

CHATTAHOOCHEE COUNTY BOARD OF EDUCATION
CUSSETA, GEORGIA

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

CHATTAHOOCHEE 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
Atlanta, Georgia 30334-8400

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
Chattahoochee 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 Chattahoochee 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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the 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

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procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 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

August 18, 2021

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CHATTAHOOCHEE COUNTY BOARD OF EDUCATION

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CHATTAHOOCHEE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 2,177,773.19
Receivables, Net	
Interest	248.84
Taxes	458,187.18
State Government	1,401,296.58
Federal Government	336,403.31
Other	25,995.98
Inventories	19,147.78
Prepaid Items	6,500.00
Restricted Assets	
Cash with Fiscal Agent or Trustee	3,585,169.89
Capital Assets, Non-Depreciable	2,658,817.84
Capital Assets, Depreciable (Net of Accumulated Depreciation)	17,775,384.33
Total Assets	28,444,924.92
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Debt Refunding	332,272.93
Related to Defined Benefit Pension Plan	2,458,075.00
Related to OPEB Plan	510,102.00
Total Deferred Outflows of Resources	3,300,449.93
LIABILITIES	
Accounts Payable	192,213.44
Salaries and Benefits Payable	918,336.29
Interest Payable	76,968.18
Contracts Payable	628,576.47
Retainages Payable	117,010.88
Net Pension Liability	8,842,127.00
Net OPEB Liability	6,741,458.00
Long-Term Liabilities	
Due Within One Year	771,606.00
Due in More Than One Year	10,039,687.23
Total Liabilities	28,327,983.49
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	812,947.00
Related to OPEB Plan	1,979,836.00
Total Deferred Inflows of Resources	2,792,783.00
NET POSITION	
Net Investment in Capital Assets	15,132,597.92
Restricted for	
Continuation of Federal Programs	30,025.32
Debt Service	341,314.63
Capital Projects	4,096,842.20
Unrestricted (Deficit)	(18,976,171.71)
Total Net Position	$ 624,608.36

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

CHATTAHOOCHEE 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	$ 6,577,502.58	$ 2,200.00	$ 4,914,951.79	$ 713,144.24	$ (947,206.55)
Support Services					
Pupil Services	554,931.91	-	208,273.56	-	(346,658.35)
Improvement of Instructional Services	200,160.63	-	61,287.96	-	(138,872.67)
Educational Media Services	186,904.06	-	109,876.00	44,132.04	(32,896.02)
General Administration	894,760.00	-	811,169.05	2,944.81	(80,646.14)
School Administration	993,859.67	-	718,501.09	107,675.13	(167,683.45)
Business Administration	239,808.04	-	73,720.28	10,491.97	(155,595.79)
Maintenance and Operation of Plant	1,021,673.10	-	759,562.11	5,581.97	(256,529.02)
Student Transportation Services	830,423.38	440.82	181,555.12	77,220.00	(571,207.44)
Other Support Services	516,255.65	-	47,996.35	200,657.13	(267,602.17)
Operations of Non-Instructional Services					
Community Services	1,248.67	91,530.80	-	-	90,282.13
Food Services	830,465.41	49,626.30	536,790.00	141,350.57	(102,698.54)
Interest on Long-Term Debt	318,568.25	-	-	-	(318,568.25)
Total Governmental Activities	$ 13,166,561.35	$ 143,797.92	$ 8,423,683.31	$ 1,303,197.86	(3,295,882.26)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					1,460,279.47
Railroad Cars					32,137.48
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Debt Services					718,155.45
For Capital Projects					124,722.55
Other Sales Tax					11,315.00
Grants and Contributions not Restricted to Specific Programs					1,108,078.00
Investment Earnings					5,092.84
Miscellaneous					200,237.44
Total General Revenues					3,660,018.23
Change in Net Position					364,135.97
Net Position - Beginning of Year					260,472.39
Net Position - End of Year					$ 624,608.36

