976</u>	<u>\$18,056,230</u>
All Other Governmental Funds										
Reserved	\$23,120,078									
Unreserved, reported in:										
Debt service funds										
Capital projects funds										
Special revenue funds										
Nonspendable	1,924,775	1,358,704	1,264,789	1,183,886	1,159,714	1,266,522	1,278,930	1,275,750	1,279,328	1,260,374
Restricted for:										
Debt service funds		3,832,266	4,954,100	605			283,916	369,032	517,219	458,704
Capital projects funds		15,239,012	14,516,860	19,060,913	22,637,265	21,480,389	31,030,582	25,587,066	26,540,689	26,000,493
Continuation of federal and state programs		1,021,787	978,601	1,027,880	1,061,959	1,215,734	1,010,275	1,158,876	1,293,701	1,560,717
Committed to:										
School activity funds and other programs		905,857	943,830	993,205	958,252	998,146	963,413	679,641	612,685	532,378
Assigned to:										
Permanent funds		86,126	88,606	79,366	80,833	80,433	78,613	75,089	72,390	70,843
Capital projects funds		662,008	737,514	654,914	800,518	901,543	885,313	887,220	891,678	900,164
Unassigned		(7,061)								
Total all other governmental funds	<u>\$25,044,853</u>	<u>\$23,098,699</u>	<u>\$23,484,300</u>	<u>\$23,000,769</u>	<u>\$26,698,541</u>	<u>\$25,942,767</u>	<u>\$35,331,042</u>	<u>\$30,032,674</u>	<u>\$31,207,690</u>	<u>\$30,783,673</u>

¹ First year of implementation of GASB Statement No. 54.

Griffin-Spalding County School System
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
State Funds	\$49,449,766	\$53,242,210	\$54,158,030	\$57,015,876	\$56,516,224	\$59,861,710	\$62,018,558	\$66,809,022	\$67,724,853	\$69,740,617
Federal Funds	20,640,398	16,691,914	16,165,493	14,609,040	13,992,709	13,994,514	12,927,458	13,657,932	14,371,828	14,356,100
Local and Other Funds	40,015,559	38,846,616	39,167,672	37,875,737	38,257,965	39,046,240	38,067,891	38,951,158	40,271,954	42,038,590
Total Revenues	110,105,723	108,780,740	109,491,195	109,500,653	108,766,898	112,902,464	113,013,907	119,418,112	122,368,635	126,135,307
Expenditures										
Current operating										
Instruction	63,487,687	61,224,513	61,049,695	58,259,041	60,249,928	61,212,322	60,524,508	63,991,267	66,380,237	67,823,600
Support Services										
Pupil Services	3,041,075	3,155,458	2,650,382	2,367,075	2,459,659	2,485,603	2,744,447	3,320,385	3,474,417	3,669,460
Improvement of Instructional Services	3,641,134	4,583,898	4,878,330	4,259,348	3,784,362	4,471,213	4,875,616	5,860,610	6,814,720	7,125,681
Educational Media Services	1,899,632	1,850,640	1,671,982	1,442,319	1,483,960	1,525,756	1,528,079	1,558,477	1,610,344	1,668,656
General and School Administration	8,159,136	8,320,708	8,287,053	8,095,367	8,339,489	8,774,022	9,414,878	10,446,030	11,276,031	11,587,403
Business Administration	421,419	330,052	335,644	348,784	386,548	384,124	417,103	433,398	436,233	480,116
Maintenance and Operations of Plant	8,575,642	7,997,423	7,757,671	7,976,520	8,745,331	8,141,627	8,170,130	8,139,176	8,213,363	8,493,445
Student Transportation Services	3,352,294	3,530,820	4,180,543	4,342,653	5,383,792	5,304,096	5,167,386	5,630,221	5,559,023	5,868,255
Central Support Services	1,146,642	1,158,270	1,171,163	1,250,969	1,472,731	1,606,199	1,861,594	1,774,981	1,980,364	1,727,930
Other Support Services	1,247,689	1,309,216	1,011,001	1,181,099	1,209,923	1,347,676	1,232,454	981,592	903,044	1,013,974
Food Services Operations	5,554,164	5,652,494	6,033,570	5,830,828	6,078,352	6,055,545	6,260,483	6,418,612	6,608,707	5,916,480
Community Services Operations	152,963	149,722	132,624	126,811	128,120	134,392	164,403	145,962	213,234	216,000
Other Operations of Non-Instructional Services										
Debt Service										
Principal Retirement	298,515	4,687,021	4,866,084	4,928,832						1,770,000
Interest and Fiscal Charges	644,738	535,173	337,402	123,280			446,083	614,127	614,127	591,501
Capital Outlay	5,643,587	5,423,135	6,467,491	6,109,132	4,917,055	10,534,389	13,541,664	15,205,713	7,106,920	7,980,460
Total Expenditures	107,266,317	109,908,543	110,830,635	106,642,058	104,639,250	111,976,964	116,348,828	124,520,551	121,190,764	125,932,961
Excess (Deficiency) of Revenues over (under) expenditures	2,839,406	(1,127,803)	(1,339,440)	2,858,595	4,127,648	925,500	(3,334,921)	(5,102,439)	1,177,871	202,346
Other Financing Sources (Uses)										
Proceeds from issuance of bonds							13,370,000			
Premium on issuance of bonds							1,774,821			
Capital Leases										
Proceeds from sale of assets	281,719	81,138	233,784	343,113	145,200	185,374	14,303	14,531	835,238	21,891
Operating Transfers In	25,210		8,698	47,444	153,320	166,218	123,607	408,319		358,667
Operating Transfers Out	(25,210)		(8,698)	(47,444)	(153,320)	(166,218)	(123,607)	(408,319)	(835,238)	(358,667)
Total Other Financing Sources (Uses)	281,719	81,138	233,784	343,113	145,200	185,374	15,159,124	14,531	0	21,891
Net change in fund balance	\$3,121,125	(\$1,046,665)	(\$1,105,656)	\$3,201,708	\$4,272,848	\$1,110,874	\$11,824,203	(\$5,087,908)	\$1,177,871	\$224,237
Debt service as a percentage of noncapital expenditures	0.93%	5.00%	4.99%	5.03%	0.00%	0.00%	0.43%	0.56%	0.54%	2.00%

**Griffin-Spalding County School System
Revenues by Source, Last Ten Fiscal Years
General Fund**



Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2010	\$28,373,970	\$44,123,199	\$ 5,379,059	\$ 77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657
2012	27,673,947	46,155,540	300,250	74,129,737
2013	26,843,508	49,837,533	306,186	76,987,227
2014	27,530,900	51,380,415	283,899	79,195,214
2015	27,985,727	53,982,459	348,721	82,316,907
2016	26,808,279	56,521,227	443,798	83,773,304
2017	27,698,030	58,652,259	497,735	86,848,024
2018	28,773,516	62,165,007	601,751	91,540,274
2019	29,420,202	64,435,501	504,310	94,360,013

Griffin-Spalding County School System
Percentage Change in Revenues by Source, Last Ten Fiscal Years
General Fund

Total Dollars

Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2010	\$28,373,970	\$44,123,199	\$ 5,379,059	\$77,876,228
2011	27,608,225	47,914,514	2,232,918	77,755,657
2012	27,673,947	46,155,540	300,250	74,129,737
2013	26,843,508	49,837,533	306,186	76,987,227
2014	27,530,900	51,380,415	283,899	79,195,214
2015	27,985,727	53,982,459	348,721	82,316,907
2016	26,808,279	56,521,227	443,798	83,773,304
2017	27,698,030	58,652,259	497,735	86,848,024
2018	28,773,516	62,165,007	601,751	91,540,274
2019	29,420,202	64,435,501	504,310	94,360,013
Percentage Change ¹	3.7%	46.0%	-90.6%	21.2%

