GLYNN COUNTY
BOARD OF EDUCATION

Annual
Financial Report

Fiscal Year Ended June 30, 2020

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

Brunswick, Georgia

GLYNN COUNTY BOARD OF EDUCATION

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

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GLYNN COUNTY BOARD OF EDUCATION

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Financial Section

Glynn County
Board of Education

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Glynn County Board of Education
Brunswick, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 – 11) and the schedules of proportionate share of the net pension liabilities, the schedules of pension contributions, the schedule of proportionate share of the net OPEB liability, and the schedule of OPEB contributions (on pages 65 – 75) 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 System's basic financial statements. The combining and individual nonmajor fund financial statements and the continuing disclosure section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, 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 the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, as listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Glynn County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 22, 2021

Management's Discussion And Analysis

Glynn County Board of Education

GLYNN COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The Management's Discussion and Analysis of Glynn County Board of Education's (the "School System") financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School System's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School System's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- In total, net position increased $17.4 million, which represents a 17.45% increase from fiscal year 2019. This increase was due to governmental activities since the School System has no business-type activities.

- General revenues accounted for $104.5 million in revenue or 55% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $87 million or 45% of total revenues of $191.4 million.

- The School System had $174 million in expenses related to governmental activities; program revenues offset only $87 million of these expenses. General revenues (primarily property and sales taxes) of $104.5 million funded the remaining expenses for these programs.

- Among major funds, the general fund has $141 million in revenues and $133.4 million in expenditures. The general fund's fund balance increased to $21.2 million.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School System as a financial whole, or as an entire operating entity.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School System, presenting both an aggregate view of the School System's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the School System, the General Fund is by far the most significant fund.

Reporting the School System as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School System to provide programs and activities, the view of the School System as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, liabilities, and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School System's net position and changes in position. This change in net positon is important because it tells the reader whether, for the School System as a whole, the financial position of the School System has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School System's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School System has one distinct type of activity:

- Governmental Activities – All of the School System's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, after school program, principal's accounts and various others.

Reporting the School System's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School System's major funds. The School System uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School System's most significant funds. The School System's major governmental funds are the General Fund and the Capital Projects Fund.

Governmental Funds – Most of the School System's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School System’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds – The School System is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School System is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School System excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

The School System as a Whole

- The perspective of the statement of net position is of the School System as a whole. Table 1 provides a summary of the School System's net position for fiscal year 2020 compared to fiscal year 2019.

Table 1
Net Position
(In Thousands)

	2020	2019
Assets		
Current and other assets	**$ 100,677**	$ 112,804
Capital assets, net of accumulated depreciation	**270,431**	258,164
Total assets	**371,108**	370,968
Deferred Outflows of Resources		
Pension and OPEB related	**52,997**	39,851
Liabilities		
Current and other liabilities	**22,589**	42,927
Long-term liabilities	**251,023**	235,293
Total liabilities	**273,612**	278,220
Deferred Inflows of Resources		
Pension and OPEB related	**33,173**	33,175
Net Position		
Net investment in capital assets	**261,102**	234,425
Restricted	**44,582**	51,985
Unrestricted	**(188,364)**	(186,986)
Total net position	**$ 117,320**	$ 99,424

Total net position increased to $117.3 million in fiscal year 2020.

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

Table 2
Change in Net Position
(In Thousands)

	2020	2019
Revenues		
Program revenues:		
Charges for services and sales	**$ 1,178**	$ 1,613
Operating grants and contributions	**81,522**	73,713
Capital grants and contributions	**4,258**	1,334
Total program revenues	**86,958**	76,660
General Revenues:		
Taxes		
Property taxes	**72,473**	72,438
Sales taxes	**24,800**	23,858
Other taxes	**6,999**	3,241
Unrestricted investment earnings	**76**	101
Miscellaneous	**133**	200
Total general revenues	**104,481**	99,838
Total revenues	**191,439**	176,498
Program Expenses		
Instruction	**117,288**	100,370
Support services		
Pupil services	**4,929**	4,229
Improvement of instructional services	**7,022**	6,180
Educational media services	**2,308**	2,053
General administration	**1,056**	1,072
School administration	**8,747**	7,045
Business administration	**1,263**	1,331
Maintenance and operation of plant	**13,602**	12,610
Student transportation services	**7,067**	7,169
Central support services	**3,042**	1,367
Other support services	**17**	1
Operations of non-instructional services		
Food services	**7,670**	8,091
Commuity services	**-**	1
Interest on short-term and long-term debt	**-**	2
Total expenses	**174,011**	151,521
Extraordinary item	**-**	(11,141)
Increase in net position	**17,428**	13,836
Net position - beginning, as restated	**99,892**	85,588
Net position - ending	**$ 117,320**	$ 99,424

Governmental Activities

Instruction comprises 67.4% of governmental program expenses. Interest expense was less than 1% of governmental program expenses. Interest expense was attributable to capital leases and the outstanding bonds for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2020 with fiscal year 2019. Net cost of services can be defined as the total cost less fees generated by the activities and revenues or contributions provided for specific programs. That is, it identifies the cost of these services supported by tax revenues, unrestricted state grants, investment earnings and other general revenues.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2020	Fiscal Year 2019	**Fiscal Year 2020**	Fiscal Year 2019
Instruction	**$ 117,288**	$ 100,370	**$ 46,580**	$ 40,022
Support services:				
Pupil services	**4,929**	4,229	**4,252**	3,762
Improvement of instructional services	**7,022**	6,180	**4,844**	4,225
Educational media services	**2,308**	2,053	**2,308**	2,053
General administration	**1,056**	1,072	**(1,096)**	(513)
School administration	**8,747**	7,045	**8,562**	6,862
Business administration	**1,263**	1,331	**1,246**	1,319
Maintenance and operation of plant	**13,602**	12,610	**10,651**	9,827
Student transportation services	**7,067**	7,169	**5,675**	5,849
Central support services	**3,042**	1,367	**3,004**	1,342
Other support services	**17**	1	**17**	1
Operations of non-instructional services:				
Food services	**7,670**	8,091	**1,010**	109
Community services	**-**	1	**-**	1
Interest on short-term and long-term debt	**-**	2	**-**	2
Total expenses	**$ 174,011**	$ 151,521	**$ 87,053**	$ 74,861

Expenditures for fiscal year 2020 increased by 15% from the prior year and net cost of services increased 16.29%. The increase in net cost of services was due to increase in program revenues. The School System is dependent upon tax revenues for governmental activities.

