

BEN HILL COUNTY BOARD OF EDUCATION
FITZGERALD, GEORGIA

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

BEN HILL COUNTY BOARD OF EDUCATION

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SECTION I

FINANCIAL

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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
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Greg S. Griffin
STATE AUDITOR
(404) 656-2174

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Superintendent and Members of the
Ben Hill County Board of Education

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis as required by Title 2 U. S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

May 19, 2021

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

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2020 are as follows:

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

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

- The School District received $508,671 less in equalization funds as part of an overall increase of $546,012 in state revenue over the prior year.

- On the government-wide financial statements, the assets and deferred outflows of resources of the School District fell short of liabilities and deferred inflows of resources by $4.2 million.

- The School District had $39.2 million in expenses relating to governmental activates for the fiscal year. $24.8 million of the above mentioned expenses for the fiscal year were offset by program specific charges for services and grants and contributions. General revenues (primarily property and sales taxes) of $13.4 million, along with fund balance were adequate to provide for these programs.

- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short-term liabilities was 8.8 based on the Statement of Net Position as of June 30, 2020. Generally, a ratio greater than 2.0 is considered very financially stable.

- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year with a fund balance of $4.5 million, a decrease of $1.0 million from the June 30, 2019 fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that will enhance the reader's understanding of the financial condition of the School District.

Government-Wide Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances in a format similar to the financial statements of a private-sector business. The government-wide financial statements provide short-term and long-term information about the School District's financial status as a whole.

The Statement of Net Position presents information on all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

These statements are presented using the economic resources measurement focus (accrual accounting), which is similar to the accounting used by most private-sector businesses. This basis of accounting includes all of the current year's revenues and expenditures regardless of when cash is received or paid.

The government-wide statements include the School District's basic services such as instruction, support services, food services, and enterprise operations. Property taxes, state grants, and federal grant funds finance most of these activities.

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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into governmental funds or fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as the governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, capital projects and debt service funds, which are considered to be major funds.

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information such as the budgetary comparison schedule for the general fund as presented on a generally accepted accounting principles basis. This schedule is intended to demonstrate the School District's compliance with the legally adopted and amended budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $4.2 million.

The largest portion of the School District's net position of $36.6 million, reflects the School District's investment in capital assets (property, plant, and equipment) less any related debt used to acquire those assets that is still outstanding. The School District uses its assets to provide safe and secure facilities to the students, these assets are not available for future spending.

The School District reports a restricted net position of $5.0 million, which consists of SPLOST funds to be used for capital projects, debt service funds to be used for servicing debt, school nutrition funds to be used for student meals and a reserve for bus replacement.

The remaining portion of the School District's net position represents an unrestricted net position deficit of $45.8 million. The unrestricted net position deficit is a result of the fiscal year 2018 adoption of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)* and the fiscal year 2015 adoption of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. More information about these reported liabilities can be found in Notes 11 and 12, respectively, of the financial statements.

The School District has current assets of $39.6 million. These assets include $35.3 million of cash and cash equivalents. The School District's capital assets are $39.6 million.

Table 1 provides a summary of the School District's net position for fiscal year 2020 compared to fiscal year 2019.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Assets		
Current and Other Assets	$ 39,651,707	$ 12,355,261
Capital Assets, Net	39,587,881	37,879,700
Total Assets	79,239,588	50,234,961
Deferred Outflows of Resources	9,405,538	6,408,619
Total Assets and Deferred Outflows of Resources	88,645,126	56,643,580
Liabilities		
Current and Other Liabilities	55,712,785	52,273,945
Long-Term Liabilities	28,772,050	-
Total Liabilities	84,484,835	52,273,945
Deferred Inflows of Resources	8,400,191	7,594,824
Total Liabilities and Deferred Inflows of Resources	92,885,026	59,868,769
Net Position		
Net Investment in Capital Assets	36,611,632	37,879,700
Restricted	4,964,284	3,784,476
Unrestricted (Deficit)	(45,815,816)	(44,889,365)
Total Net Position	$ (4,239,900)	$ (3,225,189)

Change in net position

The change in net position was a decrease of $1.0 million from fiscal year 2019 to fiscal year 2020.

Table 2 shows the changes in net position for fiscal year 2020 compared to the changes in net position for fiscal year 2019.

Table 2
Change in Net Position

	Governmental Activities		
	Fiscal Year 2020	Fiscal Year 2019	Net Change
Revenues			
Program Revenues:			
Charges for Services	$ 293,241	$ 298,681	$ (5,440)
Operating Grants and Contributions	24,449,587	25,076,145	(626,558)
Capital Grants and Contributions	77,220	154,440	(77,220)
Total Program Revenues	24,820,048	25,529,266	(709,218)
General Revenues:			
Taxes			
Property Taxes			
For Maintenance and Operations	6,822,594	6,400,079	422,515
Railroad Cars	25,994	25,485	509
Sales Taxes			
Special Purpose Local Option Sales Tax			
For Capital Projects	2,626,192	2,146,866	479,326
Other Taxes	83,711	52,952	30,759
Grants and Contributions not Restricted to Specific Programs	3,101,920	3,610,591	(508,671)
Investment Earnings	189,201	27,281	161,920
Miscellaneous	556,172	350,498	205,674
Extraordinary Item			
Donation	-	494,972	(494,972)
Total General Revenues and Extraordinary Item	13,405,784	13,108,724	297,060
Total Revenues and Extraordinary Item	38,225,832	38,637,990	(412,158)
Program Expenses:			
Instruction	24,883,468	22,221,065	2,662,403
Support Services			
Pupil Services	991,667	969,909	21,758
Improvement of Instructional Services	1,555,657	1,346,526	209,131
Educational Media Services	342,049	402,190	(60,141)
General Administration	1,069,972	692,269	377,703
School Administration	2,325,185	2,086,905	238,280
Business Administration	1,059,110	472,268	586,842
Maintenance and Operation of Plant	2,516,281	2,413,289	102,992
Student Transportation Services	1,712,580	1,434,635	277,945
Central Support Services	25,995	27,761	(1,766)
Other Support Services	1,117,299	18,200	1,099,099
Operations of Non-Instructional Services			
Enterprise Operations	178,039	290,127	(112,088)
Food Services	996,727	1,913,692	(916,965)
Interest on Short-Term and Long-Term Debt	466,514	-	466,514
Total Expenses	39,240,543	34,288,836	4,951,707
Change in Net Position	$ (1,014,711)	$ 4,349,154	$ (5,363,865)

Revenues

The School District's total revenue was $38.2 million for the year. Grants and contributions make up 72.3% and property taxes accounted for 17.9% of the School District's revenue.