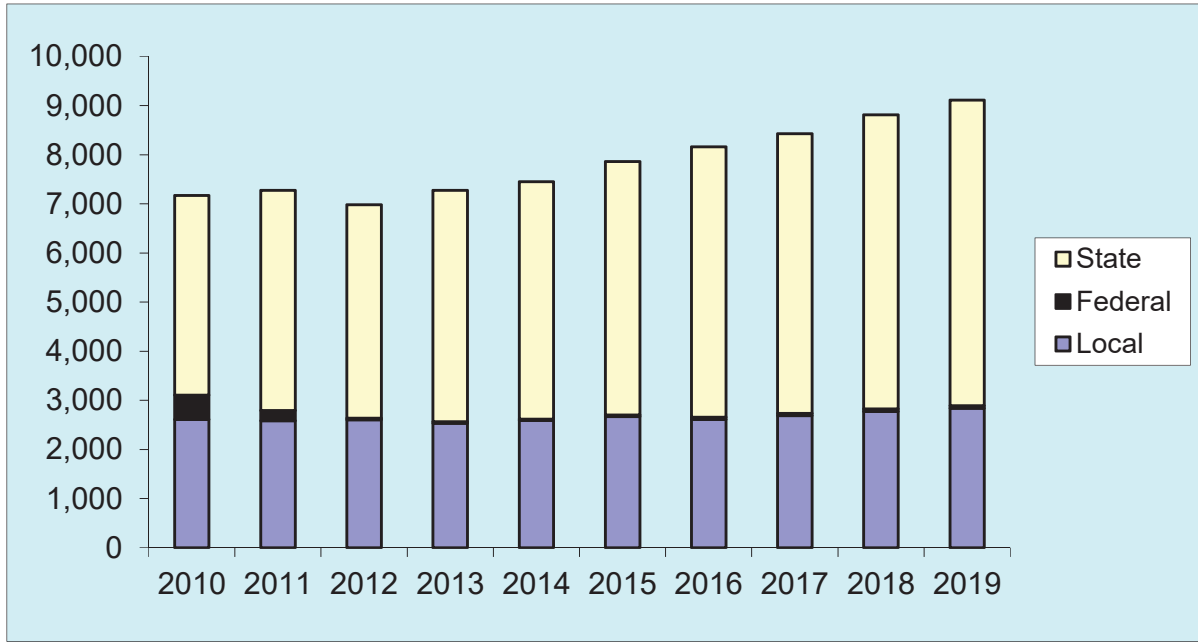
Percentage of Dollars

Year Ended June 30	Local & Other Funds	State Funds	Federal Funds	Total Revenues
2010	36.43%	56.66%	6.91%	100.0%
2011	35.51%	61.62%	2.87%	100.0%
2012	37.32%	62.26%	0.41%	100.0%
2013	34.87%	64.73%	0.40%	100.0%
2014	34.76%	64.88%	0.36%	100.0%
2015	34.00%	65.58%	0.42%	100.0%
2016	31.99%	67.47%	0.53%	100.0%
2017	31.89%	67.53%	0.57%	100.0%
2018	31.43%	67.91%	0.66%	100.0%
2019	31.18%	68.29%	0.53%	100.0%

¹Percentage change computed by using the following formula:

$$(2019 \text{ revenue}/2010 \text{ revenue})-1 = \text{percentage change}$$

**Griffin-Spalding County School System
Per Pupil Revenues by Source, Last Ten Fiscal Years
General Fund**



Year Ended June 30	Total Revenues	Student Enrollment ¹	Per Pupil			Total Revenues ²
			Local & Other Funds	State Funds	Federal Funds	
2010	77,876,228	10,860	2,613	4,064	495	7,171
2011	77,755,657	10,685	2,584	4,484	209	7,277
2012	74,129,737	10,614	2,607	4,349	28	6,984
2013	76,987,227	10,582	2,536	4,710	29	7,275
2014	79,195,214	10,626	2,591	4,835	27	7,453
2015	82,316,907	10,474	2,672	5,154	33	7,859
2016	83,773,304	10,261	2,613	5,508	43	8,164
2017	86,848,024	10,305	2,688	5,692	48	8,428
2018	91,540,274	10,383	2,771	5,987	58	8,816
2019	94,360,013	10,353	2,842	6,224	49	9,114

Percentage Change ³	21.2%	-4.7%	8.8%	53.1%	-90.2%	27.1%
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¹ Student enrollment figures are taken from fall enrollment (October 1) reports.

² Revenues restated on a per pupil basis by using the following formula:

$$\text{Revenue/current enrollment} = \text{per pupil revenue}$$

³ Percentage change computed by using the following formula:

$$(\text{2019 revenue}/\text{2010 revenue})-1 = \text{percentage change}$$

Griffin-Spalding County School System
Assessed Value and Actual Value of Taxable Property,
Last Ten Calendar Years

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the District for the last ten years.

Calendar Year	Millage Rate	Real & Personal Property	Assessed Values										Estimated Actual Value
			Public Utilities	Motor Vehicles	Mobile Homes	Gross Tax Digest	Bond Exemptions	General Obligation Bonds Tax Digest ¹	Maintenance & Operation Exemptions	Maintenance & Operation Tax Digest ²			
2009	18.80	1,535,803,959	30,632,259	133,827,370	2,091,994	1,702,355,582	157,180,465	1,545,175,117	213,342,187	1,489,013,395	4,255,888,955		
2010	18.80	1,535,823,213	26,487,026	115,267,630	1,945,727	1,679,523,596	122,376,559	1,557,147,037	216,690,191	1,462,833,405	4,198,808,990		
2011	19.06	1,511,231,094	31,294,800	113,708,460	1,831,893	1,658,066,247	147,310,052	1,510,756,195	246,727,800	1,411,338,447	4,145,165,618		
2012	19.47	1,462,533,127	34,640,971	119,331,500	1,737,824	1,618,243,422	149,965,965	1,468,277,457	248,484,241	1,369,759,181	4,045,608,555		
2013	19.47	1,445,747,006	34,269,621	124,174,530	1,645,629	1,605,836,786	120,465,804	1,485,370,982	223,127,568	1,382,709,218	4,014,591,965		
2014	19.47	1,430,057,323	33,809,411	104,295,620	2,275,598	1,570,437,952	130,528,110	1,439,909,842	236,423,353	1,334,014,599	3,926,094,880		
2015	18.74	1,487,458,607	33,811,678	77,650,790	2,168,548	1,601,089,623	137,073,427	1,464,016,196	244,984,605	1,356,105,018	4,002,724,058		
2016	18.57	1,540,851,109	33,513,721	59,914,540	3,230,420	1,637,509,790	132,209,935	1,505,299,855	243,756,849	1,393,752,941	4,093,774,475		
2017	18.204	1,569,750,981	36,086,991	45,370,860	3,030,682	1,654,239,514	125,127,703	1,529,111,811	233,376,929	1,420,862,585	4,135,598,785		
2018	18.066	1,614,788,900	33,513,721	36,046,170	3,300,026	1,687,648,817	127,223,132	1,560,425,685	241,692,560	1,445,956,257	4,219,122,043		

¹Total assessed value, after deducting exemptions, for purposes of levying tax for the System's general obligation bonds.

²Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the System's school system.

Source: State of Georgia Department of Revenue, Property Tax Division

**Griffin-Spalding County School System
Millage Rates of the District
Last Ten Calendar Years**

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the School System and all overlapping governments for the last ten calendar years.