The School System's Funds

The School System's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $191.2 million and expenditures and other financing uses of $193.5 million with a net decrease of $2.3 million in fund balance. The positive change in the fund balance of the general fund for the year was due to closing schools for three months during the COVID pandemic. The Capital Projects Fund decreased by $8.6 million resulting from spending down bond proceeds.

General Fund Budgeting Highlights

The School System's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund which includes local, state and federal funds collected and disbursed for the purpose of operating the School System.

During the course of fiscal year 2020, the School System amended its General Fund budget as needed. The School System uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budgeted revenues and other financing sources of $137.7 million were more than the original budgeted amount of $136.9 million by $.8 million. The actual revenues and other financing sources of $141.1 million were more than the budgeted amount of $137.7 million by $3.4 million due to an increase in property tax collections above collection rate used to budget for taxes.

The final budgeted expenditures and other financing uses of $140.4 million were higher than the original budgeted amount of $139.7 million by $.7 million. This increase was due to an increase in several grants. The actual expenditures and other financing uses of $134.5 million were $5.9 million less than budgeted. This difference was due to a significant number of unfilled positions during the school year and savings from closing schools for three months during the COVID pandemic.

General fund revenues and other financing sources were more than the expenditures and other financing uses by $6.6 million. The general fund balance increased to $21.2 million and is fiscally sound for operations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the School System had $270.4 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2020 balances compared with fiscal year 2019 balances.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

	2020	2019
Land and land improvements	**$ 9,314**	$ 9,306
Construction in progress	**99,072**	79,617
Building and building improvements	**154,649**	161,394
Equipment	**7,397**	7,847
Total capital assets, net of accumulated depreciation	**$ 270,432**	$ 258,164

Capital Assets increased by $12.3 million for fiscal year 2020. The School System completed renovating the Glynn Academy Science building. These capital expenditures are being funded with Educational Special Purpose Local Option Sales Tax ("ESPLOST") revenues and General Obligation Bonds. The Glynn County voters approved a third ESPLOST in November 2015 to be collected between January 1, 2016 and December 31, 2020.

Debt

At June 30, 2020, the School System had $8.6 million in bonds outstanding with $43 million due within one year. Table 5 summarizes general obligation bonds, capital leases, compensated absences outstanding and net pension and OPEB liabilities. Table 5 shows fiscal year 2020 balances compared with fiscal year 2019 balances.

Table 5
Debt at June 30,
(In Thousands)

	2020	2019
General obligation bonds	**$ 8,952**	$ 23,080
Financed purchases	**377**	659
Compensated absences	**2,829**	2,731
Net pension liability	**143,206**	117,391
Net OPEB liability	**99,483**	104,724
Total long-term obligations	**$ 254,847**	$ 248,585

In November 2018, voters approved a 1% ESPLOST in conjunction with a $43.6 million General Obligation Bond issue for the purpose of building new schools and renovating schools. The ESPLOST, collected between January 1, 2019 and December 31, 2020, will be used to retire the bonds. In May 2019, the School System issued $43.6 million in General Obligation Sales Tax Bonds to advance fund the capital projects. At June 30, 2020, the School System's assigned bond rating was "Aa1" as determined by Moody's Investors Service.

Current Issues

Despite settling two outstanding lawsuits of $11.1 million in fiscal year 2019, state mandated salary increases, retirement and health insurance increases only being partially funded, and the ongoing effort of the School System to maintain class sizes in accord with maximum class-size requirements from the state, the School System has been able to maintain an adequate fund balance of $21.2 million in the General Fund. Even though the School System implemented conservative budgeting practices throughout the recession, they were not able to maintain the same millage rate. The digest has declined by 11% since fiscal year 2009. The School System raised the millage rate to 16.230 in 2014 but was able to roll the millage rate back to 16.157 in 2015 and remains at 16.157 for 2020. With the School System's second ESPLOST, a renovation began on the Glynn Academy Science building. With the School System's third ESPLOST, a replacement of Burroughs-Molette elementary school was completed. These projects will ensure adequate space for future growth in our high schools and elementary schools.

Currently, there are no legal issues pending that would materially affect the financial position of the School System. Glynn County Schools are hopeful the property tax digest will begin to increase to prerecession values. Although the School System will be looking to streamline programs and operations in order to compensate for the loss in revenues from the state and slow growth in the digest, Glynn County Schools is in a sound financial position with a $21.1 million reserve and a conservative millage rate.

Contacting the School System's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School System's finances and to show the School System's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact Andrea H. Preston at Glynn County Board of Education, 1313 Egmont Street, Brunswick, Georgia 31521 or email at apreston@glynn.k12.ga.us.