Expenses

The School District's total expenses were $39.2 million. The School District's expenses are predominantly accounted for in the instructional category, which accounts for 63.4% of the total cost. This cost is directly related to educating the students. Maintenance and operations accounted for 6.4% of the total cost, which is the cost to keep the facilities comfortable, safe, and secure.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the year.

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of $34.8 million, an increase in fund balance of $26.2 million. This is mainly due to the receipt of bond proceeds, which were issued in current year.

General Fund

The general fund is the primary operating fund of the School District. At the end of the fiscal year the total fund balance was $4.5 million, representing an unassigned fund balance of $3.3 million and a restricted, non-spendable, and assigned fund balance of $1.2 million. Fund balance decreased by $1.0 million as a result of a decrease in federal funding for the fiscal year. The School District tries to maintain an available general fund balance of 15% of general fund expenditures for unforeseen needs or other opportunities that might arise in addition to meeting the cash flow needs of the School District. The School District currently has an available general fund balance of 9.1% of the $36.4 million general fund expenditures.

Capital Projects Fund

The capital projects fund accounts for capital projects managed by the School District. After expenditures of $3.8 million for renovations at various facilities, issuance of a bond and interest on bonds, the capital projects fund had an increase in fund balance of $27.2 million and ended the year with a fund balance of $30.3 million.

Table 3
Governmental Fund Balances

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
General Fund	$ 4,458,887	$ 5,494,092
Capital Projects Fund	30,309,132	3,099,928
Debt Service Fund	-	-
Total	$ 34,768,019	$ 8,594,020

General Fund Budgeting Highlights

The School District's budget utilized a conservative approach based on limited information available. Emphasis was given to ensure financial stability and long-term stability while providing revenue enhancement, financial priorities, and discipline. The budget is a legally adopted document that incorporates input from the citizens of the School District and input from the management of the School District, and the decisions of the School District regarding how to pay for the services that are provided to the students.

In the current year, the School District revised its budget periodically to recognize new funding amounts from external sources and state and federal grants. The Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, is included in the financial statements. For fiscal year 2020, the School District's general fund had an unfavorable budget variance of $1.6 million. There was a $1.8 million favorable budget variance for revenues, with a $3.4 million unfavorable budget variance for expenditures.

The $1.8 million favorable revenue budget variance is attributed to more state funds collected than what was budgeted. Other factors that attributed to a favorable budget variance include an increase in property tax revenue and revenues for the various school accounts, which is reported as charges for services and miscellaneous revenue.

The $3.4 million unfavorable expenditure budget variance is attributable to additional funding needed in the areas of instruction and improvement of instructional services.

Capital Assets and Debt Administration

Capital Assets

At fiscal year ended June 30, 2020, the School District had $39.6 million invested in capital assets (net of accumulated depreciation). The capital assets increased by $1.7 million due to the additions to construction in progress of Fitzgerald High School, the purchase of land, along with several equipment purchases. The net change in capital assets (net of accumulated depreciation) from fiscal year 2019 to fiscal year 2020 was an increase of $1.7 million.

Additional information about the School District's capital assets can be found in the Notes to the Basic Financial Statements.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Land	$ 2,787,329	$ 1,266,020
Construction In Progress	1,275,284	182,081
Building and Improvements	33,567,516	34,441,365
Equipment	1,474,905	1,393,931
Land Improvements	482,847	596,303
Total	$ 39,587,881	$ 37,879,700

Long-Term Debt

During the current year, the School District issued general obligation bonds totaling $24,680,000 to build a new school. The School District had no long-term debt in prior year.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2019	3% to 5%	12/12/2019	4/1/2037	$ 24,680,000	$ 24,680,000

CURRENT ISSUES

In December 2019, a strain of coronavirus (COVID-19) began to spread worldwide, resulting in a severe impact to the United States economy in March 2020. The spread of COVID-19 has had a negative impact on virtually all businesses and individuals which comprise the tax base of all levels of government.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the School District's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Thomas Rachels, Chief Operating Officer, Ben Hill County Board of Education, 509 West Palm Street, Fitzgerald, GA 31750. One may also call (229) 409-5500, visit our website www.ben-hill.k12.ga.us or send an email to thomas.rachels@benhillschools.org.

BEN HILL COUNTY BOARD OF EDUCATION

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BEN HILL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 35,301,351.07
Accounts Receivable, Net	
Taxes	1,105,531.89
State Government	2,450,979.05
Federal Government	724,187.48
Local	112.84
Other	3,598.76
Inventories	65,946.39
Capital Assets, Non-Depreciable	4,062,613.04
Capital Assets, Depreciable (Net of Accumulated Depreciation)	35,525,268.17
Total Assets	79,239,588.69
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	7,915,023.78
Related to OPEB Plan	1,490,514.00
Total Deferred Outflows of Resources	9,405,537.78
LIABILITIES	
Accounts Payable	343,745.44
Salaries and Benefits Payable	3,719,091.18
Payroll Withholdings Payable	161,581.64
Interest Payable	275,437.50
Deposits and Unearned Revenues	29,108.62
Net Pension Liability	28,107,279.00
Net OPEB Liability	23,076,542.00
Long-Term Liabilities	
Due Within One Year	1,244,301.52
Due in More Than One Year	27,527,748.94
Total Liabilities	84,484,835.84
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	2,288,374.00
Related to OPEB Plan	6,111,817.00
Total Deferred Inflows of Resources	8,400,191.00
NET POSITION	
Net Investment in Capital Assets	36,611,631.70
Restricted for	
Bus Replacement	14,098.00
Continuation of Federal Programs	399,222.60
Debt Service	275,437.50
Capital Projects	4,275,526.18
Unrestricted (Deficit)	(45,815,816.35)
Total Net Position	$ (4,239,900.37)