Calendar Year	Support and Maintenance		School System		Spalding County ¹	Fire District	State of Georgia	County-wide Total	City of Griffin	City of Orchard Hill	City of Sunny-Side
	Legal Limit	Debt Service	Total	Total							
2009	18.80	0	18.80	14.88	3.23	0.25	37.16	8.60	4.95	4.36	
2010	18.80	0	18.80	14.81	4.17	0.25	38.03	8.64	4.95	4.29	
2011	19.06	0	19.06	15.01	4.17	0.25	38.49	8.64	4.95	4.29	
2012	19.47	0	19.47	15.01	4.17	0.20	38.85	8.64	4.95	4.08	
2013	19.47	0	19.47	16.01	4.17	0.15	39.80	8.61	6.31	5.00	
2014	19.47	0	19.47	16.01	4.17	0.10	39.75	8.40	6.31	5.00	
2015	18.74	0	18.74	16.01	4.17	0.05	38.97	7.89	6.31	5.00	
2016	18.57	0	18.57	15.66	3.61	0.00	37.84	7.77	6.31	5.00	
2017	18.204	0	18.204	15.36	3.61	0.00	37.17	7.77	5.941	5.00	
2018	18.066	0	18.066	16.535	3.61	0.00	38.21	7.639	5.941	5.00	

¹ Represents the millage rate for the unincorporated areas of Spalding County. The millage rate for the incorporated areas of Spalding County for calendar year 2018 was 16.535.

Source: Spalding County Tax Commissioner

**Griffin-Spalding County School System
Principal Property Tax Payers,
Current Year and Nine Years Ago**

	2019 ¹			2010		
	Taxes Levied	Rank	Percentage of Total Tax Levy ²	Taxes Levied	Rank	Percentage of Total Tax Levy ³
Pulte Home Company LLC	\$255,663	1		\$153,972	5	
Caterpillar Inc.	208,971	2	0.80%	\$423,686	1	1.51%
Coveris Holding Corp .	184,448	3	0.71%			0.00%
Dematic Corporation	183,405	4				
Norcom	172,362	5	0.66%	127,039	7	
Central GA EMC	164,443	6				
North Griffin Square LLC	162,660	7	0.62%	160,281	4	0.57%
Bandag Bridgestone	156,064	8				
Walmart Stores	153,427	9	0.59%	164,570	3	0.59%
Hoshizaki America Inc.	142,903	10	0.55%			0.00%
Tenet Healthcare Corp.				271,785	2	0.97%
AEP Industries				136,652	6	0.49%
Halpern Industries				119,654	8	0.43%
Nacom Corporation				115,961	9	0.41%
First National Bank of Griffin				110,681	10	0.40%
Totals	<u>\$1,528,683</u>		<u>3.12%</u>	<u>\$1,630,309</u>		<u>3.87%</u>

¹ Represents calendar year 2018 assessed values before bond and maintenance and operation exemptions
² Calendar year 2018 total tax levy was \$26,122,303
³ Calendar year 2009 total tax levy was \$27,993,452

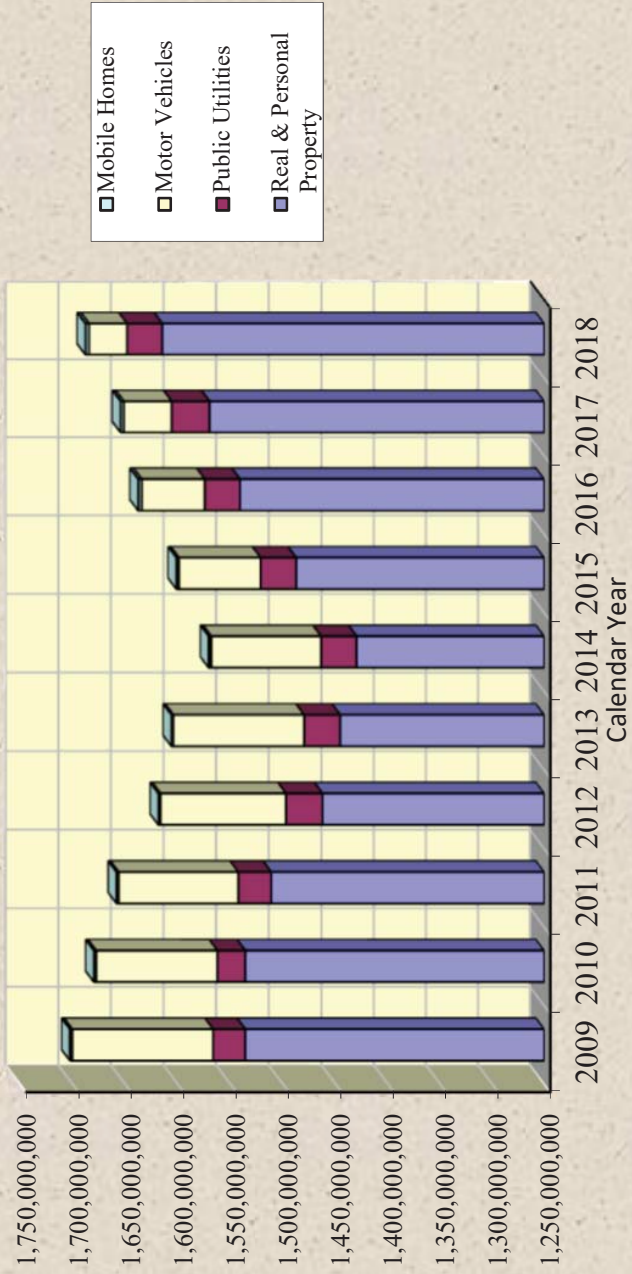
Source: Spalding County Tax Commissioner

**Griffin-Spalding County School System
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	27,993,452	25,873,304	92.43%	1,558,275	27,431,579	97.99%
2011	27,501,268	25,073,703	91.17%	1,473,522	26,547,225	96.53%
2012	26,900,111	25,098,857	93.30%	1,469,476	26,568,333	98.77%
2013	26,669,211	24,609,215	92.28%	1,515,491	26,124,706	97.96%
2014	26,921,348	24,300,171	90.26%	1,323,931	25,624,102	95.18%
2015	25,973,264	23,590,360	90.83%	1,105,894	24,696,254	95.08%
2016	25,353,871	23,599,123	93.08%	891,832	24,490,955	96.60%
2017	25,898,024	24,228,304	93.55%	847,310	25,075,614	96.82%
2018	25,865,382	24,521,853	94.81%	611,430	25,133,283	97.17%
2019	26,122,303	24,166,699	92.51%		24,166,699	92.51%

Source: Spalding County Tax Commissioner

Gross Tax Digest Components



**Griffin-Spalding County School System
Ratio of Annual Debt Service to Total
Governmental Fund Expenditures
Last Ten Fiscal Years**

Year Ended June 30	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Governmental Fund Expenditures
2010	298,515	644,738	943,253	107,266,317	0.88%
2011	4,687,021	535,173	5,222,194	109,908,542	4.75%
2012	4,866,084	337,402	5,203,486	110,830,635	4.69%
2013	4,928,832	123,280	5,052,112	106,642,058	4.74%
2014	0	0	0	104,639,250	0.00%
2015	0	0	0	111,976,964	0.00%
2016	0	446,083	446,083	116,348,828	0.38%
2017	0	614,127	614,127	124,520,551	0.49%
2018	0	614,127	614,127	121,190,764	0.51%
2019	1,770,000	591,501	2,361,501	125,932,961	1.88%

Griffin-Spalding County School System
Ratio of Net Bonded Debt to Estimated Actual Value
and General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Estimated Population ¹	Estimated Actual Value	General Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2010	64,098	4,255,888,955	14,122,838	8,092,803	6,030,035	0.14%	94.08
2011	64,087	4,198,808,990	9,573,243	3,832,266	5,740,977	0.14%	89.58
2012	64,032	4,145,165,618	4,853,649	4,954,100	-100,451	0.00%	(1.57)
2013	63,682	4,045,608,555	0	605	-605	0.00%	(0.01)
2014	63,509	4,014,591,965	0	0	0	0.00%	-
2015	63,694	3,926,094,880	0	0	0	0.00%	-
2016	63,826	4,002,724,058	14,806,760	283,916	14,522,844	0.36%	227.54
2017	64,570	4,093,774,475	14,468,699	369,032	14,099,667	0.34%	218.36
2018	65,403	4,135,598,785	14,130,638	517,219	13,613,419	0.33%	208.15
2019	66,100	4,219,122,043	12,022,577	458,704	11,563,873	0.27%	174.95