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

CHATTAHOOCHEE 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	$ 755,587.90	$ 1,422,185.29	$ -	$ 2,177,773.19
Receivables, Net				
Interest	-	248.84	-	248.84
Taxes	374,381.24	83,805.94	-	458,187.18
State Government	754,658.47	646,638.11	-	1,401,296.58
Federal Government	336,403.31	-	-	336,403.31
Other	25,995.98	-	-	25,995.98
Inventories	19,147.78	-	-	19,147.78
Prepaid Items	6,500.00	-	-	6,500.00
Restricted				
Cash with a Fiscal Agent or Trustee	-	3,585,169.89	-	3,585,169.89
Total Assets	$ 2,272,674.68	$ 5,738,048.07	$ -	$ 8,010,722.75
LIABILITIES				
Accounts Payable	$ 192,213.44	$ -	$ -	$ 192,213.44
Salaries and Benefits Payable	918,336.29	-	-	918,336.29
Contracts Payable	-	628,576.47	-	628,576.47
Retainages Payable	-	117,010.88	-	117,010.88
Total Liabilities	1,110,549.73	745,587.35	-	1,856,137.08
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	255,861.37	-	-	255,861.37
Unavailable Revenue - Grants	127,501.81	-	-	127,501.81
Total Deferred Inflows of Resources	383,363.18	-	-	383,363.18
FUND BALANCES				
Nonspendable	25,647.78	-	-	25,647.78
Restricted	10,877.54	4,992,460.72	-	5,003,338.26
Assigned	50,095.40	-	-	50,095.40
Unassigned	692,141.05	-	-	692,141.05
Total Fund Balances	778,761.77	4,992,460.72	-	5,771,222.49
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,272,674.68	$ 5,738,048.07	$ -	$ 8,010,722.75

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

CHATTAHOOCHEE 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")		$ 5,771,222.49
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	$ 251,812.94	
Construction in progress	2,407,004.90	
Buildings and improvements	22,455,649.23	
Equipment	2,536,992.16	
Land improvements	1,005,894.06	
Accumulated depreciation	(8,223,151.12)	20,434,202.17
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (8,842,127.00)	
Net OPEB liability	(6,741,458.00)	(15,583,585.00)
Deferred charges or credits on debt refundings are applicable to future periods and are therefore not reported in the funds and are amortized over the life of the new debt.		332,272.93
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	$ 1,645,128.00	
Related to OPEB	(1,469,734.00)	175,394.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		255,861.37
Federal grants that are not available to pay for current period expenditures are deferred in the funds.		127,501.81
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	$ (5,022,000.00)	
Accrued interest payable	(76,968.18)	
Capital leases payable	(35,000.00)	
Financed purchases payable	(5,717,413.89)	
Compensated absences payable	(36,879.34)	(10,888,261.41)
Net position of governmental activities (Exhibit "A")		$ 624,608.36

CHATTAHOOCHEE 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	$ 1,425,359.57	$ -	$ -	$ 1,425,359.57
Sales Taxes	11,315.00	124,722.55	718,155.45	854,193.00
State Funds	7,414,841.22	739,915.62	-	8,154,756.84
Federal Funds	2,538,867.34	-	-	2,538,867.34
Charges for Services	143,797.92	-	-	143,797.92
Investment Earnings	-	5,092.84	-	5,092.84
Miscellaneous	200,237.44	-	-	200,237.44
Total Revenues	11,734,418.49	869,731.01	718,155.45	13,322,304.95
EXPENDITURES				
Current				
Instruction	5,497,217.59	7,640.00	-	5,504,857.59
Support Services				
Pupil Services	557,093.96	-	-	557,093.96
Improvement of Instructional Services	199,821.70	-	-	199,821.70
Educational Media Services	111,738.11	-	-	111,738.11
General Administration	893,422.97	-	-	893,422.97
School Administration	805,386.70	-	-	805,386.70
Business Administration	183,184.21	38,511.25	-	221,695.46
Maintenance and Operation of Plant	1,259,293.75	-	-	1,259,293.75
Student Transportation Services	732,560.98	126,214.68	-	858,775.66
Other Support Services	176,116.20	-	-	176,116.20
Community Services	1,248.67	-	-	1,248.67
Food Services Operation	636,051.05	40,239.55	-	676,290.60
Capital Outlay	-	4,058,543.58	-	4,058,543.58
Debt Service				
Principal	-	-	734,000.00	734,000.00
Interest	-	-	149,347.80	149,347.80
Total Expenditures	11,053,135.89	4,271,149.06	883,347.80	16,207,632.75
Revenues over (under) Expenditures	681,282.60	(3,401,418.05)	(165,192.35)	(2,885,327.80)
OTHER FINANCING SOURCES (USES)				
Capital Leases	35,000.00	-	-	35,000.00
Financed Purchases Proceeds	-	5,717,413.89	-	5,717,413.89
Transfers In	-	5,120.92	-	5,120.92
Transfers Out	(5,120.92)	-	-	(5,120.92)
Total Other Financing Sources (Uses)	29,879.08	5,722,534.81	-	5,752,413.89
Net Change in Fund Balances	711,161.68	2,321,116.76	(165,192.35)	2,867,086.09
Fund Balances - Beginning	67,600.09	2,671,343.96	165,192.35	2,904,136.40
Fund Balances - Ending	$ 778,761.77	$ 4,992,460.72	$ -	$ 5,771,222.49