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

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

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 24,883,468.43	$ 224,766.51	$ 18,194,144.29	$ -	$ (6,464,557.63)
Support Services					
Pupil Services	991,666.94	-	178,625.49	-	(813,041.45)
Improvement of Instructional Services	1,555,656.95	-	666,030.17	-	(889,626.78)
Educational Media Services	342,049.45	-	429,039.32	-	86,989.87
General Administration	1,069,971.61	-	802,815.15	-	(267,156.46)
School Administration	2,325,184.89	-	1,002,162.12	-	(1,323,022.77)
Business Administration	1,059,109.56	-	15,572.64	-	(1,043,536.92)
Maintenance and Operation of Plant	2,516,281.12	40,000.00	1,019,264.26	-	(1,457,016.86)
Student Transportation Services	1,712,579.76	-	434,012.67	77,220.00	(1,201,347.09)
Central Support Services	25,994.93	-	-	-	(25,994.93)
Other Support Services	1,117,299.02	-	10,151.66	-	(1,107,147.36)
Operations of Non-Instructional Services					
Enterprise Operations	178,039.25	-	-	-	(178,039.25)
Food Services	996,727.54	28,474.13	1,697,769.71	-	729,516.30
Interest on Long-Term Debt	466,513.67	-	-	-	(466,513.67)
Total Governmental Activities	$ 39,240,543.12	$ 293,240.64	$ 24,449,587.48	$ 77,220.00	(14,420,495.00)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					6,822,594.14
Railroad Cars					25,993.85
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					2,626,191.95
Other Sales Tax					83,711.24
Grants and Contributions not Restricted to Specific Programs					3,101,920.00
Investment Earnings					189,201.17
Miscellaneous					556,171.74
Total General Revenues					13,405,784.09
Change in Net Position					(1,014,710.91)
Net Position - Beginning of Year					(3,225,189.46)
Net Position - End of Year					$ (4,239,900.37)

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

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 5,208,620.98	$ 30,092,730.09	$ -	$ 35,301,351.07
Accounts Receivable, Net				
Taxes	576,059.85	529,472.04	-	1,105,531.89
State Government	2,450,979.05	-	-	2,450,979.05
Federal Government	724,187.48	-	-	724,187.48
Local	112.84	-	-	112.84
Other	3,598.76	-	-	3,598.76
Inventories	65,946.39	-	-	65,946.39
Total Assets	$ 9,029,505.35	$ 30,622,202.13	$ -	$ 39,651,707.48
LIABILITIES				
Accounts Payable	$ 343,745.44	$ -	$ -	$ 343,745.44
Salaries and Benefits Payable	3,719,091.18	-	-	3,719,091.18
Payroll Withholdings Payable	161,581.64	-	-	161,581.64
Deposits and Unearned Revenue	29,108.62	-	-	29,108.62
Total Liabilities	4,253,526.88	-	-	4,253,526.88
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	317,091.74	-	-	317,091.74
Unavailable Revenue - Sales Taxes	-	313,070.57	-	313,070.57
Total Deferred Inflows of Resources	317,091.74	313,070.57	-	630,162.31
FUND BALANCES				
Nonspendable	65,946.39	-	-	65,946.39
Restricted	347,374.21	30,309,131.56	-	30,656,505.77
Assigned	750,092.71	-	-	750,092.71
Unassigned	3,295,473.42	-	-	3,295,473.42
Total Fund Balances	4,458,886.73	30,309,131.56	-	34,768,018.29
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,029,505.35	$ 30,622,202.13	$ -	$ 39,651,707.48

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

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")		$ 34,768,018.29
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	$ 2,787,329.22	
Construction in progress	1,275,283.82	
Buildings	49,492,298.52	
Equipment	6,525,323.63	
Land Improvements	2,994,268.28	
Accumulated depreciation	(23,486,622.26)	39,587,881.21
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (28,107,279.00)	
Net OPEB liability	(23,076,542.00)	(51,183,821.00)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	$ 5,626,649.78	
Related to OPEB	(4,621,303.00)	1,005,346.78
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
Property tax	$ 317,091.74	
Sales tax	313,070.57	630,162.31
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	$ (24,680,000.00)	
Accrued interest payable	(275,437.50)	
Unamortized bond premiums	(4,092,050.46)	(29,047,487.96)
Net Position of Governmental Activities (Exhibit "A")		$ (4,239,900.37)

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 6,830,414.63	$ -	$ -	$ 6,830,414.63
Sales Taxes	83,711.24	2,313,121.38	-	2,396,832.62
State Funds	22,861,288.99	-	-	22,861,288.99
Federal Funds	4,739,411.79	-	-	4,739,411.79
Charges for Services	293,240.64	-	-	293,240.64
Investment Earnings	27,417.07	161,784.10	-	189,201.17
Miscellaneous	556,171.74	-	-	556,171.74
Total Revenues	35,391,656.10	2,474,905.48	-	37,866,561.58
EXPENDITURES				
Current				
Instruction	23,334,062.40	286,217.15	-	23,620,279.55
Support Services				
Pupil Services	989,889.53	13,363.99	-	1,003,253.52
Improvement of Instructional Services	1,522,250.33	-	-	1,522,250.33
Educational Media Services	319,522.97	-	-	319,522.97
General Administration	1,052,556.79	-	-	1,052,556.79
School Administration	2,310,019.97	-	-	2,310,019.97
Business Administration	566,567.83	-	-	566,567.83
Maintenance and Operation of Plant	2,415,008.84	53,259.28	-	2,468,268.12
Student Transportation Services	1,615,839.91	275,500.00	-	1,891,339.91
Other Support Services	159,680.00	-	-	159,680.00
Enterprise Operations	178,039.25	-		178,039.25
Food Services Operation	1,963,423.36	-	-	1,963,423.36
Capital Outlay	-	2,718,749.75	-	2,718,749.75
Debt Service				
Bond Issuance Costs	-	499,586.61	-	499,586.61
Interest	-	-	333,585.41	333,585.41
Total Expenditures	36,426,861.18	3,846,676.78	333,585.41	40,607,123.37
Revenues over (under) Expenditures	(1,035,205.08)	(1,371,771.30)	(333,585.41)	(2,740,561.79)
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds	-	24,680,000.00	-	24,680,000.00
Premiums on Bonds Sold	-	4,234,559.70	-	4,234,559.70
Transfers In	-	-	333,585.41	333,585.41
Transfers Out	-	(333,585.41)	-	(333,585.41)
Total Other Financing Sources (Uses)	-	28,580,974.29	333,585.41	28,914,559.70
Net Change in Fund Balances	(1,035,205.08)	27,209,202.99	-	26,173,997.91
Fund Balances - Beginning	5,494,091.81	3,099,928.57	-	8,594,020.38
Fund Balances - Ending	$ 4,458,886.73	$ 30,309,131.56	$ -	$ 34,768,018.29