UNAUDITED

**Griffin-Spalding County School System
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Spalding County:			
General obligation bonds	\$8,800,000		
Certificates of participation	2,500,000		
Capital leases	817,857		
Intergovernmental Contracts	3,052,500		
City of Griffin:			
General obligation bonds	8,452,026		
Capital leases	402,964		
Intergovernmental Contracts	3,052,500		
Sub-total, overlapping debt	<u>\$27,077,847</u>	100%	<u>\$27,077,847</u>
Direct:			
Griffin-Spalding County School System:			
General obligation bonds	12,022,577		
Sub-total, direct debt	<u>\$12,022,577</u>	100%	<u>\$12,022,577</u>
Total, overlapping and direct debt			<u><u>\$39,100,424</u></u>

Notes:

In addition to the System's debt obligations, property owners in the System are responsible for certain debt obligations of other taxing entities in the proportion to which the jurisdiction of the System overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the System as of June 30, 2019. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the municipality/authority's taxable assessed value that is within the School System's boundaries and dividing it by the municipality/authority's total taxable assessed value. Although the System has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

Source: Spalding County, GA and City of Griffin, GA

Griffin-Spalding County School System
Outstanding Debt, By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Capital Lease Obligations			
2010	14,122,838	780,457	14,903,295	0.87%	232.37
2011	9,573,243	481,943	10,055,186	0.57%	156.95
2012	4,853,649	289,922	5,143,571	0.28%	80.34
2013	0	88,838	88,838	0.00%	1.40
2014	0	0	0	0.00%	0.00
2015	0	0	0	0.00%	0.00
2016	14,806,760	0	14,806,760	0.73%	231.98
2017	14,468,699	0	14,468,699	0.68%	224.14
2018	14,130,638	0	14,130,638	0.64%	216.13
2019	12,022,577	0	12,022,577	0.54%	181.88

Note: Details regarding the System's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Demographic and Economic Statistics for personal income and population data. The Bureau of Economic Analysis revised estimates for years 2010-2017 in March 2018.

**Griffin-Spalding County School System
Legal Debt Margin
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Taxable Property	\$1,545,175,117	\$1,524,221,716	\$1,510,756,185	\$1,468,277,457	\$1,485,370,982	\$1,439,909,842	\$1,464,016,196	\$1,505,299,855	\$1,529,111,811	\$1,560,425,685
Debt Limit (10% of Assessed Value)	\$154,517,512	\$152,422,172	\$151,075,619	\$146,827,746	\$148,537,098	\$143,990,984	\$146,401,620	\$150,529,986	\$152,911,181	\$156,042,569
Amount of Debt Applicable To Debt Limit	14,122,838	9,573,243	4,853,649	0	0	0	14,806,760	14,468,699	14,130,638	12,022,577
Legal Debt Margin	\$140,394,674	\$142,848,929	\$146,221,970	\$146,827,746	\$148,537,098	\$143,990,984	\$131,594,860	\$136,061,287	\$138,780,543	\$144,019,992
Legal Debt Margin/ Limit Ratio	90.86%	93.72%	96.79%	100.00%	100.00%	100.00%	89.89%	90.39%	90.76%	92.30%

Notes:
The Constitution of the State of Georgia provides that the System may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the System voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the System may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the System.

Source: Spalding County Tax Commissioner

Griffin-Spalding County School System
Demographics - Population
Latest Census Data

<u>Population</u>	<u>Spalding County</u>
Population, 2017 est.	66,100
Population, 2010	64,073
Population, percent change, 2010 to 2018	3.10%
Population, 2000	58,417
Population, percent change, 2000 to 2010	9.7%
Population, percent change, 1990 to 2000	7.3%
Persons under 5 years old, percent, 2018	6.3%
Persons under 18 years old, percent, 2018	23.5%
Persons 65 years old and over, percent, 2018	17.9%
Female persons, percent, 2018	52.0%
White persons, percent, 2018 (a)	61.9%
Black or African American persons, percent, 2018 (a)	34.6%
American Indian and Alaska Native persons, percent, 2018 (a)	0.5%
Asian persons, percent, 2018 (a)	1.1%
Native Hawaiian and Other Pacific Islander, percent, 2018 (a)	0.1%
Persons reporting two or more races, percent, 2018	1.9%
White persons, not of Hispanic/Latino origin, percent, 2018	58.1%
Persons of Hispanic or Latino origin, percent, 2018 (b)	4.7%
Living in same house 1 year & over, 2013-2017	90.1%
Language other than English spoken at home, pct age 5+, 2013-2017	4.0%
High school graduates, percent of persons age 25+, 2013-2017	80.6%
Bachelor's degree or higher, pct of persons age 25+, 2013-2017	16.2%
Veterans, 2013-2017	4,426
Foreign born persons, percent, 2013-2017	3.2%
Mean travel time to work (minutes), workers age 16+, 2013-2017	29.0

**Griffin-Spalding County School System
Demographics - Housing, Business & Industry, and Geography
Latest Census Data (Continued)**

Housing

Housing units, 2018	27,580
Homeownership rate, 2013-2017	61.4%
Median value of owner-occupied housing units, 2013-2017	\$112,400
Households, 2013-2017	23,475
Persons per household, 2013-2017	2.68
Median household income, 2013-2017	\$42,398
Persons below poverty, percent, 2013-2017	19.9%
Building permits, 2018	274

Business & Industry

Unemployment rate, 2018 Annual Average	4.7%
Nonemployer establishments, 2017	5,025
Manufacturers shipments, 2012 (\$1000)	2,404,744
Retail sales, 2012 (\$1000)	638,821
Retail sales per capita, 2012	\$10,003
Women-owned firms, percent of total, 2012	40.0%

Geography

Land area, 2010 (square miles)	196.47
Persons per square mile, 2010	326.1
FIPS Code	255
Metropolitan or Micropolitan Statistical Area	Atlanta, GA Metro Area

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

Z: Value greater than zero but less than half unit of measure shown

Source: US Census Bureau State & County QuickFacts

Source: Griffin-Spalding Chamber of Commerce

Source: Bureau of Labor Statistics

Griffin-Spalding County School System
Demographics - Income Statistics
Latest Three Years Available

<u>Income</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Personal income (\$000)</i>	\$2,041,383	\$2,129,814	\$2,208,980
Net earnings	1,095,401	1,149,240	1,190,513
Personal current transfer receipts	621,722	645,411	668,547
Income maintenance	84,488	87,291	87,265
Unemployment insurance compensation	3,329	2,685	2,393
Retirement and other	533,905	555,435	578,889
Dividends, interest, and rent	324,260	335,163	349,920
Population (persons) ¹	63,828	64,553	65,380
Per capita personal income	31,983	32,993	33,787
Per capita net earnings	17,162	17,803	18,209
Per capita personal current transfer receipts	9,741	9,998	10,226
Per capita income maintenance	1,324	1,352	1,335
Per capita unemployment insurance benefits	52	42	37
Per capita retirement and other	8,365	8,604	8,854
Per capita dividends, interest, and rent	5,080	5,192	5,352
<i>Earnings by place of work (\$000)</i>	1,189,733	1,201,307	1,244,231
Wage and salary disbursements	842,339	858,609	901,338
Supplements to wages and salaries	242,657	245,882	257,037
Employer contributions for employee pension and insurance funds	182,483	185,508	194,209
Employer contributions for government social insurance	60,174	60,374	62,828
Proprietors' income	104,737	96,816	85,856
Nonfarm proprietors' income	106,746	99,314	88,548
Farm proprietors' income	-2,009	-2,498	-2,692
<i>Total full-time and part-time employment</i>	31,278	31,846	32,135
Wage and salary jobs	23,781	24,425	24,616
Number of proprietors	7,497	7,421	7,519
Number of nonfarm proprietors	7,282	7,204	7,305
Number of farm proprietors	215	217	214
<i>Average earnings per job (dollars)</i>	38,037	37,722	38,719
Average wage and salary disbursements	35,421	35,153	36,616
Average nonfarm proprietors' income	14,659	13,786	12,122

¹ Census Bureau midyear population estimates.