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

CHATTAHOOCHEE 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")		$ 2,867,086.09
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	$ 3,086,064.07	
Depreciation expense	(594,817.96)	2,491,246.11
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		67,057.38
Federal grants reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		127,501.81
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.		
Capital leases issued	$ (35,000.00)	
Financed purchases issued	(5,717,413.89)	
Amortization of deferred charge on refunding of bonds	(105,014.05)	
Bond principal retirements	734,000.00	(5,123,427.94)
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 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	$ (57,082.00)	
OPEB expense	51,940.00	(5,142.00)
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	$ 1,498.86	
Accrued interest on capital leases	(380.63)	
Accrued interest on financed purchases	(65,324.63)	
Compensated absences	4,020.92	(60,185.48)
Change in net position of governmental activities (Exhibit "B")		$ 364,135.97

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

EXHIBIT "G"

	AGENCY FUND
ASSETS	
Cash and Cash Equivalents	$ 22,131.59
LIABILITIES	
Funds Held for Others	$ 22,131.59

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The Chattahoochee 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.

Blended Component Unit

The Chattahoochee Valley Academy (Charter School) is responsible for the public education of all students attending its school. The Charter School was created through a contract between the School District and the Charter School whereby certain State funding associated with the students attending the Charter School and certain specified local funds are turned over to the Charter School to cover the cost of its operations. The Charter School is a component unit of the School District and as such the financial activity of the Charter School has been blended with the School District's basic financial statements.

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 and its component units, 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), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- 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 type:

- 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 and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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.

PREPAID ITEMS

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items, in both the government-wide and governmental fund financial statements.

RESTRICTED ASSETS

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of net position because their use is limited by applicable debt statutes, e.g. Qualified Zone Academy Bond sinking funds.

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	$ 5,000.00	20 to 50 years
Buildings and Improvements	$ 5,000.00	20 to 50 years
Equipment	$ 5,000.00	3 to 20 years
Intangible Assets	$ 100,000.00	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.

COMPENSATED ABSENCES

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

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 Chattahoochee County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on August 26, 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 Chattahoochee 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 $956,459.99.

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	17.636 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $436,762.10 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 $842,878.00 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 debt service funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, 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

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.

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 $5,784,944.67 and a bank balance of $6,995,701.15. The bank balances insured by Federal depository insurance were $3,835,169.89.

At June 30, 2020, $3,160,531.26 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 warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

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

Cash and cash equivalents	
Statement of Net Position	$ 2,177,773.19
Statement of Net Position - Restricted	3,585,169.89
Statement of Fiduciary Net Position	22,131.59
Total cash and cash equivalents	5,785,074.67
Less:	
Cash on hand	130.00
Total carrying value of deposits - June 30, 2020	$ 5,784,944.67

NOTE 5: RESTRICTED ASSETS

The restricted assets represent the cash balance, totaling $3,585,169.89, for the Energy Efficiency Lease.

NOTE 6: 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	$ 251,812.94	$ -	$ -	$ 251,812.94
Construction in Progress	18,500.80	2,388,504.10	-	2,407,004.90
Total Capital Assets Not Being Depreciated	270,313.74	2,388,504.10	-	2,658,817.84
Capital Assets Being Depreciated				
Buildings and Improvements	22,405,069.23	50,580.00	-	22,455,649.23
Equipment	1,918,012.19	646,979.97	28,000.00	2,536,992.16
Land Improvements	1,005,894.06	-	-	1,005,894.06
Less Accumulated Depreciation for:				
Buildings and Improvements	5,612,247.41	438,097.25	-	6,050,344.66
Equipment	1,502,000.52	106,425.95	28,000.00	1,580,426.47
Land Improvements	542,085.23	50,294.76	-	592,379.99
Total Capital Assets, Being Depreciated, Net	17,672,642.32	102,742.01	-	17,775,384.33
Governmental Activities Capital Assets - Net	$ 17,942,956.06	$ 2,491,246.11	$ -	$ 20,434,202.17

Current year depreciation expense by function is as follows:

Instruction		$ 312,931.88
Support Services		
Educational Media Services	$ 19,365.40	
General Administration	1,292.20	
School Administration	47,248.48	
Business Administration	4,603.94	
Maintenance and Operation of Plant	2,449.40	
Student Transportation Services	56,851.67	
Other Support Services	88,049.53	219,860.62
Food Services		62,025.46
		$ 594,817.96

NOTE 7: INTERFUND TRANSFERS

INTERFUND TRANSFERS

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

Transfers to	Transfers From General Fund
Capital Projects Fund	$ 5,120.92

Transfers are used to move property tax revenues collected by the general fund to capital projects fund as supplemental funding source for capital construction projects.