Basic Financial Statements

Glynn County
Board of Education

GLYNN COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 81,894,852
Receivables:	
Accounts	161,678
Intergovernmental	12,860,789
Taxes	3,279,346
Inventory	666,937
Prepaid items	1,813,174
Capital assets, nondepreciable	104,436,839
Capital assets, depreciable (net of accumulated depreciation)	165,994,793
Total assets	371,108,408
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	44,597,083
OPEB	8,400,007
Total deferred outflows of resources	52,997,090
LIABILITIES	
Accounts payable	3,232,066
Retainage payable	1,466,821
Claims due within one year	61,040
Claims due in more than one year	825,340
Accrued payroll and payroll withholdings	12,896,636
Accrued interest	179,167
Unearned revenue	103,767
General obligation bonds due within one year	4,300,000
General obligation bonds due in more than one year, net of unamortized premium	4,652,364
Financed purchases due within one year	295,503
Financed purchases due in more than one year	81,471
Compensated absences due within one year	54,160
Compensated absences due in more than one year	2,774,271
Net pension liability, due in more than one year	143,205,640
Net OPEB liability, due in more than one year	99,483,411
Total liabilities	273,611,657
DEFERRED INFLOWS OF RESOURCES	
Pensions	6,621,098
OPEB	26,552,258
Total deferred inflows of resources	33,173,356
NET POSITION	
Net investment in capital assets	261,102,294
Restricted for grant programs	2,399,902
Restricted for debt service	1,129,987
Restricted for capital projects	41,052,551
Unrestricted	(188,364,249)
Total net position	$ 117,320,485

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

GLYNN COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Total Governmental Activities
Governmental activities:					
Instruction	$ 117,287,749	$ 411,242	$ 66,038,577	$ 4,257,941	$ (46,579,989)
Pupil services	4,929,180	-	677,080	-	(4,252,100)
Improvement of instructional services	7,021,584	-	2,177,178	-	(4,844,406)
Educational media services	2,308,271	-	-	-	(2,308,271)
General administration	1,055,728	-	2,151,342	-	1,095,614
School administration	8,746,825	-	184,886	-	(8,561,939)
Business services	1,263,232	-	17,214	-	(1,246,018)
Maintenance and operations	13,602,207	-	2,951,319	-	(10,650,888)
Student transportation	7,066,985	-	1,392,407	-	(5,674,578)
Central support services	3,041,827	-	38,315	-	(3,003,512)
Other support services	17,138	-	-	-	(17,138)
Food services	7,670,466	766,881	5,894,092	-	(1,009,493)
Total governmental activities	$ 174,011,192	$ 1,178,123	$ 81,522,410	$ 4,257,941	(87,052,718)
General revenues:					
Property taxes					72,473,176
Sales taxes					24,800,083
Other taxes					6,999,403
Unrestricted investment earnings					75,915
Gain on sale of capital assets					132,400
Total general revenues					104,480,977
Change in net position					17,428,259
Net position, beginning of year, as restated					99,892,226
Net position, end of year					$ 117,320,485

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

GLYNN COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 20,361,035	$ 44,218,620	$ 4,443,686	$ 69,023,341
Receivables, net:				
Accounts	44,663	-	117,015	161,678
Taxes	3,279,346	-	-	3,279,346
Intergovernmental	7,977,056	3,319,515	1,564,218	12,860,789
Due from other funds	2,222,654	77,216	87	2,299,957
Prepaid items	1,813,174	-	-	1,813,174
Inventory	517,131	-	149,806	666,937
Total assets	$ 36,215,059	$ 47,615,351	$ 6,274,812	$ 90,105,222
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,149,954	$ 1,660,087	$ 422,025	$ 3,232,066
Retainage payable	-	1,466,821	-	1,466,821
Due to other funds	78,217	1,029	646,056	725,302
Accrued payroll and payroll withholdings	11,746,538	-	1,150,098	12,896,636
Unearned revenue	-	-	103,767	103,767
Total liabilities	12,974,709	3,127,937	2,321,946	18,424,592
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	2,049,007	-	-	2,049,007
Unavailable revenue - sales taxes	-	992,713	-	992,713
Total deferred inflows of resources	2,049,007	992,713	-	3,041,720
FUND BALANCES				
Fund balances:				
Nonspendable - inventory	517,131	-	149,806	666,937
Nonspendable - prepaid items	1,813,174	-	-	1,813,174
Restricted for capital projects	-	41,052,551	-	41,052,551
Restricted for debt service	-	1,129,987	-	1,129,987
Restricted for grant programs	-	-	2,250,096	2,250,096
Assigned for student activity accounts	-	-	1,351,779	1,351,779
Assigned for Historic Glynn Academy	-	-	15,200	15,200
Assigned for athletic programs	-	-	185,985	185,985
Assigned for local capital outlay	-	1,312,163	-	1,312,163
Unassigned	18,861,038	-	-	18,861,038
Total fund balances	21,191,343	43,494,701	3,952,866	68,638,910
Total liabilities, deferred inflows of resources and fund balances	$ 36,215,059	$ 47,615,351	$ 6,274,812	$ 90,105,222

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

GLYNN COUNTY BOARD OF EDUCATION

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

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balances - total governmental funds	$ 68,638,910
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	270,431,632
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,041,720
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(235,202,253)
Internal service funds are used by management to charge the costs of various benefits and services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	10,410,476
Net position of governmental activities	$ 117,320,485