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

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ 26,173,997.91
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 3,002,828.11	
Depreciation expense	(1,294,646.68)	1,708,181.43
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax	$ 18,173.36	
Sales tax	313,070.57	331,243.93
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
General obligation bonds issued, including a premium of $4,234,559.70	$ (28,914,559.70)	
Amortization of bond premium	142,509.24	(28,772,050.46)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the School District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	$ (369,384.22)	
OPEB expense	188,738.00	(180,646.22)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest on issuance of bonds		(275,437.50)
Change in net position of governmental activities (Exhibit "B")		$ (1,014,710.91)

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

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

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	$ 7,295.51	$ 122,823.03
LIABILITIES		
Funds Held for Others		$ 122,823.03
NET POSITION		
Held in Trust for Private Purposes	$ 7,295.51	

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

BEN HILL COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Contributions	$ 1,000.00
Investment Earnings	
Interest	26.09
Other Additions	1,500.00
Total Additions	2,526.09
DEDUCTIONS	
Other Deductions	6,500.00
Change in Net Position	(3,973.91)
Net Position - Beginning	11,269.42
Net Position - Ending	$ 7,295.51

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Ben Hill County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a board elected by the voters and a Superintendent appointed by the Board. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

BASIS OF PRESENTATION

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

GOVERNMENT-WIDE STATEMENTS:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District , except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS:

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and bond proceeds that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund types:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.
- Agency funds are used to report resources held by the School District in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported on the financial statements. The government-wide, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are

recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

NEW ACCOUNTING PRONOUNCEMENTS

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

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

RECEIVABLES

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

INVENTORIES

Food Inventories

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

CAPITAL ASSETS

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at the acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The School District does not capitalize book collections or works of art.

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is computed using the straight-line for all assets, except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives.

Capitalization thresholds and estimated useful lives of capital assets reported in the government-wide statements are as follows:

		Capitalization Policy	Estimated Useful Life
Land	$	Any Amount	N/A
Land Improvements	$	50,000.00	15 years
Buildings and Improvements	$	50,000.00	60 to 75 years
Equipment	$	5,000.00	5 to 25 years
Construction In Progress	$	50,000.00	N/A
Intangible - Software	$	100,000.00	10 years
All Other- Intangible Assets	$	10,000.00	20 years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

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

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

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

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

PENSIONS

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

FUND BALANCES

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

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

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

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

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

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

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

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

PROPERTY TAXES

The Ben Hill County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on July 25, 2019 (levy date) based on property values as of January 1, 2019. Taxes were due on December 20, 2019 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2019 tax digest are reported as revenue in the governmental funds for fiscal year 2020. The Ben Hill County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2020, for maintenance and operations amounted to $6,173,267.05.

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

School Operations	18.039 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $631,153.73 during fiscal year ended June 30, 2020.

SALES TAXES

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $2,313,121.38 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

COLLATERALIZATION OF DEPOSITS

O.C.G.A. § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance. At June 30, 2020, $296,436.95 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all the School District's deposits.

Acceptable security for deposits consists of any one of or any combination of the following:

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

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

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2020, School District had deposits with a carrying amount of $9,809,243.90, and a bank balance of $11,734,759.58. The bank balances insured by Federal depository insurance were $500,000.00 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution’s trust department or agent in the School District’s name were $6,821,001.72.

At June 30, 2020, $4,117,320.91 of the School District’s bank balances was exposed to custodial credit risk. This balance was in the State’s Secure Deposit Program (SDP).

The School District participates in the State’s Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%,

and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrant. The program lists the types of eligible criteria. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

At June 30, 2020, $296,436.95 of the School District's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	$	296,436.95
Uninsured with collateral held by the pledging financial institution		-
Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the School District's name		-
Total	$	296,436.95

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Cash and cash equivalents		
Statement of Net Position	$	35,301,351.07
Statement of Fiduciary Net Position		130,118.54
Total cash and cash equivalents		35,431,469.61
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		25,622,225.71
Total carrying value of deposits - June 30, 2020	$	9,809,243.90

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported cash equivalents of $25,622.225.71 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. 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 AAAf 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, 2020 was 38 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, which is publicly available at https://sao.georgia.gov/comprehensive-annual-financial-reports.

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2019	Increases	Decreases	Balances June 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 1,266,020.01	$ 1,521,309.21	$ -	$ 2,787,329.22
Construction in Progress	182,081.18	1,093,202.64	-	1,275,283.82
Total Capital Assets Not Being Depreciated	1,448,101.19	2,614,511.85	-	4,062,613.04
Capital Assets Being Depreciated				
Buildings and Improvements	49,492,298.52	-	-	49,492,298.52
Equipment	6,411,336.37	388,316.26	274,329.00	6,525,323.63
Land Improvements	2,994,268.28	-	-	2,994,268.28
Less Accumulated Depreciation for:				
Buildings and Improvements	15,050,934.10	873,848.27	-	15,924,782.37
Equipment	5,017,405.39	307,342.00	274,329.00	5,050,418.39
Land Improvements	2,397,965.09	113,456.41	-	2,511,421.50
Total Capital Assets, Being Depreciated, Net	36,431,598.59	(906,330.42)	-	35,525,268.17
Governmental Activities Capital Assets - Net	$ 37,879,699.78	$ 1,708,181.43	$ -	$ 39,587,881.21