NOTE 8: 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	$ 5,756,000.00	$ -	$ 734,000.00	$ 5,022,000.00	$ 765,000.00
Capital Leases	-	35,000.00	-	35,000.00	6,606.00
Financed Purchases	-	5,717,413.89	-	5,717,413.89	-
Compensated Absences (1)	40,900.26	51,557.33	55,578.25	36,879.34	-
	$ 5,796,900.26	$ 5,803,971.22	$ 789,578.25	$ 10,811,293.23	$ 771,606.00

(1) The portion of compensated absences due within one year has been determined to be immaterial to the basic financial statements.

GENERAL OBLIGATION DEBT OUTSTANDING

The School District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. 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 (ESPLOST), 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.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Refunding - Series 2012B	1.91%	10/11/2012	6/1/2023	$ 3,416,000.00	$ 1,039,000.00
General Government - Series 2018A	2.81%	4/19/2018	12/1/2025	2,780,000.00	2,510,000.00
General Government - Refunding - Series 2018B	3.04%	4/19/2018	6/1/2029	1,728,000.00	1,473,000.00
				$ 7,924,000.00	$ 5,022,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt	
	Principal	Interest
2021	$ 765,000.00	$ 131,150.85
2022	776,000.00	112,392.35
2023	802,000.00	93,226.75
2024	453,000.00	73,513.35
2025	827,000.00	55,222.15
2026 - 2029	1,399,000.00	64,709.05
Total Principal and Interest	$ 5,022,000.00	$ 530,214.50

CAPITAL LEASES

The School District has acquired equipment under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The following assets were acquired through capital leases and are reflected in the capital asset note at fiscal year-end:

	Governmental Activities
Equipment	$ 35,000.00
Less: Accumulated Depreciation	2,916.67
	$ 32,083.33

During the current fiscal year, the School District entered into a lease agreement as lessee for financing the acquisition of a bus at a cost of $35,000.00. This lease qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

Capital leases currently outstanding are as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Santander Bank, N.A.	2.90%	2/14/2020	2/15/2025	$ 35,000.00	$ 35,000.00

The following is a schedule of total capital lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ 6,606.00	$ 1,015.00
2022	6,797.57	823.43
2023	6,994.70	626.30
2024	7,197.55	423.45
2025	7,404.18	216.82
Total Principal and Interest	$ 35,000.00	$ 3,105.00

OBLIGATIONS UNDER FINANCED PURCHASES

An energy efficiency lease agreement dated February 27, 2020, was executed by and between the School District, the lessee, and First Security Finance, Inc., the lessor. The agreement authorized the borrowing of $5,717,413.89 for the purchase of energy efficiency equipment, machinery, supplies, building modifications and other energy saving items. Payments of the lease shall be made from the School District's general fund and capital projects fund.

The School District's outstanding obligations from an energy efficiency lease agreement related to governmental activities of $5,717,413.89 contain a provision that in an event of default, the lessor has the option of declaring outstanding amounts immediately due and payable or they make take possession of project, equipment, machinery or supplies.

Debt currently outstanding is as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
First Security Finance, Inc.	3.39%	2/27/2020	3/1/2041	$ 5,717,413.89	$ 5,717,413.89

The following is a schedule of total finance purchase payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ -	$ 195,973.89
2022	17,631.00	193,820.33
2023	27,605.00	193,222.64
2024	38,334.00	192,286.83
2025	49,862.00	190,987.31
2026 - 2030	1,295,194.00	879,120.11
2031 - 2035	2,114,220.18	593,317.35
2036 - 2040	1,731,117.09	261,382.07
2041	443,450.62	15,032.98
Total Principal and Interest	$ 5,717,413.89	$ 2,715,143.51

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the general fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

NOTE 9: RISK MANAGEMENT

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.

Georgia School Boards Association Risk Management Fund

The School District participates in the Georgia School Boards Association Risk Management Fund (the Fund), a public entity risk pool organized on August 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against members of the Fund. The School District pays an annual contribution to the Fund for

coverage. Reinsurance is provided to the Fund through agreements by the Fund with insurance companies according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

WORKERS' COMPENSATION

Georgia School Boards Association Workers' Compensation Fund

The School District participates in the Georgia School Boards Association Workers' Compensation Fund (the Fund), a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program to reduce the risk of loss from employee accidents. The School District pays an annual contribution to the Fund for coverage. The Fund provides statutory limits of coverage for Workers' Compensation coverage and a $2,000,000 limit per occurrence for Employers' Liability coverage. Excess insurance coverage is provided through an agreement between the Fund and the Safety National Casualty Corporation to limit the Fund's exposure to large losses.