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

GLYNN COUNTY BOARD OF EDUCATION

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 79,394,441	$ -	$ -	$ 79,394,441
Sales taxes	-	23,807,370	-	23,807,370
Local sources	448,350	-	3,959,061	4,407,411
State sources	60,437,418	4,257,941	2,606,278	67,301,637
Federal sources	658,482	-	14,292,516	14,950,998
Interest income	5,824	69,767	324	75,915
Total revenues	140,944,515	28,135,078	20,858,179	189,937,772
EXPENDITURES				
Current:				
Instruction	91,356,367	-	10,975,656	102,332,023
Pupil services	3,773,368	-	876,067	4,649,435
Improvement of instructional services	3,981,880	-	2,628,273	6,610,153
Educational media services	2,167,223	-	-	2,167,223
General administration	993,141	-	40,910	1,034,051
School administration	7,976,401	-	184,895	8,161,296
Business administration	1,300,467	-	-	1,300,467
Maintenance and operation of plant	13,203,214	-	84,125	13,287,339
Student transportation services	5,841,135	1,392,104	38,268	7,271,507
Central support services	2,029,852	-	3,130	2,032,982
Other support services	1,317	-	15,821	17,138
Food services	79,083	-	7,403,514	7,482,597
Capital outlay	368,814	21,066,522	-	21,435,336
Debt service				
Principal	281,785	13,500,000	-	13,781,785
Interest and other charges	28,156	767,500	-	795,656
Total expenditures	133,382,203	36,726,126	22,250,659	192,358,988
Excess (deficiency) of revenues over (under) expenditures	7,562,312	(8,591,048)	(1,392,480)	(2,421,216)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	132,652	-	-	132,652
Transfers in	-	-	1,138,967	1,138,967
Transfers out	(1,138,967)	-	-	(1,138,967)
Total other financing sources (uses)	(1,006,315)	-	1,138,967	132,652
Net change in fund balances	6,555,997	(8,591,048)	(253,513)	(2,288,564)
FUND BALANCES, beginning of year, as restated	14,635,346	52,085,749	4,206,379	70,927,474
FUND BALANCES, end of year	$ 21,191,343	$ 43,494,701	$ 3,952,866	$ 68,638,910

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

GLYNN COUNTY BOARD OF EDUCATION

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

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

Net change in fund balances - total governmental funds	$	(2,288,564)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		12,267,882
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(252)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,070,851
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		6,378,342
Change in net position - governmental activities	$	17,428,259

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

GLYNN COUNTY BOARD OF EDUCATION

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 75,679,100	$ 75,185,400	$ 79,394,441	$ 4,209,041
Local sources	761,200	831,400	448,350	(383,050)
State sources	59,802,400	61,102,500	60,437,418	(665,082)
Federal sources	688,200	557,000	658,482	101,482
Interest income	-	-	5,824	5,824
Total revenues	136,930,900	137,676,300	140,944,515	3,268,215
EXPENDITURES				
Current:				
Instruction	94,449,300	94,613,400	91,356,367	3,257,033
Pupil services	4,357,600	3,929,900	3,773,368	156,532
Improvement of instructional services	4,065,400	4,135,100	3,981,880	153,220
Educational media services	2,266,900	2,195,000	2,167,223	27,777
General administration	1,023,200	1,078,400	993,141	85,259
School administration	8,279,700	8,102,800	7,976,401	126,399
Business administration	1,441,300	1,337,700	1,300,467	37,233
Maintenance and operations	13,569,000	14,428,200	13,203,214	1,224,986
Student transportation services	6,355,100	6,484,700	5,841,135	643,565
Central support services	2,471,900	2,125,100	2,029,852	95,248
Other support services	2,100	2,100	1,317	783
Food services	-	79,100	79,083	17
Community services	20,800	20,800	-	20,800
Capital outlay	-	446,500	368,814	77,686
Debt service:				
Principal	1,035,800	282,100	281,785	315
Interest and other charges	49,100	28,300	28,156	144
Total expenditures	139,387,200	139,289,200	133,382,203	5,906,997
Excess (deficiency) of revenues over (under) expenditures	(2,456,300)	(1,612,900)	7,562,312	9,175,212
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	132,652	132,652
Transfers out	(297,300)	(1,139,000)	(1,138,967)	33
Total other financing sources (uses)	(297,300)	(1,139,000)	(1,006,315)	132,685
Net change in fund balances	$ (2,753,600)	$ (2,751,900)	$ 6,555,997	$ 9,307,897

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

GLYNN COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Governmental Activities - Internal Service Funds
ASSETS	
Cash and cash equivalents	$ 12,871,511
Due from other funds	914
Total current assets	12,872,425
Total assets	12,872,425
LIABILITIES	
CURRENT LIABILITIES	
Claims payable due within one year	61,040
Due to other funds	1,575,569
Total current liabilities	1,636,609
NON-CURRENT LIABILITIES	
Claims payable due in more than one year	825,340
Total non-current liabilities	825,340
Total liabilities	2,461,949
NET POSITION	
Unrestricted	10,410,476
Total net position	$ 10,410,476

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

GLYNN COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds
OPERATING EXPENSES	
Risk management	$ 789,346
Total operating expenses	789,346
Operating (loss)	(789,346)
NON-OPERATING REVENUES	
Investment income	1,816
Total non-operating revenues	1,816
Change in net position	(787,530)
NET POSITION, beginning of year	11,198,006
NET POSITION, end of year	$ 10,410,476

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

GLYNN COUNTY BOARD OF EDUCATION

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from local sources	$ 1,836,606
Payments to suppliers	(887,453)
Net cash provided by operating activities	949,153
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,816
Net cash provided by investing activities	1,816
Net increase in cash and cash equivalents	950,969
Cash and cash equivalents, beginning of year	11,920,542
Cash and cash equivalents, end of year	$ 12,871,511

(Continued)

GLYNN COUNTY BOARD OF EDUCATION

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds
Reconciliation of operating (loss) to net cash provided by operating activities	
Operating (loss)	$ (789,346)
Adjustments to reconcile operating (loss) to net cash provided by in operating activities	
Decrease in due from other funds	274,814
Decrease in claims payable	(111,884)
Increase in due to other funds	1,575,569
Net cash provided by operating activities	$ 949,153

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

Notes to Financial Statements

Glynn County
Board of Education

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Glynn County Board of Education (the "School System") was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The Board 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 System is a primary government and consists of all the organizations that compose its legal entity. The Board provides public educational services to the citizenry of Glynn County, Georgia. It receives funding from local, state, and federal government sources and must comply with the accompanying requirements of these funding source entities.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School System. The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