Current year depreciation expense by function is as follows:

Instruction		$ 975,424.68
Support Services		
Educational Media Services	16,434.00	
General Administration	7,620.00	
Maintenance and Operation of Plant	67,659.00	
Student Transportation Services	161,495.00	
Central Support Services	22,376.00	275,584.00
Food Services		43,638.00
		$ 1,294,646.68

NOTE 6: INTERFUND TRANSFERS

INTERFUND TRANSFERS

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

Transfers to	Transfer From Capital Projects Fund
Debt Service Fund	$ 333,585.41

Transfers are used to move sales tax revenues collected by the capital projects fund to the debt service fund to provide funding to service debt.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
General Obligation (G.O.) Bonds	$ -	$ 24,680,000.00	$ -	$ 24,680,000.00	$ 1,000,000.00
Unamortized Bond Premiums	-	4,234,559.70	142,509.24	4,092,050.46	244,301.52
	$ -	$ 28,914,559.70	$ 142,509.24	$ 28,772,050.46	$ 1,244,301.52

GENERAL OBLIGATION DEBT OUTSTANDING

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

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

During the current year, the School District issued general obligation bonds totaling $24,680,000.00 to build a new school. Of the total amount originally authorized, $2,720,000.00 remains unissued.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2019	3% to 5%	12/12/2019	4/1/2037	$ 24,680,000.00	$ 24,680,000.00

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

	General Obligation Debt		Unamortized Bond
Fiscal Year Ended June 30:	Principal	Interest	Premium
2021	$ 1,000,000.00	$ 1,101,750.00	$ 244,301.52
2022	1,040,000.00	1,061,750.00	244,301.52
2023	1,080,000.00	1,020,150.00	244,301.52
2024	1,125,000.00	976,950.00	244,301.52
2025	1,180,000.00	920,700.00	244,301.52
2026 - 2030	6,740,000.00	3,763,950.00	1,221,507.60
2031 - 2035	8,555,000.00	1,950,200.00	1,221,507.60
2036 - 2037	3,960,000.00	239,200.00	427,527.66
Total Principal and Interest	$ 24,680,000.00	$ 11,034,650.00	$ 4,092,050.46

NOTE 8: RISK MANAGEMENT

INSURANCE

Commercial Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

WORKERS' COMPENSATION

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the Trust), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1.0 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of $2.0 million. The Trust covers the first $1.0 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a $2.0 million per occurrence maximum. Safety National Casualty Company also provides $2.0 million in aggregate coverage to the Trust, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

UNEMPLOYMENT COMPENSATION

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2019	$ -	$ -	$ -	$ -
2020	$ -	$ 1,320.00	$ 1,320.00	$ -

SURETY BOND

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

Position Covered		Amount
Superintendent	$	99,000.00
Military Property Custodian	$	24,000.00
Each Principal	$	9,000.00
Director of Budget and Finance	$	8,000.00
Each Lunchroom Manager and Assistant Manager	$	4,000.00
Each Secretary and Bookkeeper	$	4,000.00
Payroll Administrator	$	3,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable			
Inventories			$ 65,946.39
Restricted			
Bus Replacement	$	14,098.00	
Continuation of Federal Programs		333,276.21	
Debt Service		550,875.00	
Capital Projects		29,758,256.56	30,656,505.77
Assigned			
Donated Funds	$	641,062.23	
School Activity Accounts		109,030.48	750,092.71
Unassigned			3,295,473.42
Fund Balance, June 30, 2020			$ 34,768,018.29

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

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

FEDERAL GRANTS

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

LITIGATION

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

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $638,857.00 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2020, the School District reported a liability of $23,076,542.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2019. At June 30, 2019, the School District's proportion was 0.188040%, which was an decrease of 0.000092% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $450,120.00. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,510,487.00
Changes of assumptions	801,403.00	3,253,063.00
Net difference between projected and actual earnings on OPEB plan investments	50,254.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	348,267.00
School District contributions subsequent to the measurement date	638,857.00	-
Total	$ 1,490,514.00	$ 6,111,817.00

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

Year Ended June 30:	OPEB
2021	$ (1,201,122.00)
2022	$ (1,201,122.00)
2023	$ (1,203,054.00)
2024	$ (1,018,913.00)
2025	$ (524,238.00)
2026	$ (111,711.00)

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

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.250%
Medicare Eligible	5.375%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

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

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

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

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

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

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

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

*Net of Inflation

Discount rate: The discount rate has changed since the prior measurement date from 3.87% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.50% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2119. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2026. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
School District's proportionate share of the Net OPEB Liability	$ 26,822,559.00	$ 23,076,542.00	$ 20,029,326.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB Liability	$ 19,439,542.00	$ 23,076,542.00	$ 27,695,809.00

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

NOTE 12: RETIREMENT PLANS

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

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan Description: All teachers of the School District as defined in O.C.G.A §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the *O.C.G.A.* assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll, of which 21.06% of payroll was required from the School District and 0.08% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $3,623,230.00 and $13,452.30 from the School District and the State, respectively.

EMPLOYEES' RETIREMENT SYSTEM

Plan description: The Employees' Retirement System of Georgia (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.

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 School District's required contribution rate, for the year ended June 30, 2020 was 24.66% of annual covered payroll for old and new plan members and 21.64% for GSEPS members. 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. Employer contributions to the pension plan were $16,200.78 for the current fiscal year.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of $15.25, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon

termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $55,277.00.

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

At June 30, 2020, the School District reported a liability of $28,107,279.00 for its proportionate share of the net pension liability for TRS ($28,009,852.00) and ERS ($97,427.00).

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$	28,009,852.00
State of Georgia's proportionate share of the net pension liability associated with the School District		107,729.00
Total	$	28,117,581.00

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

At June 30, 2019, the School District's TRS proportion was 0.130262%, which was an decrease of 0.003399% from its proportion measured as of June 30, 2018. At June 30, 2019, the School District's ERS proportion was 0.002361%,which was an increase of 0.000165% from its proportion measured as of June 30, 2018.