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	$ -	$ 6,490.00	$ 6,490.00	$ -
2020	$ -	$ -	$ -	$ -

SURETY BOND

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

Position Covered	Amount
Superintendent	$ 100,000.00

NOTE 10: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories	$ 19,147.78	
Prepaid Assets	6,500.00	$ 25,647.78
Restricted		
Continuation of Federal Programs	$ 10,877.54	
Capital Projects	4,639,883.17	
Debt Service	352,577.55	5,003,338.26
Assigned		
School Activity Accounts		50,095.40
Unassigned		692,141.05
Fund Balance, June 30, 2020		$ 5,771,222.49

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 11: BROADBAND SPECTRUM LEASE

Effective June 17, 2005, the School District entered into a fourteen-year lease agreement with Fixed Wireless Holdings, Inc. for the lease of excess spectrum capacity on Education Broadband Service licenses currently held by School District. These licenses were granted to the School District by the Federal Communications Commission. The lease agreement requires monthly lease payments over the term of the lease, of which $6,000.00 was recognized during fiscal year 2020 as a general revenue on the Statement of Activities.

NOTE 12: SIGNIFICANT COMMITMENTS

COMMITMENTS UNDER CONSTRUCTION CONTRACTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2020, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2020 (2)	Funding Available From State (1)
Elementary Education Center	$ 2,118,370.34	$ 1,343,747.52	$ 1,708,479.04
Energy Efficiency Lease	2,762,607.00	2,722,633.00	-
	$ 4,880,977.34	$ 4,066,380.52	$ 1,708,479.04

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

NOTE 13: 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 14: 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 $174,795.00 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 $6,741,458.00 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 0.054933%, which was a decrease of 0.002272% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $122,855.00. 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	$ -	$ 733,400.00
Changes of assumptions	234,118.00	950,333.00
Net difference between projected and actual earnings on OPEB plan investments	14,681.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	86,508.00	296,103.00
School District contributions subsequent to the measurement date	174,795.00	-
Total	$ 510,102.00	$ 1,979,836.00

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	$ (359,530.00)
2022	$ (359,530.00)
2023	$ (360,095.00)
2024	$ (314,868.00)
2025	$ (192,705.00)
Thereafter	$ (57,801.00)

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	$ 7,835,799.00	$ 6,741,458.00	$ 5,851,260.00

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	$ 5,678,964.00	$ 6,741,458.00	$ 8,090,906.00

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 15: 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 20.85% of payroll was required from the School District and 0.29% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $1,111,171.00 and $15,657.82 from the School District and the State, respectively.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of $15.25, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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 $ 25,576.00.

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 $8,842,127.00 for its proportionate share of the net pension liability for TRS.

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	$	8,842,127.00
State of Georgia's proportionate share of the net pension liability associated with the School District		112,459.00
Total	$	8,954,586.00

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

At June 30, 2019, the School District's TRS proportion was 0.041121%, which was a decrease of 0.000273% 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 147,932.00.

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 $1,177,700.00 for TRS and $45,620.00 for PSERS and revenue of $9,447.00 for TRS and $45,620.00 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	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 498,387.00	$ 2,621.00
Changes of assumptions	848,517.00	-
Net difference between projected and actual earnings on pension plan investments	-	210,558.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	599,768.00
School District contributions subsequent to the measurement date	1,111,171.00	-
Total	$ 2,458,075.00	$ 812,947.00

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

Year Ended June 30:	TRS
2021	$ 198,767.00
2022	$ (120,913.00)
2023	$ 182,852.00
2024	$ 273,251.00

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

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

* Rates shown are net of assumed rate of inflation.

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total PSERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates

equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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	$ 14,353,360.00	$ 8,842,127.00	$ 4,309,935.00

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

NOTE 16: RELATED PARTY TRANSACTIONS

The owner of Burgamy Electric, Inc., is the father of one of the Board members of the School District. The total amount paid to Burgamy Electric, Inc., during fiscal year 2020 was $9,500.00.

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CHATTAHOOCHEE 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	0.041121%	$ 8,842,127.00	$ 112,459.00	$ 8,954,586.00	$ 5,082,289.25	173.98%	78.56%
2019	0.041394%	$ 7,683,613.00	$ 113,229.00	$ 7,796,842.00	$ 5,003,974.74	153.55%	80.27%
2018	0.043651%	$ 8,112,673.00	$ 133,443.00	$ 8,246,116.00	$ 5,124,821.74	158.30%	79.33%
2017	0.046440%	$ 9,581,090.00	$ 173,714.00	$ 9,754,804.00	$ 5,186,382.40	184.74%	76.06%
2016	0.049380%	$ 7,517,615.00	$ 126,816.00	$ 7,644,431.00	$ 5,279,280.83	142.40%	81.44%
2015	0.050509%	$ 6,381,146.00	$ 101,448.00	$ 6,482,594.00	$ 5,234,829.25	121.90%	84.03%