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce - Table CA30

The Bureau of Economic Analysis revised estimates for years 2010-2017 in November 2018. The amounts reflected in this table are the revised numbers. The figures provided are the latest available.

**Griffin-Spalding County School System
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	School Enrollment ²	Unemployment Rate ³
2010	64,135	1,714,697	26,736	10,860	8.50%
2011	64,066	1,750,789	27,328	10,685	13.00%
2012	64,021	1,865,725	29,142	10,614	12.80%
2013	63,680	1,859,395	29,199	10,582	11.30%
2014	63,505	1,869,815	29,444	10,626	10.70%
2015	63,695	1,949,818	30,612	10,474	9.50%
2016	63,828	2,041,383	31,983	10,261	7.80%
2017	64,553	2,129,814	32,993	10,305	6.00%
2018	65,380	2,208,980	33,787	10,383	5.80%
2019	66,100	N/A	N/A	10,353	4.70%

Data Sources:

¹ Bureau of Economic Analysis: Regional Economic Accounts and U.S. Census Bureau (mid year estimates)

² Spalding County Board of Education

³ U.S. Bureau of Labor Statistics

**Griffin-Spalding County School System
Principal Employers
Current Year and Nine Years Ago**

Employer	Industry	2019			2010		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System	Education	1,483	1	6.64 %	1,576	1	7.69 %
Caterpillar, Inc.	Automotive generators	900	2	4.03	900	2	4.39
Wellstar Spalding Regional Medical	Healthcare	900	3	4.03	900	3	4.39
Southern Crescent Technical College	Education	640	4	2.87	360	7	1.76
Spalding County	Government	601	5	2.69	536	4	2.62
CareMaster Medical	Home Nursing	600	6	2.69			
City of Griffin	Government	451	7	2.02	478	5	2.33
University of Georgia Griffin Campus	Agricultural research	405	8	1.81	405	8	1.98
Norcom	School supplies	280	9	1.25	280	9	
1888 Mills/Southern Terry	Terry cloth towels	278	10	1.24	375	6	1.83
AEP Industries, Inc.	Packaging film				250	10	1.22
		<u>6,538</u>		<u>29.27 %</u>	<u>6,060</u>		<u>29.57 %</u>

Source: Griffin-Spalding Development Authority

**Griffin-Spalding County School System
Employees of the District
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Classroom Teachers	749	749	717	673	657	674	658	676	674	686
Media Specialists, Counselors Psychologists, and Social Worker	52	50	53	49	51	51	51	53	54	55
Administrators and Supervisors	64	64	62	55	55	60	65	66	75	76
Professional/Technical Support	51	51	51	51	43	57	53	53	52	49
Paraprofessionals, Clerical, Other	316	310	270	277	268	255	277	295	293	292
Maintenance, Transportation, Custodians, and School Food Service	376	352	359	350	345	360	351	355	340	325
	1,608	1,576	1,512	1,455	1,419	1,457	1,455	1,498	1,488	1,483

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
General Fund Operating Statistics, Pupil/Teacher Ratio
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Student Attendance Percentage</u>
2010	77,701,816	10,860	7,155	(5.84%)	749	14.50	95.50
2011	76,877,306	10,685	7,195	0.56%	749	14.27	96.38
2012	75,770,980	10,614	7,139	(.78%)	717	14.80	95.39
2013	73,537,657	10,582	6,949	(2.65%)	673	15.72	97.46
2014	78,467,423	10,626	7,384	6.26%	657	16.17	95.36
2015	80,290,395	10,474	7,666	3.81%	674	15.54	95.64
2016	81,428,072	10,261	7,936	3.52%	658	15.59	97.49
2017	86,043,775	10,305	8,350	5.22%	676	15.24	96.49
2018	90,702,181	10,383	8,736	4.62%	674	15.41	96.13
2019	93,374,983	10,353	9,019	3.25%	686	15.09	96.38

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years

UNAUDITED

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Anne Street Elementary (1948)										
Square Feet	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113	40,113
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	442	428	458	447	487	453	428	427	429	410
Percentage of Capacity used	98.2%	95.1%	101.8%	99.3%	108.2%	100.7%	95.1%	94.9%	95.3%	91.1%
Atkinson Elementary (1964)										
Square Feet	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936	53,936
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	446	459	465	448	427	457	450	448	468	466
Percentage of Capacity used	99.1%	102.0%	103.3%	99.6%	94.9%	101.6%	100.0%	99.6%	104.0%	103.6%
Beaverbrook Elementary (1964)										
Square Feet	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222	55,222
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	458	466	426	429	464	431	371	347	356	363
Percentage of Capacity used	101.8%	103.6%	94.7%	95.3%	103.1%	95.8%	82.4%	77.1%	79.1%	80.7%
Cowan Road Elementary (1991)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	663	663	584	627	631	633	616	686	643	573
Percentage of Capacity used	102.0%	102.0%	89.8%	96.5%	97.1%	97.4%	94.8%	105.5%	98.9%	88.2%
Crescent Elementary (1955)										
Square Feet	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696	48,696
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	404	424	415	441	442	465	423	419	426	430
Percentage of Capacity used	89.8%	94.2%	92.2%	98.0%	98.2%	103.3%	94.0%	93.1%	94.7%	95.6%

Source: Griffin-Spalding County School System

**Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Futral Road Elementary (1998)										
Square Feet	67,000	67,000	67,000	67,000	67,000	67,000	78,760	78,760	78,760	78,760
Capacity (students)	525	525	525	525	525	525	650	650	650	650
Enrollment	708	695	725	635	644	648	616	628	629	659
Percentage of Capacity used	134.9%	132.4%	138.1%	121.0%	122.7%	123.4%	94.8%	96.6%	96.8%	101.4%
Jackson Road Elementary (1970)										
Square Feet	58,729	58,729	58,729	58,729	58,729	58,729	66,121	66,121	66,121	66,121
Capacity (students)	450	450	450	450	450	450	525	525	525	525
Enrollment	507	474	464	456	467	438	423	408	415	422
Percentage of Capacity used	112.7%	105.3%	103.1%	101.3%	103.8%	97.3%	80.6%	77.7%	79.0%	80.4%
Jordan Hill Elementary (1994)										
Square Feet	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986	76,986
Capacity (students)	650	650	650	650	650	650	650	650	650	650
Enrollment	480	446	442	455	470	481	487	453	426	447
Percentage of Capacity used	73.8%	68.6%	68.0%	70.0%	72.3%	74.0%	74.9%	69.7%	65.5%	68.8%
Moore Elementary (1950)										
Square Feet	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190	47,190
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	395	363	354	375	367	367	367	405	398	392
Percentage of Capacity used	87.8%	80.7%	78.7%	83.3%	81.6%	81.6%	81.6%	90.0%	88.4%	87.1%
Moreland Road Elementary (2006)										
Square Feet	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852	67,852
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	537	558	558	560	541	515	546	556	556	523
Percentage of Capacity used	97.6%	101.5%	101.5%	101.8%	98.4%	93.6%	99.3%	101.1%	101.1%	95.1%