The accompanying financial statements of the School System 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 System's accounting policies are described below.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The School System's basic financial statements include both district-wide (reporting the School System as a whole) and fund financial statements (reporting the Board's major funds). Both the district-wide and fund financial statements categorize its primary activities as governmental. Those activities (functions) are instruction, pupil services, instructional services, educational media services, general administration, business administration, school administration, pupil transportation, maintenance and operations, central support services, other support services, food service operations and interest on long-term debt.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collectible within the current period. For this purpose, the School System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for amounts related to reimbursement based grants, which are considered available when all eligibility criteria has been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The fiduciary fund financial statements are reported using the *accrual basis of accounting*.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basis Education ("QBE") Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a 12-month contract period, generally, September 1 through August 31. In accordance with the requirements of the establishing legislation of the QBE program, the State of Georgia reimburses the School System over the same 12-month period in which teachers are paid, funding the academic school year expenditures.

At June 30, the amounts of teachers' salaries incurred but not paid until July and August of the subsequent year is accrued, as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in GASB Statement No. 33, paragraph 74, the State of Georgia recognizes QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The emphasis in fund financial statements is on the major funds in the governmental fund category.

The School System reports the following major governmental funds:

- General Fund
- Capital Projects Fund

The following fund types are used by the Board:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Board:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Funds (Continued)

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The ***Capital Projects Fund*** is used to account for financial resources including Educational Special Purpose Local Option Sales Tax ("ESPLOST"), bond proceeds, and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction, or renovation of major capital facilities.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Board:

Internal service funds are used to account for the financing of risk management services such as workers' compensation and unemployment compensation that are charged to other departments or funds of the School System on a cost-reimbursement basis. The principal users of the internal services are the School System's governmental activities; the financial statement of the internal service fund is consolidated into the governmental column when presented in the district-wide financial statements. The cost of these services is reported in the appropriate functional activity.

D. Cash and Cash Equivalents

The School System maintains a cash and investment pool that is available for all funds. Each fund's portion of this pool is displayed as "Cash and Investments." For purposes of the statement of cash flows, the School System considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash deposits are reported at carrying value, which reasonably estimates fair value.

E. Investments

During 2020 and as of June 30, 2020, the School System held no financial instruments classified as investments. The School System is authorized by state statutes to invest in the obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements, bank certificates of deposit, and the Georgia Fund 1 administered by the State of Georgia.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, sales taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the district-wide financial statements in accordance with the accrual basis. Allowances for uncollectible taxes receivable are based upon historical trends and the periodic aging of taxes receivable.

G. Sales Tax

Special Purpose Local Option Sales Tax ("SPLOST"), at the fund reporting level during the year amounted to $23,807,370 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.

H. Inventory

Inventories are stated at cost (principally first-in, first-out), which is not in excess of market. The Board utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

Reported inventories are equally offset by a reservation of fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The United States Department of Agriculture ("USDA") commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

Capital assets, which include land, building, building improvements and equipment, are reported in the applicable governmental activities columns in the district-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of $5,000 or more for equipment and $10,000 for buildings and improvements. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight–line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Asset	Years
Buildings and Improvements	30 years
Equipment	3 – 20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in district-wide statements.

J. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-wide Statements

All long-term debt to be repaid from governmental resources is reported as liabilities in the district-wide statements. The long-term debt consists primarily of general obligation bonds, contractual obligations, capital leases and accrued compensated absences. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed in the year of issuance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-term Debt (Continued)

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The face amount of the debt issued and premiums on the debt issuances are reported as other financing sources. Bond issuance costs are reported as debt service expenditures.

K. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of financial position/governmental funds balance sheet will sometimes 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The Governmental Activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. See also Note 9 – Retirement Plans and Note 10 – Other Post-Employment Benefits.

In addition to liabilities, the statement of financial position/governmental funds balance sheet will sometimes 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 so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to changes in the net pension liability and net OPEB liability as discussed below, the School System has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and sales taxes. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The Governmental Activities report deferred inflows of resources related to the reporting of the net pension liability and net OPEB liability. These deferred inflows of resources will be amortized over five years.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS"), the Employees' Retirement System of Georgia ("ERS"), and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from TRS/ERS/PSERS' fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. See also Note 9, Retirement Plans.

M. Other Post-Employment Benefits ("OPEB")

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

N. Equity Classifications

District-wide Statements

Equity is classified as net assets and displayed in three components:

1. **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. **Restricted net position** – Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

3. **Unrestricted net position** – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity Classifications (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

1. **Nonspendable Fund Balance** – Fund balance reported as nonspendable represents fund balance associated with inventory, prepaid items, or long-term receivables. Nonspendable indicates that the respective resources are not available to be spent in any way due to their very nature and/or their lack of availability.

2. **Restricted Fund Balance** – Fund balance reported as restricted represents amounts that can be spent only on the specific purposes stipulated by law through constitutional provisions or enabling legislation or by the external providers of those resources.

3. **Committed Fund Balance** – Fund balance reported as committed includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Education. The only way committed funds can be removed or changed is by a formal action of the Board of Education on or before the end of the fiscal year.

4. **Assigned Fund Balance** – Fund balance reported as assigned represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. At fiscal year-end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next year's budget is considered to be an assignment of fund balance.

5. **Unassigned Fund Balance** – Fund balance reported as unassigned represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

   When an expenditure is incurred that would qualify as an expenditure of either restricted or unrestricted fund balance, those expenditures will first be applied to the restricted fund balance category. When expenditures are incurred that would qualify as a use of any of the unrestricted fund balance categories (committed, assigned, unassigned), those expenditures will be applied in the order of assigned first, then unassigned, and then committed.