At June 30, 2020, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $338,812.00.

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

For the year ended June 30, 2020, the School District recognized pension expense of $3,985,791.00 for TRS, $15,347.00 for ERS and $104,486.00 for PSERS and revenue of $7,730.00 for TRS and $104,486.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,578,778.00	$ 8,304.00	$ 3,245.00	$ -
Changes of assumptions	2,687,911.00	-	1,715.00	-
Net difference between projected and actual earnings on pension plan investments	-	667,000.00	-	3,033.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	1,607,006.00	3,944.00	3,031.00
School District contributions subsequent to the measurement date	3,623,230.00	-	16,200.78	-
Total	$ 7,889,919.00	$ 2,282,310.00	$ 25,104.78	$ 6,064.00

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

Year Ended June 30:	TRS	ERS
2021	$ 906,413.00	$ 4,025.00
2022	$ (206,574.00)	$ (990.00)
2023	$ 508,662.00	$ (597.00)
2024	$ 775,878.00	$ 402.00

Actuarial assumptions: The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the long-term assumed investment rate of return.

Employees' Retirement System:

Inflation	2.75%
Salary increases	3.25% – 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP- 2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment of return.

Public School Employees Retirement System:

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on TRS, 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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Rates shown are net of assumed rate of inflation.

Discount rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plan's fiduciary net position was projected

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

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% and 7.30%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% and 6.30%) or 1-percentage-point higher (8.25% and 8.30%) than the current rate:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 45,468,188.00	$ 28,009,852.00	$ 13,652,897.00

Employees' Retirement System:	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	$ 138,453.00	$ 97,427.00	$ 62,454.00

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 publicly available at www.trsga.com/publications and www.ers.ga.gov/financials.

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.130262%	$ 28,009,852.00	$ 107,729.00	$ 28,117,581.00	$ 15,963,784.68	175.46%	78.56%
2019	0.133661%	$ 24,810,345.00	$ 116,570.00	$ 24,926,915.00	$ 15,994,439.37	155.12%	80.27%
2018	0.140963%	$ 26,198,408.00	$ 213,917.00	$ 26,412,325.00	$ 16,314,149.47	160.59%	79.33%
2017	0.142743%	$ 29,449,472.00	$ 244,066.00	$ 29,693,538.00	$ 15,786,646.73	186.55%	76.06%
2016	0.147075%	$ 22,390,708.00	$ 189,996.00	$ 22,580,704.00	$ 15,656,895.31	143.01%	81.44%
2015	0.154807%	$ 19,557,823.00	$ 160,953.00	$ 19,718,776.00	$ 15,932,172.02	122.76%	84.03%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 3,623,230.00	$ 3,623,230.00	$ -	$ 17,203,475.45	21.06%
2019	$ 3,323,640.00	$ 3,323,640.00	$ -	$ 15,963,784.68	20.82%
2018	$ 2,676,096.72	$ 2,676,096.72	$ -	$ 15,994,439.37	16.73%
2017	$ 2,309,164.92	$ 2,309,164.92	$ -	$ 16,314,149.47	14.15%
2016	$ 2,234,505.20	$ 2,234,505.20	$ -	$ 15,786,646.73	14.15%
2015	$ 2,041,552.01	$ 2,041,552.01	$ -	$ 15,656,895.31	13.04%

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

BEN HILL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PORPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2020	0.002361%	$ 97,427.00	$ 54,867.38	177.57%	76.74%
2019	0.002196%	$ 90,278.00	$ 56,023.77	161.14%	76.68%
2018	0.002523%	$ 102,467.00	$ 61,878.66	165.59%	76.33%
2017	0.002585%	$ 122,281.00	$ 60,097.22	203.47%	72.34%
2016	0.002558%	$ 103,635.00	$ 58,488.36	177.19%	76.20%
2015	0.002591%	$ 97,179.00	$ 58,346.42	166.56%	77.99%

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

BEN HILL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 16,200.78	$ 16,200.78	$ -	$ 65,696.44	24.66%
2019	$ 13,596.00	$ 13,596.00	$ -	$ 54,867.38	24.78%
2018	$ 13,899.49	$ 13,899.49	$ -	$ 56,023.77	24.81%
2017	$ 15,352.05	$ 15,352.05	$ -	$ 61,878.66	24.81%
2016	$ 14,856.00	$ 14,856.00	$ -	$ 60,097.22	24.72%
2015	$ 12,844.08	$ 12,844.08	$ -	$ 58,488.36	21.96%

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

BEN HILL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PORPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.00%	$ -	$ 338,812.00	$ 338,812.00	$ 783,850.97	N/A	85.02%
2019	0.00%	$ -	$ 293,873.00	$ 293,873.00	$ 813,644.00	N/A	85.26%
2018	0.00%	$ -	$ 273,648.00	$ 273,648.00	$ 730,766.58	N/A	85.69%
2017	0.00%	$ -	$ 383,890.00	$ 383,890.00	$ 725,869.10	N/A	81.00%
2016	0.00%	$ -	$ 242,736.00	$ 242,736.00	$ 783,445.60	N/A	87.00%
2015	0.00%	$ -	$ 224,650.00	$ 224,650.00	$ 846,638.60	N/A	88.29%

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

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

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.188040%	$ 23,076,542.00	$ -	$ 23,076,542.00	$ 14,511,158.88	159.03%	4.63%
2019	0.188132%	$ 23,911,000.00	$ -	$ 23,911,000.00	$ 14,202,987.29	168.35%	2.93%
2018	0.188905%	$ 26,541,077.00	$ -	$ 26,541,077.00	$ 14,340,666.23	185.08%	1.61%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2020	$ 638,857.00	$ 638,857.00	$ -	$ 15,452,349.64	4.13%
2019	$ 1,012,725.00	$ 1,012,725.00	$ -	$ 14,511,158.88	6.98%
2018	$ 975,069.00	$ 975,069.00	$ -	$ 14,202,987.29	6.87%

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

Teachers Retirement System

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

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

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

Employees' Retirement System

Changes of benefit terms:
- A new benefit tier was added for members joining the System on and after July 1, 2009.
- A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016.
- A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

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

Public School Employees Retirement System

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

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

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

School OPEB Fund

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

Changes in assumptions: The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to State OPEB fund based on their last employer payroll location; irrespective of retirement affiliation.