Source: Griffin-Spalding County School System

**Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Orrs Elementary (1962)										
Square Feet	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117	63,117
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	638	637	647	664	661	623	598	595	613	580
Percentage of Capacity used	94.5%	94.4%	95.9%	98.4%	97.9%	92.3%	88.6%	88.1%	90.8%	85.9%
Cowan Road Middle School (2000)										
Square Feet	96,500	96,500	96,500	96,500	96,500	96,500	99,529	99,529	99,529	99,529
Capacity (students)	685	685	685	685	685	685	685	685	685	685
Enrollment	564	568	600	612	598	594	567	551	643	643
Percentage of Capacity used	82.3%	82.9%	87.6%	89.3%	87.3%	86.7%	82.8%	80.4%	93.9%	93.9%
Carver Road Middle School (2007)										
Square Feet	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	725	725	725	725	725	725	725	725	725	725
Enrollment	492	475	544	482	523	504	523	482	488	488
Percentage of Capacity used	67.9%	65.5%	75.0%	66.5%	72.1%	69.5%	72.1%	66.5%	67.3%	67.3%
Kennedy Road Middle School (2006)										
Square Feet	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	725	725	725	725	725	725	725	725	725	725
Enrollment	564	564	546	532	505	481	466	483	459	489
Percentage of Capacity used	77.8%	77.8%	75.3%	73.4%	69.7%	66.3%	64.3%	66.6%	63.3%	67.4%
Rehoboth Road Middle School (2009)										
Square Feet	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024	104,024
Capacity (students)	725	725	725	725	725	725	725	725	725	725
Enrollment	638	703	715	726	725	672	663	644	698	679
Percentage of Capacity used	88.0%	97.0%	98.6%	100.1%	100.0%	92.7%	91.4%	88.8%	96.3%	93.7%

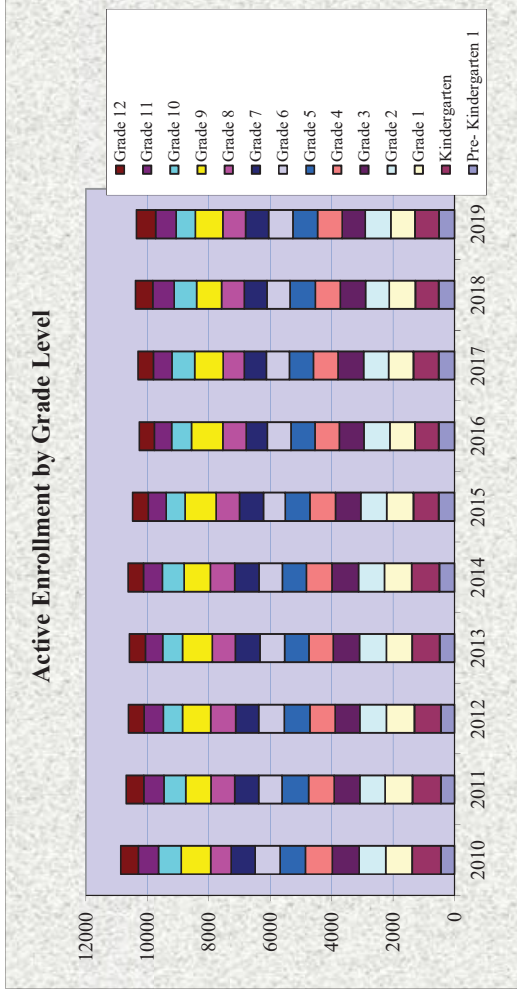
Source: Griffin-Spalding County School System

**Griffin-Spalding County School System
School Building Information
Last Ten Fiscal Years (Continued)**

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
A.Z. Kelsey Academy (2007)										
Square Feet	71,403	71,403	71,403	71,403	71,403	71,403	71,403	71,403	71,403	71,403
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	112	104	119	90	80	59	60	57	46	36
Percentage of Capacity used	17.9%	16.6%	19.0%	14.4%	12.8%	9.4%	9.6%	9.1%	7.4%	5.8%
Griffin High School (1986)										
Square Feet	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989	309,989
Capacity (students)	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Enrollment	1,437	1,372	1,304	1,342	1,356	1,419	1,395	1,422	1,434	1,436
Percentage of Capacity used	73.7%	70.4%	66.9%	68.8%	69.5%	72.8%	71.5%	72.9%	73.5%	73.6%
Spalding High School (2000)										
Square Feet	205,904	205,904	205,904	205,904	205,904	205,904	205,904	205,904	205,904	205,904
Capacity (students)	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,375	1,286	1,248	1,261	1,238	1,234	1,262	1,294	1,324	1,340
Percentage of Capacity used	85.9%	80.4%	78.0%	78.8%	77.4%	77.1%	78.9%	80.9%	82.8%	83.8%
Central Administration Complex (1970)										
Square Feet	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051	11,051
Central Warehouse (2003)										
Square Feet	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400	47,400
Transportation Garage/Warehouse (1964)										
Square Feet	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600	11,600
Griffin Region College and Career Academy (2017)										
Square Feet	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729	80,729
Other Special Purpose Instructional Facilities										
Square Feet										

Source: Griffin-Spalding County School System

**Griffin-Spalding County School System
Enrollment Statistics
Last Ten Fiscal Years**



Fiscal Year	Pre-Kindergarten ¹	Kindergarten	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total	Spec. Ed. ²
2010	441	940	856	873	871	878	819	810	783	665	956	748	652	568	10,860	1,126
2011	443	920	894	823	839	834	860	765	783	762	823	711	656	572	10,685	1,052
2012	443	865	911	862	810	814	833	839	753	813	911	630	625	505	10,614	993
2013	478	894	851	870	852	797	795	796	805	751	961	655	562	515	10,582	990
2014	495	898	889	848	856	837	778	764	796	791	854	701	619	500	10,626	969
2015	510	822	880	843	820	830	806	709	777	765	1,004	615	589	504	10,474	1,019
2016	508	777	818	849	798	794	781	766	695	758	1,016	645	566	490	10,261	1,086
2017	513	827	809	810	832	806	775	719	719	687	922	748	600	503	10,305	1,132
2018	511	759	852	778	820	810	829	745	740	735	813	734	694	563	10,383	1,186
2019	506	778	787	832	751	807	804	792	742	742	899	619	671	623	10,353	1,272

¹Griffin-Spalding County School System established the Pre-Kindergarten in FY1998 using proceeds from the state lottery.

²The System includes Special Education students in the appropriate grade level. The "Spec. Ed" column reflects the total number of Special Education students by year for comparative purposes only.

Source: Griffin-Spalding County School System

Griffin-Spalding County School System
Expenditures by Function, Last Ten Fiscal Years
General Fund

	Fiscal Year										Percentage Change ¹
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Instruction	\$50,747,372	\$50,219,269	\$49,373,663	\$47,622,661	\$49,529,410	\$50,596,029	\$50,941,065	\$54,070,635	\$56,699,614	\$57,866,372	14.0%
Pupil Services	1,218,061	1,323,470	1,323,090	1,283,338	1,522,381	1,554,866	1,658,493	1,853,844	1,949,092	2,130,706	74.9%
Improvement of Instructional Services	1,743,197	1,719,713	1,432,357	1,295,508	1,333,860	2,106,853	2,469,760	3,072,620	3,857,445	4,122,176	136.5%
Educational Media Services	1,894,322	1,845,301	1,656,079	1,440,932	1,483,960	1,525,756	1,528,079	1,558,477	1,610,344	1,668,656	-11.9%
General and School Administration	7,430,511	7,555,194	7,563,984	7,107,099	7,367,102	7,759,713	8,460,692	9,178,934	9,930,839	10,379,527	39.7%
Business Administration	421,419	330,052	335,644	348,784	386,548	384,124	417,103	433,398	436,233	480,116	13.9%
Maintenance and Operations of Plant	8,566,760	7,966,957	7,726,705	7,884,361	8,720,795	8,124,266	8,147,720	8,114,700	8,188,722	8,474,516	-1.1%
Student Transportation Services	3,211,466	3,420,009	4,092,737	4,166,042	5,322,915	5,275,107	4,648,579	4,834,754	4,927,811	5,302,206	65.1%
Central Support Services	1,137,619	1,104,120	1,139,419	1,219,241	1,456,213	1,593,158	1,859,430	1,771,879	1,976,865	1,727,692	51.9%
Other Support Services	715,919	899,754	743,246	888,483	962,370	1,079,136	965,678	919,821	842,114	941,087	31.5%
Food Service Operations	0	0	0	0	69,278	64,269	61,934	66,243	70,697	66,707	100.0%
Community Services Operations	152,963	149,722	132,624	126,811	128,120	134,392	159,403	145,962	212,405	215,222	40.7%
Capital Outlay	127,629	129,707	37,394	59,560	184,471	92,726	110,136	22,509	0	0	-100.0%
Debt Service	334,578	214,038	214,038	94,837	0	0	0	0	0	0	-100.0%
	\$77,701,816	\$76,877,306	\$75,770,980	\$73,537,657	\$78,467,423	\$80,290,395	\$81,428,072	\$86,043,776	\$90,702,181	\$93,374,983	20.2%