   Proprietary fund equity is classified the same as in the district-wide statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Revenues, Expenditures and Expenses

1. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School System's internal service funds are charges to funds for risk management services. The School System's operating expenses for internal service funds include risk management expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

2. Expenditures/Expenses

In the district-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds – By Character: Current (further classified by function), Debt Service, and Capital Outlay.

- Proprietary Fund – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of current financial resources. Proprietary funds report expenses relating to the use of economic resources.

3. Interfund Activity and Internal Balances

Interfund activities are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at a market or near market rates, are treated as revenues and expenditures/expenses and are eliminated from the statement of activities to remove the "doubling-up" effect of the activity. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Permanent reallocation of resources between funds is classified as interfund transfers.

In the process of aggregating data for the statement of net position and the statement of activities, certain amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the district-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Revenues, Expenditures and Expenses (Continued)

4. Compensated Absences

Eligible Board employees can earn annual vacation based on length of service, to a maximum of 15 days after 15 years of service. However, no more than 45 days, and no more than 30 days for employees hired after July 1, 2007, are allowed to be carried over between fiscal years. Sick pay is as follows:

1. All employees earn one and one quarter days of sick leave with full pay each month.

2. Sick leave is cumulative up to an indefinite period.

3. Sick leave is paid for each day over 45 days at one-half of the substitute rate upon retirement or termination of employment.

All compensated absences are accrued when incurred in the district-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The government fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $235,202,253 difference are as follows:

Accrued interest	$	(179,167)
General obligation, net of unamortized premium		(8,952,364)
Financed purchases		(376,974)
Compensated absences		(2,828,431)
Net pension liability		(143,205,640)
Pensions - deferred inflows of resources		(6,621,098)
Pensions - deferred outflows of resources		44,597,083
Net OPEB liability		(99,483,411)
OPEB - deferred inflows of resources		(26,552,258)
OPEB - deferred outflows of resources		8,400,007
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(235,202,253)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances — total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $12,267,882 difference are as follows:

Capital outlay	$	21,846,015
Depreciation expense		(9,578,133)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	12,267,882

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $6,378,342 difference are as follows:

Change in accrued interest	$	281,250
General obligation bonds principal payment		13,500,000
Amortization of premium on general obligation bonds		627,476
Financed purchases principal payments		281,785
Change in compensated absences		(97,591)
Change in net pension liability and deferred inflows and outflows related to pension activity		(7,689,031)
Change in net OPEB liability and deferred inflows and outflows related to OPEB activity		261,983
Adjustment to record internal service funds current period activity		(787,530)
Net adjustment to increase *net change in fund balances - governmental funds* to arrive at *change in net position - governmental activities*	$	6,378,342

NOTE 3. CASH AND INVESTMENTS

Collateralization of Deposits

The Official Code of Georgia Annotated ("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 a 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 and 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. O.C.G.A. §45-8-11(b) provides an officer holding public funds may, in his/her discretion, waive the requirement for security in the case of operating funds placed in the demand deposit checking accounts.

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.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

At June 30, 2020, the carrying amount of the School System's deposits was $81,894,852 and the bank balances were $82,556,392. The bank balances were secured entirely by either federal depository insurance or collateralized with securities held by the pledging financial institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The School System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the School System will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School System does not have a formal policy for managing custodial credit risk.

NOTE 4. RECEIVABLES

The Glynn County Tax Commissioner bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. Assessed values for property tax purposes are determined by the Glynn County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. Public utility assessed values are established by the State of Georgia.

Property is appraised and a lien on such property becomes enforceable 60 days after final notification on delinquency of property taxes. Taxes are due and payable when billed by the Glynn County Tax Commissioner. Glynn County may place liens on property once the related tax payments become delinquent.

In the General Fund, significant components of intergovernmental receivables include $7,457,057 from the State of Georgia for QBE formula grants.

In the Capital Projects Fund, the intergovernmental receivables include $3,319,515 due from the State of Georgia for SPLOST revenue collected but not remitted at June 30, 2020.

NOTE 4. RECEIVABLES (CONTINUED)

Taxes receivable reported in the General Fund represents 2019 and prior years' uncollected taxes. Property taxes which are not expected to be collected in time (60 days after year-end) to meet the "available" criteria in accordance with GASB Cod. Sec. 1600.103, are recorded as deferred inflows of resources. An evaluation of the allowance for uncollected taxes is made in relation to the expected collectability of the taxes. At June 30, 2020, the allowance was $1,372,122.

Grants and other receivables (reported in General and Nonmajor governmental funds) primarily represent funds due the Board for reimbursement of expenditures/expenses incurred as of year-end under grant terms.

Receivables at June 30, 2020, for the School System's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Nonmajor Governmental Funds	Total
Intergovernmental	$ 7,977,056	$ 3,319,515	$ 1,564,218	$ 12,860,789
Taxes	4,651,468	-	-	4,651,468
Accounts	44,663	-	117,015	161,678
	12,673,187	3,319,515	1,681,233	17,673,935
Less allowance for uncollectible	(1,372,122)	-	-	(1,372,122)
Net total receivable	$ 11,301,065	$ 3,319,515	$ 1,681,233	$ 16,301,813

Intergovernmental receivables consist of grant reimbursements due primarily from the Georgia Department of Education, sales taxes which are collected by the state on the School System's behalf, and property taxes collected by the Glynn County Tax Commissioner on the School System's behalf.