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

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

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 6,343,000.00	$ 6,343,000.00	$ 6,830,414.63	$ 487,414.63
Sales Taxes	60,000.00	60,000.00	83,711.24	23,711.24
State Funds	21,327,599.00	21,439,259.09	22,861,288.99	1,422,029.90
Federal Funds	-	5,289,741.87	4,739,411.79	(550,330.08)
Charges for Services	48,000.00	164,622.40	293,240.64	128,618.24
Investment Earnings	12,501.00	12,517.00	27,417.07	14,900.07
Miscellaneous	245,000.00	247,118.72	556,171.74	309,053.02
Total Revenues	28,036,100.00	33,556,259.08	35,391,656.10	1,835,397.02
EXPENDITURES				
Current				
Instruction	19,240,387.21	21,753,469.33	23,334,062.40	(1,580,593.07)
Support Services				
Pupil Services	871,790.51	953,124.51	989,889.53	(36,765.02)
Improvement of Instructional Services	214,240.51	615,648.95	1,522,250.33	(906,601.38)
Educational Media Services	471,738.60	471,738.60	319,522.97	152,215.63
General Administration	861,436.28	864,536.28	1,052,556.79	(188,020.51)
School Administration	1,994,462.03	1,994,462.03	2,310,019.97	(315,557.94)
Business Administration	509,062.79	509,062.79	566,567.83	(57,505.04)
Maintenance and Operation of Plant	2,284,161.24	2,284,161.24	2,415,008.84	(130,847.60)
Student Transportation Services	1,573,317.14	1,573,317.14	1,615,839.91	(42,522.77)
Central Support Services	-	209.00	-	209.00
Other Support Services	4,000.00	4,000.00	159,680.00	(155,680.00)
Enterprise Operations	-	-	178,039.25	(178,039.25)
Food Services Operation	-	2,001,636.00	1,963,423.36	38,212.64
Total Expenditures	28,024,596.31	33,025,365.87	36,426,861.18	(3,401,495.31)
Excess of Revenues over (under) Expenditures	11,503.69	530,893.21	(1,035,205.08)	(1,566,098.29)
OTHER FINANCING SOURCES (USES)				
Operating Transfers From Other Funds	391,533.00	225,971.00	-	(225,971.00)
Operating Transfers To Other Funds	(391,533.00)	(225,971.00)	-	225,971.00
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	11,503.69	530,893.21	(1,035,205.08)	(1,566,098.29)
Fund Balances - Beginning	4,599,988.46	4,599,988.46	5,494,091.81	894,103.35
Adjustments	58,044.24	65,946.39	-	(65,946.39)
Fund Balances - Ending	$ 4,669,536.39	$ 5,196,828.06	$ 4,458,886.73	$ (737,941.33)

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

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	$ 427,375.34
National School Lunch Program	10.555	205GA324N1099	1,463,196.38
Total U. S. Department of Agriculture			1,890,571.72
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	11,386.00
Grants to States	84.027	H027A190073	506,675.17
Preschool Grants	84.173	H173A180081	11,857.84
Preschool Grants	84.173	H173A190081	16,679.73
Total Special Education Cluster			546,598.74
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	44,609.49
Migrant Education - State Grant Program	84.011	S011A180011	3,755.39
Migrant Education - State Grant Program	84.011	S011A190011	21,706.91
Rural Education	84.358	S365B180010	4,611.00
Rural Education	84.358	S365B190010	60,496.69
Striving Readers	84.371	S371C170049	260,998.59
Title I Grants to Local Educational Agencies	84.010	S010A180010	101,877.00
Title I Grants to Local Educational Agencies	84.010	S010A190010	1,630,776.53
Total Other Programs			2,128,831.60
Total U. S. Department of Education			2,675,430.34
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.UNKNOWN		55,912.94
Health and Human Services, U. S. Department of			
Pass-Through From Children and Youth Coordinating Council			
Abstinence Education	93.235	NIG95295	115,710.88
Total Expenditures of Federal Awards			$ 4,737,625.88

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Ben Hill County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 796,575.02
Summer Transition Program	12,155.92
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	893,473.00
Kindergarten Program - Early Intervention Program	453,903.00
Primary Grades (1-3) Program	1,749,285.00
Primary Grades - Early Intervention (1-3) Program	1,202,341.00
Upper Elementary Grades (4-5) Program	968,127.00
Upper Elementary Grades - Early Intervention (4-5) Program	878,340.00
Middle School (6-8) Program	2,069,887.00
High School General Education (9-12) Program	1,168,797.00
Vocational Laboratory (9-12) Program	923,886.00
Students with Disabilities	2,637,435.00
Gifted Student - Category VI	731,235.00
Remedial Education Program	1,005,084.00
Alternative Education Program	133,442.00
English Speakers of Other Languages (ESOL)	131,581.00
Media Center Program	383,010.00
20 Days Additional Instruction	116,044.00
Staff and Professional Development	66,111.00
Principal Staff and Professional Development	1,193.00
Indirect Cost	
Central Administration	691,558.00
School Administration	830,519.00
Facility Maintenance and Operations	783,127.00
Amended Formula Adjustment	(282,310.00)
Charter System Adjustment	312,716.00
Categorical Grants	
Pupil Transportation	
Regular	384,841.00
Nursing Services	64,629.00
Education Equalization Funding Grant	3,101,920.00
Other State Programs	
Food Services	54,208.00
Hygiene Products	2,863.00
Math and Science Supplements	17,374.09
Preschool Disability Services	72,748.00
Pupil Transportation - State Bonds	77,220.00
School Safety Grant	109,301.66
Teachers Retirement	13,452.30
Vocational Education	125,800.00
Vocational Supervisors	14,140.00
Office of the State Treasurer	
Public School Employees Retirement	55,277.00
Technical College System of Georgia	
Vocational - Technology School	110,000.00
	$ 22,861,288.99

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BEN HILL COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2020