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

CHATTAHOOCHEE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE 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%	$ -	$ 147,932.00	$ 147,932.00	$ 527,483.92	N/A	85.02%
2019	0.00%	$ -	$ 144,677.00	$ 144,677.00	$ 517,695.89	N/A	85.26%
2018	0.00%	$ -	$ 126,613.00	$ 126,613.00	$ 511,216.79	N/A	85.69%
2017	0.00%	$ -	$ 162,208.00	$ 162,208.00	$ 477,938.07	N/A	81.00%
2016	0.00%	$ -	$ 93,626.00	$ 93,626.00	$ 497,102.33	N/A	87.00%
2015	0.00%	$ -	$ 89,860.00	$ 89,860.00	$ 473,678.31	N/A	88.29%

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

CHATTAHOOCHEE 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	0.054933%	$ 6,741,458.00	$ -	$ 6,741,458.00	$ 3,988,061.89	169.04%	4.63%
2019	0.057205%	$ 7,270,580.00	$ -	$ 7,270,580.00	$ 4,037,058.90	180.10%	2.93%
2018	0.056380%	$ 7,921,367.00	$ -	$ 7,921,367.00	$ 4,064,834.02	194.88%	1.61%

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

CHATTAHOOCHEE 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	$ 1,111,171.00	$ 1,111,171.00	$ -	$ 5,329,357.31	20.85%
2019	$ 1,048,856.00	$ 1,048,856.00	$ -	$ 5,082,289.25	20.64%
2018	$ 828,789.72	$ 828,789.72	$ -	$ 5,003,974.74	16.56%
2017	$ 719,548.00	$ 719,548.00	$ -	$ 5,124,821.74	14.04%
2016	$ 726,916.71	$ 726,916.71	$ -	$ 5,186,382.40	14.02%
2015	$ 686,680.26	$ 686,680.26	$ -	$ 5,279,280.83	13.01%
2014 (1)	$ 642,837.03	$ 642,837.03	$ -	$ 5,234,829.25	12.28%
2013 (1)	$ 618,831.18	$ 618,831.18	$ -	$ 5,423,856.15	11.41%
2012 (1)	$ 556,018.22	$ 556,018.22	$ -	$ 5,408,737.55	10.28%
2011 (1)	$ 527,783.01	$ 527,783.01	$ -	$ 5,134,075.97	10.28%

(1) These amounts include contributions paid on the School District's behalf by Georgia Department of Education.

CHATTAHOOCHEE 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	$ 174,795.00	$ 174,795.00	$ -	$ 4,165,102.79	4.20%
2019	$ 295,852.00	$ 295,852.00	$ -	$ 3,988,061.89	7.42%
2018	$ 296,488.00	$ 296,488.00	$ -	$ 4,037,058.90	7.34%
2017	$ 293,974.00	$ 293,974.00	$ -	$ 4,064,834.02	7.23%
2016	$ 236,324.00	$ 236,324.00	$ -	$ 3,995,354.04	5.91%

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%.

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.

CHATTAHOOCHEE 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 (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ -	$ 1,207,195.00	$ 1,425,359.57	$ 218,164.57
Sales Taxes	-	8,000.00	11,315.00	3,315.00
State Funds	6,702,361.00	7,708,812.07	7,414,841.22	(293,970.85)
Federal Funds	564,925.00	2,030,843.28	2,538,867.34	508,024.06
Charges for Services	-	227,500.00	143,797.92	(83,702.08)
Miscellaneous	-	41,000.00	200,237.44	159,237.44
Total Revenues	7,267,286.00	11,223,350.35	11,734,418.49	511,068.14
EXPENDITURES				
Current				
Instruction	5,395,467.43	6,162,981.50	5,497,217.59	665,763.91
Support Services				
Pupil Services	551,851.88	589,570.84	557,093.96	32,476.88
Improvement of Instructional Services	246,030.24	224,202.24	199,821.70	24,380.54
Educational Media Services	116,292.22	113,194.22	111,738.11	1,456.11
General Administration	931,010.25	944,156.25	893,422.97	50,733.28
School Administration	850,875.22	850,875.22	805,386.70	45,488.52
Business Administration	163,287.04	163,287.04	183,184.21	(19,897.17)
Maintenance and Operation of Plant	876,811.80	1,370,711.80	1,259,293.75	111,418.05
Student Transportation Services	533,076.65	869,805.65	732,560.98	137,244.67
Other Support Services	52,850.00	77,888.00	176,116.20	(98,228.20)
Community Services	2,400.00	2,400.00	1,248.67	1,151.33
Food Services Operation	611,199.30	615,398.16	636,051.05	(20,652.89)
Total Expenditures	10,331,152.03	11,984,470.92	11,053,135.89	931,335.03
Excess of Revenues over (under) Expenditures	(3,063,866.03)	(761,120.57)	681,282.60	1,442,403.17
OTHER FINANCING SOURCES (USES)				
Other Sources	-	-	35,000.00	35,000.00
Other Uses	-	-	(5,120.92)	(5,120.92)
Total Other Financing Sources (Uses)	-	-	29,879.08	29,879.08
Net Change in Fund Balances	(3,063,866.03)	(761,120.57)	711,161.68	1,472,282.25
Fund Balances - Beginning	32,970.53	32,970.53	67,600.09	34,629.56
Adjustments	-	(4,138.17)	-	4,138.17
Fund Balances - Ending	$ (3,030,895.50)	$ (732,288.21)	$ 778,761.77	$ 1,511,049.98