	Fiscal Year										Percentage Change ¹
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Instruction	65.3%	65.3%	65.2%	64.8%	63.1%	63.0%	62.6%	62.8%	62.5%	62.0%	62.0%
Pupil Services	1.6%	1.7%	1.7%	1.7%	1.9%	1.9%	2.0%	2.2%	2.1%	2.3%	2.3%
Improvement of Instructional Services	2.2%	2.2%	1.9%	1.8%	1.7%	2.6%	3.0%	3.6%	4.3%	4.4%	4.4%
Educational Media Services	2.4%	2.4%	2.2%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%
General and School Administration	9.6%	9.8%	10.0%	9.7%	9.4%	9.7%	10.4%	10.7%	10.9%	11.1%	11.1%
Business Administration	0.5%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Maintenance and Operations of Plant	11.0%	10.4%	10.2%	10.7%	11.1%	10.1%	10.0%	9.4%	9.0%	9.1%	9.1%
Student Transportation Services	4.1%	4.4%	5.4%	5.7%	6.8%	6.6%	5.7%	5.6%	5.4%	5.7%	5.7%
Central Support Services	1.5%	1.4%	1.5%	1.7%	1.9%	2.0%	2.3%	2.1%	2.2%	1.9%	1.9%
Other Support Services	0.9%	1.2%	1.0%	1.2%	1.2%	1.3%	1.2%	1.1%	0.9%	1.0%	1.0%
Food Service Operations	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Community Services Operations	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Outlay	0.2%	0.2%	0.0%	0.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Debt Service	0.4%	0.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹Percentage change computed by using the following formula:
(2019 expenditure/2010 expenditure)-1 = percentage change

Griffin-Spalding County School System
Per Pupil Expenditures by Function, Last Ten Fiscal Years
General Fund

	Fiscal Year										Percentage Change ¹
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Instruction	\$4,672	\$4,699	\$4,652	\$4,500	\$4,661	\$4,831	\$4,965	\$5,248	\$5,461	\$5,589	19.6%
Pupil Services	112	124	125	121	143	148	162	180	188	206	83.5%
Improvement of Instructional Services	160	161	135	122	126	201	241	298	372	398	148.1%
Educational Media Services	174	173	156	136	140	146	149	151	155	161	-7.6%
General and School Administration	684	707	713	672	693	741	825	891	956	1,003	46.5%
Business Administration	39	31	32	33	36	37	41	42	42	46	19.5%
Maintenance and Operations of Plant	789	745	728	745	821	776	794	788	789	819	3.8%
Student Transportation Services	296	320	386	394	501	504	453	469	475	512	73.2%
Central Support Services	105	103	107	115	137	152	181	172	190	167	59.3%
Other Support Services	66	84	70	84	91	103	94	89	81	91	37.9%
Food Service Operations	0	0	0	0	7	6	6	6	7	6	100.0%
Community Services Operations	14	14	12	12	12	13	16	14	20	21	47.6%
Capital Outlay	12	12	4	6	17	9	11	2	0	0	-100.0%
Debt Service	0	0	20	9	0	0	0	0	0	0	0.0%
Total Expenditures ²	\$7,154	\$7,193	\$7,139	\$6,949	\$7,384	\$7,666	\$7,936	\$8,351	\$8,736	\$9,019	26.1%
Student Enrollment ³	10,860	10,685	10,614	10,582	10,626	10,474	10,261	10,305	10,383	10,353	-4.7%

¹Percentage change computed by using the following formula:

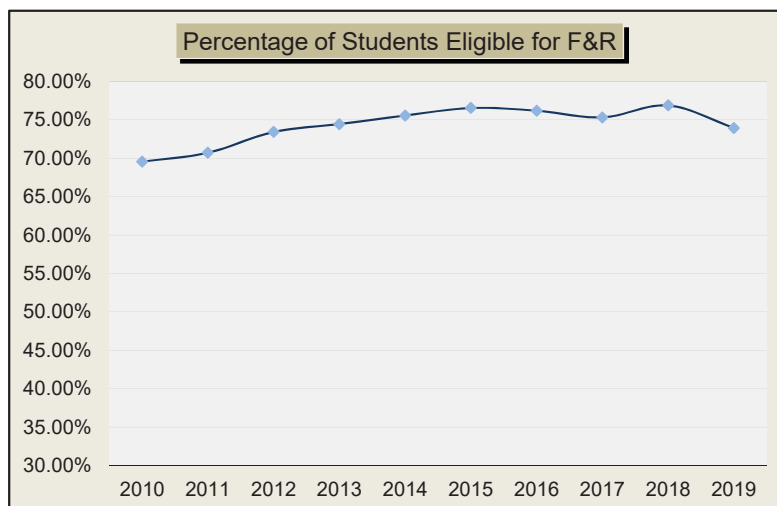
(2019 revenue/2010 revenue)-1 = percentage change

²Expenditures restated on a per pupil basis by using the following formula:

Revenue/current enrollment = per pupil revenue

³Student enrollment figures are taken from fall enrollment (October 1) reports.

**Griffin-Spalding County School System
Free and Reduced Lunch
Last Ten Fiscal Years**



	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Lunch Meals Served										
Free	1,027,745	1,046,085	1,086,381	1,042,616	1,046,355	1,105,505	1,051,121	1,011,571	977,785	981,943
Reduced	125,258	96,503	110,639	105,123	110,333	99,399	112,445	98,288	104,952	83,417
Paid	315,738	296,584	259,927	216,889	177,353	165,135	162,692	148,076	195,831	142,292
Total	1,468,741	1,439,172	1,456,947	1,364,628	1,334,041	1,370,039	1,326,258	1,257,935	1,278,568	1,207,652
Breakfast Meals Served										
Free	623,310	621,661	651,752	630,562	637,061	650,732	589,747	566,830	562,633	591,568
Reduced	48,705	42,375	46,295	43,356	46,232	42,903	46,748	40,197	44,536	40,108
Paid	74,907	65,660	57,029	49,963	42,031	40,813	40,611	37,281	62,536	41,525
Total	746,922	729,696	755,076	723,881	725,324	734,448	677,106	644,308	669,705	673,201
Adult & Non-reimbursable										
Paid - Breakfast	7,247	5,804	7,892	2,631	1,913	1,766	1,596	3,402	2,096	2,190
Paid - Lunch	39,590	36,228	42,557	29,805	23,767	25,273	27,493	27,775	20,957	17,493
Other - Breakfast	16,965	21,200	17,096	15,655	15,493	16,113	14,969	13,204	15,888	13,738
Other - Lunch	38,435	49,010	41,424	35,826	35,744	38,267	35,414	30,158	32,043	28,432
Total	102,237	112,242	108,969	83,917	76,917	81,419	79,472	74,539	70,984	61,853
Total Meals Served										
Free	1,651,055	1,667,746	1,738,133	1,673,178	1,683,416	1,756,237	1,640,868	1,578,401	1,540,418	1,573,511
Reduced	173,963	138,878	156,934	148,479	156,565	142,302	159,193	138,485	149,488	123,525
Paid	437,482	404,276	367,405	299,288	245,064	232,987	232,392	216,534	281,420	203,500
Other	55,400	70,210	58,520	51,481	51,237	54,380	50,383	43,362	47,931	42,170
Total	2,317,900	2,281,110	2,320,992	2,172,426	2,136,282	2,185,906	2,082,836	1,976,782	2,019,257	1,942,706
% Eligible for Free and Reduced	69.57%	70.73%	73.44%	74.46%	75.58%	76.56%	76.21%	75.34%	76.90%	73.97%

Source: Griffin-Spalding County School System

**Griffin-Spalding County School System
Insurance Coverage**

Insurance coverage of the System is summarized below.