NOTE 5. CAPITAL ASSETS

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

	Beginning June 30, 2019	Increases	Decreases	Transfers	Ended June 30, 2020
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,365,081	$ -	$ -	$ -	$ 5,365,081
Construction in progress	79,616,827	19,599,701	(252)	(144,518)	99,071,758
Total capital assets not being depreciated	84,981,908	19,599,701	(252)	(144,518)	104,436,839
Capital assets, being depreciated:					
Buildings and improvements	255,337,847	469,447	-	-	255,807,294
Equipment	28,236,824	1,756,270	(1,881,531)	138,294	28,249,857
Land improvements	4,051,121	20,597	-	6,224	4,077,942
Total capital assets being depreciated	287,625,792	2,246,314	(1,881,531)	144,518	288,135,093
Less accumulated depreciation for:					
Buildings and improvements	(93,944,280)	(7,214,375)	-	-	(101,158,655)
Equipment	(20,389,064)	(2,344,847)	1,881,531	-	(20,852,380)
Land improvements	(110,354)	(18,911)	-	-	(129,265)
Total accumulated depreciation	(114,443,698)	(9,578,133)	1,881,531	-	(122,140,300)
Total capital assets, being depreciated, net	173,182,094	(7,331,819)	-	144,518	165,994,793
Governmental activities capital assets, net	$ 258,164,002	$ 12,267,882	$ (252)	$ -	$ 270,431,632

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
Instruction	$ 7,750,984
Pupil services	2,291
Improvement of instructional services	639
Business support services	989
Maintenance and operations	140,050
Student transportation	1,352,618
Central support services	245,847
Food services operations	84,715
Total depreciation expense - governmental activities	$ 9,578,133

NOTE 6. LONG-TERM DEBT

The School System has entered into several financed purchases from direct borrowings for the acquisition of buses and certain other equipment. Principal and interest payments under these purchases having remaining terms in excess of one year as of June 30, 2020, are as follows:

Year	Principal	Interest	Total
2021	$ 295,503	$ 14,438	$ 309,941
2022	81,471	119	81,590
Totals	$ 376,974	$ 14,557	$ 391,531

For the year ended June 30, 2020, depreciation expense recorded on assets acquired through financed purchases from direct borrowings was $287,422. At June 30, 2020, the net book value of assets acquired through financed purchases from direct borrowings was as follows:

	Capital Assets Acquired Through Financed Purchases
Equipment	$ 1,010,200
Less: accumulated depreciation	(872,828)
Total	$ 137,372

NOTE 6. LONG-TERM DEBT (CONTINUED)

In May 2016, the School System issued $43,600,000 in Series 2016 General Obligation Sales Tax Bonds to fund acquisition, construction, furnishing, remodeling, renovating, improving and equipping projects included in the School System's ESPLOST projects. The following schedule summarizes the School System's long-term debt issue, including interest rate, original debt and balance at year-end.

	Interest Rates	Original Debt	Balance June 30, 2020
General Obligation Bonds:			
Sales Tax, Series 2016	5.00%	$ 43,600,000	$ 8,600,000

Requirements to Maturity – General Obligation Debt

Year	Principal	Interest
2021	$ 4,300,000	$ 322,500
2022	4,300,000	107,500
	$ 8,600,000	$ 430,000

NOTE 6. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds:					
General obligation bonds	$ 22,100,000	$ -	$ (13,500,000)	$ 8,600,000	$ 4,300,000
Unamortized premium	979,840	-	(627,476)	352,364	-
Total general obligation bonds	23,079,840	-	(14,127,476)	8,952,364	4,300,000
Financed purchase from direct borrowings:	658,759	-	(281,785)	376,974	295,503
Compensated absences	2,730,840	195,736	(98,145)	2,828,431	54,160
Net pension liability	117,390,501	43,027,706	(17,212,567)	143,205,640	-
Net OPEB liability	104,723,932	9,752,647	(14,993,168)	99,483,411	-
Total Governmental activities long-term liabilities	$ 248,583,872	$ 52,976,089	$ (46,713,141)	$ 254,846,820	$ 4,649,663

Compensated absences, claims payable, the net pension liability and the net OPEB liability are typically liquidated with General Fund resources.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

	Due from				
Due to	General	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 1,029	$ 646,056	$ 1,575,569	$ 2,222,654
Capital Projects Fund	77,216		-		77,216
Nonmajor governmental funds	87	-	-	-	87
Internal service funds	914	-	-	-	914
	$ 78,217	$ 1,029	$ 646,056	$ 1,575,569	$ 2,300,871

These balances represent loans between the borrower fund and the lender fund. These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Interfund receivables and payables are reported in the fund financial statements. However, they are eliminated in the district-wide financial statements if the interfund loan is between governmental funds.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers To	Transfers From General Fund
Nonmajor Governmental	$ 1,138,967
Total	$ 1,138,967

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers of this type are recorded as other financing uses and other financing sources in the governmental funds financial statements. However, they are eliminated in the district-wide financial statements if the interfund transfer is within the governmental fund group.

NOTE 8. OPERATING LEASES

The Board has entered into an operating lease for copiers throughout the School System. Rental expenditures in 2020 amounted to $233,640. The term of these leases was complete at June 30, 2020.

NOTE 9. RETIREMENT PLANS

The Glynn County Board of Education participates in various retirement plans administered by the State of Georgia. There are three major retirement systems in which the School System participates: Teachers' Retirement System of Georgia ("TRS"), Employees' Retirement System of Georgia ("ERS"), and Public School Employees' Retirement System of Georgia ("PSERS"). These systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

NOTE 9. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System

Plan Description. All teachers of the School System as defined in §47-3-60 of the O.C.G.A. and certain other support personnel as defined by §47-3-63 are provided a pension through the 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 audit 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 ten 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% of their annual pay during fiscal year 2020.

The School System's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School System payroll. School System contributions to TRS were $16,916,324 for the year ended June 30, 2020.