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are $136,342.59 and $129,575.74, respectively.

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	$ 110,807.72
National School Lunch Program	10.555	205GA324N1099	416,731.75
Total U. S. Department of Agriculture			527,539.47
Education, U. S. Department of			
Direct			
Impact Aid	84.041		1,221,597.51
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	8,341.00
Grants to States	84.027	H027A190073	128,433.98
Preschool Grants	84.173	H173A190081	6,056.23
Total Special Education Cluster			142,831.21
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	25,883.32
Education Stabilization Funds	84.425D	S425D200012	50,690.78
Rural Education	84.358	S358B190010	15,803.65
Student Support and Academic Enrichment Program	84.424A	S424A190011	13,111.34
Supporting Effective Instruction State Grants	84.367	S367A190001	17,504.39
Title I Grants to Local Educational Agencies	84.010	S010A180010	14,115.00
Title I Grants to Local Educational Agencies	84.010	S010A190010	215,488.44
Total Other Programs			352,596.92
Total U. S. Department of Education			1,717,025.64
Health and Human Services, U. S. Department of			
Other Programs			
Pass-Through From Enrichment Services Program Head Start			
Head Start	93.600		4,366.50
Justice, U. S. Department of			
Direct			
Public Safety Partnership and Community Policing Grants	16.710	2019SVWX0067	361,543.63
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program			76,524.12
Total Expenditures of Federal Awards			$ 2,686,999.36

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 151,014.59	$ -	$ 151,014.59
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	207,306.00	-	207,306.00
Kindergarten Program - Early Intervention Program	30,111.00	-	30,111.00
Primary Grades (1-3) Program	430,905.00	-	430,905.00
Primary Grades - Early Intervention (1-3) Program	96,207.00	-	96,207.00
Upper Elementary Grades (4-5) Program	231,011.00	-	231,011.00
Upper Elementary Grades - Early Intervention (4-5) Program	117,588.00	-	117,588.00
Middle School (6-8) Program	502,131.00	-	502,131.00
High School General Education (9-12) Program	1,053,654.00	-	1,053,654.00
Vocational Laboratory (9-12) Program	303,319.00	-	303,319.00
Students with Disabilities	1,032,461.00	-	1,032,461.00
Gifted Student - Category VI	53,134.00	-	53,134.00
Remedial Education Program	161,294.00	-	161,294.00
Alternative Education Program	62,340.00	-	62,340.00
English Speakers of Other Languages (ESOL)	29,836.00	-	29,836.00
Media Center Program	104,345.00	-	104,345.00
20 Days Additional Instruction	36,392.00	-	36,392.00
Staff and Professional Development	20,318.00	-	20,318.00
Principal Staff and Professional Development	937.00	-	937.00
Indirect Cost			
Central Administration	417,266.00	-	417,266.00
School Administration	386,110.00	-	386,110.00
Facility Maintenance and Operations	255,515.00	-	255,515.00
Amended Formula Adjustment	(85,982.00)	-	(85,982.00)
Categorical Grants			
Pupil Transportation			
Regular	111,478.00	-	111,478.00
Nursing Services	45,000.00	-	45,000.00
Sparsity	141,483.00	-	141,483.00
Education Equalization Funding Grant	1,108,078.00	-	1,108,078.00
Other State Programs			
Food Services	15,578.00	-	15,578.00
Hygiene Products	102.00	-	102.00
Math and Science Supplements	5,732.31	-	5,732.31
Preschool Disability Services	5,559.10	-	5,559.10
Pupil Transportation - State Bonds	77,220.00	-	77,220.00
School Security Grant	11,999.16	-	11,999.16
Teachers Retirement	15,657.82	-	15,657.82
Vocational Education	7,070.00	-	7,070.00
Vocational Construction Related Equipment - State Bonds	247,095.24	-	247,095.24
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	739,915.62	739,915.62
Office of the State Treasurer			
Public School Employees Retirement	25,576.00	-	25,576.00
	$ 7,414,841.22	$ 739,915.62	$ 8,154,756.84