PROJECT 2016	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
(i) Replacement of schools and/or construction of new schools, including and necessary demolition;	$ 3,500,000.00	$ 3,500,000.00	$ 1,097,102.64	$ 44,126.44	$ -	$ -	2022
(ii) Adding to, renovating, repairing, improving, furnishing, and/or equipping existing school buildings, including the central office, transportation and maintenance facilities, including necessary demolition;	500,000.00	500,000.00	56,497.00	333,152.24	-	-	2021
(iii) Adding to, constructing, renovating, furnishing, and/or equipping athletic facilities;	500,000.00	500,000.00	19,210.20	218,780.00	-	-	2021
(iv) Acquiring equipment, instruments and/or materials for the fine arts, vocational, physical education and athletic departments;	200,000.00	200,000.00	37,994.69	-	-	-	2021
(v) Renovations, additions, and/or improvements to parking, traffic access facilities and transportation department, including paving and any necessary site work;	1,000,000.00	1,000,000.00	-	-	-	-	2021
(vi) Acquiring instructional and/or administrative technology equipment and materials;	1,000,000.00	1,000,000.00	286,217.15	402,992.01	-	-	2021
(vii) Acquiring safety, security, and/or fire protecting equipment;	100,000.00	100,000.00	53,259.28	20,435.00	-	-	2021
(viii) Acquiring buses, vehicles, and/or transportation equipment;	750,000.00	750,000.00	275,500.00	308,457.00	-	-	2021
(ix) Acquiring property; and	500,000.00	1,521,309.21	1,521,309.21	-	-	-	2021
(x) Paying a portion of the principal and interest on the current general obligation debt and general obligation debt to be issued (collectively, the "Projects").	7,950,000.00	7,950,000.00	833,172.02	843,615.39	-	-	2037
	$ 16,000,000.00	$ 17,021,309.21	$ 4,180,262.19	$ 2,171,558.08	$ -	$ -	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

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

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SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Superintendent and Members of the
Ben Hill County Board of Education

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ben Hill County Board of Education (School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated May 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item FS 2020-001 that we consider to be a significant deficiency.

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Compliance and Other Matters

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

School District Response to Findings

The School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

May 19, 2021

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DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Superintendent and Members of the
Ben Hill County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Ben Hill County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

May 19, 2021

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2019-001	**Improve Controls over Suspension and Debarment Procedures**
Compliance Requirement:	Procurement and Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	84.371 Striving Readers
Federal Award Number:	S371C170002
Finding Status:	Previously Reported Corrective Action Implemented

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SECTION IV

FINDINGS AND QUESTIONED COSTS

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:
- Material weakness identified? — No
- Significant deficiency identified? — Yes

Noncompliance material to financial statements noted: — No

Federal Awards

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? — No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FS 2020-001 Internal Controls over Financial Reporting
Control Category: Financial Reporting
Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:
The School District did not have adequate internal controls in place over the financial statement reporting process.

Criteria:
Management is responsible for having adequate controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The School District's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34*, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the statement requires information about the government's major and nonmajor funds in the aggregate to be provided in the fund financial statements.

Chapter II - 2 *Annual Financial Reporting* of the Financial Management for Georgia Local Units of Administration provides that School Districts must prepare their financial statements in accordance with generally accepted accounting principles.

Condition:
The following errors and omissions were noted in the School District's financial statements, note disclosures and supplementary information presented for audit:

- Accounts receivable – taxes and sales tax revenue were understated by $216,401.47 on the government-wide financial statements and in the capital projects fund due to an unrecorded SPLOST receipt. This misstatement was material to the capital projects fund. Adjustments to the financial statements were proposed by the auditors and accepted by the School District.
- Due to calculation errors, net position on the government-wide statements was misclassified by $25,795,800.95 between Net Investment in Capital Assets and Restricted for Capital Projects. A material reclassification adjustment was proposed by the auditors and accepted by the School District.
- The School District understated the amount expended in current year on the Schedule of Approved Local Option Sales Tax Projects by $3,117,998.46. An adjustment was proposed by the auditors and accepted by the School District.
- The School District did not disclose $2,720,000.00 of bonds authorized, but not issued, in the Long-term Liabilities note disclosure. An adjustment was proposed by the auditors and accepted by the School District.
- Other audit adjustments and reclassifications were proposed by the auditors and accepted by the School District to properly present the School District's financial statements, note disclosures and supplemental information.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Cause:
These issues were a result of the School District's inadequate controls and review procedures over the financial statements.

Effect or Potential Effect:
Significant misstatements were included in the financial statements presented for audit. The lack of controls and monitoring over the financial statement process could impact the reporting of the School District's financial position and results of operations.

Recommendation:
The School District should strengthen their internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP statements, GASB pronouncements and the School District's operations. The School District should also consider implementing the use of a review checklist to assist in the review process over the financial statements.

Views of Responsible Officials:
We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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SECTION V

MANAGEMENT'S CORRECTIVE ACTION

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Grow your mind.
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Ben Hill County School District

SHAWN HARALSON
SUPERINTENDENT

509 WEST PALM STREET
FITZGERALD, GEORGIA 31750

Telephone (229) 409-5500
Fax (229) 409-5513

BEN HILL COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SCHEDULE OF MANAGEMENT'S CORRECTIVE ACTION
YEAR ENDED JUNE 30, 2020

CORRECTIVE ACTION PLANS – FINANCIAL STATEMENT FINDINGS

FS 2020-001	**Internal Controls over Financial Reporting**
Control Category:	**Financial Reporting**
Internal Control Impact:	**Significant Deficiency**
Compliance Impact:	**None**

The School District did not have adequate internal controls in place over the financial statement reporting process.

Corrective Action Plans:

Management agrees with finding FS 2020-001. In order to ensure that proper booking of transactions and subsequent reporting of statements is correct the Chief Financial Officer and the Accountant will establish a checklist for the Comptroller to follow on a monthly, quarterly and annual basis. Chief Financial Officer will also collaborate with the processor of the annual financial statements in order to ensure that all financial elements relative to the statement of financial position are included and correct.

Estimated Completion Date: June 30, 2021

Thomas Rachels

Thomas Rachels, CFO
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