<u>Type</u>	<u>Amount in Force</u>
Property	\$350,006,269
Boiler & Machinery	25,000,000
Fidelity Bond	100,000
Superintendent Bond	100,000

<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurance</u>	<u>Aggregate</u>
General Liability	\$1,000,000	\$2,000,000
School Board Errors and Omissions	1,000,000	1,000,000
Automobile Liability	1,000,000	1,000,000
Excess Workers' Compensation	Statutory	Statutory

Notes:

The System is partially self-insured for workers compensation claims through a self-insurance program that is periodically reviewed for actuarial soundness by an actuary. Refer to Note 8 and MD&A of the System's financial statements for a discussion of the System's risk management program. The System requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the System's facilities.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Griffin-Spalding County School System as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Griffin-Spalding County School System's basic financial statements, and have issued our report thereon dated October 28, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Griffin-Spalding County School System's internal control over financial reporting (internal control) to determine the 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 Griffin-Spalding County School System's internal control. Accordingly, we do not express an opinion on the effectiveness of Griffin-Spalding County School System'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 government'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Griffin-Spalding County School System'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 determination of financial statement amounts. 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.

We noted certain matters that we reported to management of the System in a separate letter dated October 28, 2019.

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 government'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.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

October 28, 2019

Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance

The Board of Education
Griffin-Spalding County School System
Griffin, Georgia

Report on Compliance for Each Major Federal Program

We have audited Griffin-Spalding County School System's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of Griffin-Spalding County School System's major federal programs for the year ended June 30, 2019. Griffin-Spalding County School System'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Griffin-Spalding County School System'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 ("CFR") 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 compliance 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 Griffin-Spalding County School System'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 on Griffin-Spalding County School System's compliance.

Opinion on Each Major Federal Program

In our opinion, Griffin-Spalding County School System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Griffin-Spalding County School System 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 Griffin-Spalding County School System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 Griffin-Spalding County School System's internal control over compliance.

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

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

The Board of Education
Griffin-Spalding County School System
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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.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

October 28, 2019

GRIFFIN-SPALDING COUNTY BOARD OF EDUCATION
 GRIFFIN, GEORGIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2019

FUNDING AGENCY PROGRAM/GRANT	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES IN PERIOD
Agriculture, U. S. Department of		
Child Nutrition Cluster		
Pass-Through From Georgia Department of Education		
Cash Assistance		
Food Services		
School Breakfast Program	10.553	185GA324N1099 \$ 1,352,663
National School Lunch Program	10.555	185GA324N1099 3,633,823
After School Snacks	10.555	185GA324N1099 37,792
Non Cash Assistance		
U.S. Department of Agriculture (USDA Commodities)	10.550	<u>264,888</u>
Total Child Nutrition Cluster		<u>5,289,166</u>
Other Programs		
Pass-Through From Georgia Department of Education		
Commercial Warehouse Storage and Delivery		
Cost Reimbursement Equipment Stimulus Grant	10.579	<u>6,089</u>
Total U.S. Department of Agriculture		<u>5,295,255</u>
Education, U. S. Department of		
Title I, Part A Cluster		
Pass-Through From Georgia Department of Education		
Grants to Local Educational Agencies		
Title I-A, Improving the Academic Achievement of the Disadvantaged	84.010	S010A170010 804,571
Title I-A, Improving the Academic Achievement of the Disadvantaged	84.010	S010A180010 3,757,747
School Improvement	84.010	S010A180010 194,210
Total Title I, Part A Cluster		<u>4,756,528</u>
Special Education Cluster		
Pass-Through From Georgia Department of Education		
Individuals with Disabilities Education Act		
Flowthrough - Carryover	84.027	H027A170073 317,715
Flowthrough	84.027	H027A180073 1,963,978
Special Projects - Carryover	84.027	H027A170073 91,250
Special Projects	84.027	H027A180073 230,507
Preschool Regular - Carryover	84.173	H173A170081 22,238
Preschool Regular	84.173	H173A180081 44,152
Total Special Education Cluster		<u>2,669,840</u>
Other Programs		
Pass-Through From Georgia Department of Education		
Career and Technical Education- Basic Grants to States		
Title II-A, Improving Teacher Quality State Grants	84.048	V048A180010 148,356
Title II-A, Improving Teacher Quality State Grants	84.367	S367A170001 4,988
Title II-A, Improving Teacher Quality State Grants	84.367	S367A180001 396,473
Title III-A, Immigrant	84.365	S365A180010 1,955
Title III-A, Limited English Proficient (LEP)	84.365	S365A180010 39,974
Title IV, Student Support and Academic Enrichment Program	84.42A	S424A170011 18,561
Title IV, Student Support and Academic Enrichment Program	84.42A	S424A180011 248,696
Total U. S. Department of Education		<u>8,285,371</u>
Health and Human Services, U. S. Department of		
Pass-Through From Georgia Department of Education		
Now is the Time: Project AWARE	93.243	H79SM071777 87,336
Now is the Time: Project AWARE	93.243	H79SM081777 258,369
Total Health and Human Services		<u>345,705</u>
Defense, U. S. Department of		
Direct		
Department of the Army		
R.O.T.C. Program	12.000	<u>261,232</u>
Total Federal Financial Assistance		<u>\$ 14,187,563</u>

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies

Basis of Accounting - The schedule of expenditures of federal awards has been prepared utilizing the modified accrual basis of accounting. Under this method, revenues are recognized when they become 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 for the current period. Expenditures are recognized when the liability is incurred.

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITOR’S RESULTS

1. An unmodified opinion, dated October 28, 2019, was issued on the financial statements for the year ended June 30, 2019.
2. The “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” dated October 28, 2019 disclosed no significant deficiencies for the year ended June 30, 2019.
3. The “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” dated October 28, 2019 disclosed no instances of noncompliance for the year ended June 30, 2019.
4. The “Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance” dated October 28, 2019, disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2019.
5. An unmodified opinion, dated October 28, 2019, was issued on the System's compliance with its major federal programs in the “Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance,” for the year ended June 30, 2019.
6. No audit findings were disclosed as required under 2 CFR 200.516(a) for the year ended June 30, 2019.
7. The major programs for Griffin-Spalding County School System for the year ended June 30, 2019 were:

Special Education Cluster

Pass-Through From Georgia Department of Education

Individuals with Disabilities Education Act

Flowthrough Regular CFDA No. 84.027

Special Projects CFDA No. 84.027

Preschool Regular CFDA No. 84.173

Title IIA

Improving Teacher Quality State Grants CFDA No. 84.367

GRIFFIN-SPALDING COUNTY SCHOOL SYSTEM
GRIFFIN, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

8. The dollar threshold used to distinguish between Type A and Type B threshold programs was \$750,000, as described in 2 CFR 200.518.
9. Under 2 CFR 200.520, Griffin-Spalding County School System did qualify as a low-risk auditee for the year ended June 30, 2019.

FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The "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" dated October 28, 2019, disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2019.

FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS

The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance" dated October 28, 2019, disclosed no findings or questioned costs for Federal awards as defined in 2 CFR 200.516(a), for the year ended June 30, 2019.