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

SCHEDULE "10"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)(4)	AMOUNT EXPENDED IN CURRENT YEAR (3)(5)(6)	AMOUNT EXPENDED IN PRIOR YEARS (3)(4)(5)(6)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
SPLOST 2016							
Providing funds for track and field renovations, outdoor lighting for athletic fields and seating;	$ 500,000.00	$ 500,000.00	$ -	$ 33,022.65	$ -	$ -	6/30/2021
Providing funds for technology purchases, textbooks, and safety equipment;	250,000.00	250,000.00	12,474.68	28,040.40	-	-	6/30/2021
Providing funds for HVAC repairs and improvements;	200,000.00	225,000.00	-	205,100.13	-	-	6/30/2021
Providing funds for Career Academy construction project;	200,000.00	200,000.00	-	13,424.15	-	-	6/30/2021
Providing funds for Education Center Modernization;	200,000.00	200,000.00	-	4,122.72	-	-	6/30/2021
Providing funds for acquiring buses and bus maintenance shop repairs;	200,000.00	290,067.49	121,380.00	168,687.49	-	-	6/30/2021
Providing funds for acquiring, constructing, repairing, improving, rehabilitating renovating, extending, retrofitting, upgrading and equipping buildings and facilities, including any necessary property therefore; both real and personal to include paving.	809,662.00	6,331,551.44	3,486,345.02	171,380.52	-	-	6/30/2021
	$ 2,359,662.00	$ 7,996,618.93	$ 3,620,199.70	$ 623,778.06	$ -	$ -	

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

(4) Surplus funds of $36,649.44 from 2011 SPLOST are included in the total shown above to be used in current projects.

(5) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding for the above projects as follows:

Prior Years	$ 495,513.16
Current Year	149,347.80
Total	$ 644,860.96

(6) In addition to the expenditures shown above, the School District paid principal payments to provide advance funding for the above projects as follows:

Prior Years	$ 1,961,000.00
Current Year	734,000.00
Total	$ 2,695,000.00

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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
Chattahoochee 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 Chattahoochee 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 August 18, 2021.

Internal Control Over Financial Reporting

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

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

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

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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.*

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 Standard*s 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

August 18, 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 REPORT 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
Chattahoochee County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Chattahoochee 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 its major federal program for the year ended June 30, 2020. The School District's major federal program is 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 the School District's major federal program 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 the 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 its major federal program 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 the 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

August 18, 2021

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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CHATTAHOOCHEE 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

None Noted

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2017-001	**Excessive Cash Balance**
Compliance Requirement:	Cash Management
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	84.010 Title I Grants to Local Education Agencies
Federal Award Numbers:	S010A150010, S010A160010
Questioned Costs:	None Identified
Finding Status:	Partially Resolved – See Corrective Action/Responses

Due to timing of fiscal year 2017 audit, reversals of accruals at beginning of fiscal year could not be done. For fiscal year 2019, accrual reversals were done before any funds were draw down.

Estimated corrective action date June 30, 2021

FA 2018-001	**Excessive Cash Balance**
Compliance Requirement:	Cash Management
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
CFDA Number and Title:	84.010 Title I Grants to Local Education Agencies
Federal Award Numbers:	S010A160010, S010A170010
Questioned Costs:	None Identified
Finding Status:	Partially Resolved – See Corrective Action/Responses

Management will ensure that salary accruals are reversed at beginning of each new fiscal year to avoid excess cash balances.

Estimated corrective action date June 30, 2021

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

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2019-001	**Improve Controls Over Cash Management**
Compliance Requirement:	Cash Management
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:	84.010 Title I Grants to Local Education Agencies
Federal Award Numbers:	S010A170010, S010A180010
Questioned Costs:	None Identified

Finding Status: Partially Resolved – See Corrective Action/Responses

Management will ensure that salary accruals are reversed at beginning of each new fiscal year to avoid excess cash balances.

Estimated corrective action date June 30, 2021.

SECTION IV

FINDINGS AND QUESTIONED COSTS

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CHATTAHOOCHEE 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?	None Reported

Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:

▪ Material weakness identified?	No
▪ Significant deficiency identified?	None Reported

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

All major programs	Unmodified

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

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
84.041	Impact Aid Cluster

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

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.