Employees' Retirement System

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

NOTE 9. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System (Continued)

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

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

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

Contributions. Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The School System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2020, was 24.66% of annual covered payroll for Old and New Plan members and 21.64% for GSEPS members. The School System's contributions to ERS totaled $72,356 for the year ended June 30, 2020. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 9. RETIREMENT PLANS (CONTINUED)

Public School Employees' Retirement System

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

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

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

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

At June 30, 2020, the School System reported a liability of $143,205,640 for its proportionate share of the net pension liability for TRS ($142,747,636) and ERS ($458,004).

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

School System's proportionate share of the net pension liability	$ 142,747,636
State of Georgia's proportionate share of the net pension liability associated with the School System	593,260
Total	$ 143,340,896

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

At June 30, 2019, the School System’s TRS proportion was 0.663859%, which was an increase of 0.033630% from its proportion measured as of June 30, 2018. At June 30, 2019, the School System’s ERS proportion was 0.011099%, an increase of 0.001211% from its proportion measured at June 30, 2018.

At June 30, 2020, the School System did not have a PSERS liability for a proportionate share of the net pension liability because of a special funding situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State’s proportionate share of the net pension liability associated with the School System is $1,689,287.

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 System was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2019.

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2020, the School System recognized pension expense of $24,731,818 for TRS, $95,276 for ERS and $520,955 for PSERS and revenue of $149,383 for TRS and $520,955 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 System reported deferred outflows of resource and deferred inflows of resources related to pension from the following sources for TRS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,045,984	$ 42,321
Changes of assumptions	13,698,498	-
Net difference between projected and actual earnings on pension plan investments	-	3,399,257
Changes in proportion and differences between School System contributions and proportionate share of contributions	5,811,661	3,157,939
School System contributions subsequent to the measurement date	16,916,324	-
Total	$ 44,472,467	$ 6,599,517

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

At June 30, 2020, the School System reported deferred outflows of resource and deferred inflows of resources related to pension from the following sources for ERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 15,253	$ -
Changes of assumptions	8,061	-
Net difference between projected and actual earnings on pension plan investments	-	14,257
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,946	7,324
Employer contributions subsequent to the measurement date	72,356	-
Total	$ 124,616	$ 21,581

School System contributions subsequent to the measurement date of June 30, 2020, of $16,916,324 for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for TRS:

Year Ending June 30,	
2021	$ 8,275,533
2022	2,039,482
2023	4,855,295
2024	5,786,316

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

School System contributions subsequent to the measurement date of June 30, 2020, of $72,356 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for ERS:

Year Ending June 30,		
2021	$	32,349
2022		(751)
2023		(2,808)
2024		1,889

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 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.

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

Employees' Retirement System

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

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

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

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

Public School Employees' Retirement System

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.30%, net pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two 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 five 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 School 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.

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

Public School Employees' Retirement System (Continued)

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

Asset Class	TRS Target Allocation	ERS/PSERS Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	-0.10%
US large stocks	51.00%	46.20%	8.90%
US 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%
Alternatives	0.00%	5.00%	12.00%
Total	100.00%	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation for TRS and 2.75% for ERS/PSERS

Discount rate. The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

Teachers' Retirement System

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

Teachers' Retirement System

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School System's proportionate share of the net pension liability	$ 231,721,192	$ 142,747,636	$ 69,579,759

Employees' Retirement System:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School System's proportionate share of the net pension liability	$ 650,865	$ 458,004	$ 293,592

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

NOTE 9. RETIREMENT PLANS (CONTINUED)

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

Aggregate Amounts

Aggregate amounts for all pension plans are as follows:

	TRS	ERS	PSERS	Total
Net pension liability	$ 142,747,636	$ 458,004	$ -	$ 143,205,640
Deferred outflows	44,472,467	124,616	-	44,597,083
Deferred inflows	6,599,517	21,581	-	6,621,098
Pension expense	24,731,818	95,276	520,955	25,348,049

Section 403(b) Tax Qualified Retirement Plan

The Board makes available an IRS section 403(b) tax qualified retirement plan for its classified employees. Participation is voluntary. During 2020, employee contributions amounted to $748,606.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

Plan Description. The School System participates in the State of Georgia School Employees' Post-employment Benefit Fund (the "School OPEB Fund") which is another post-employment benefit ("OPEB") plan administered by the State of Georgia Department of Community Health ("DCH"). Certified teachers and non-certified public school employees of the School System as defined in §20-2-875 of the O.C.G.A. are provided OPEB through the School OPEB Fund – a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (the "Board"). Title 20 of the O.C.G.A assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report ("CAFR"), which is publicly available and can be obtained at https://sao.georgia.gov/Comprehensive-annual-financial-reports.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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 the Board of Education, 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 ERS, Georgia Judicial Retirement System ("JRS"), Legislative Retirement System ("LRS"), TRS or 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 System were $2,768,095 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 System reported a liability of $99,483,411 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 System'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 System's proportion was 0.810644%, which was a decrease of (0.013325%) from its proportion measured as of June 30, 2018.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

For the year ended June 30, 2020, the School System recognized OPEB expense of $2,506,112. At June 30, 2020, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ -	$ 10,822,760
Changes in assumptions	3,454,864	14,024,020
Net difference between projected and actual earnings on pension plan investments	216,644	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	1,960,404	1,705,478
School System contributions subsequent to the measurement date	2,768,095	-
Total	$ 8,400,007	$ 26,552,258

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

School System contributions subsequent to the measurement date of $2,768,095 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	OPEB
2021	$ (4,612,425)
2022	(4,612,425)
2023	(4,620,753)
2024	(4,062,360)
2025	(2,385,774)
2026	(626,609)

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	2.75%
Salary increases:	
TRS	3.25 – 8.75%, including inflation
PSERS	N/A
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare Eligible	7.25%
Medicare Eligible	5.375%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate:	
Pre-Medicare eligible	2028
Medicare eligible	2022

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

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

- For TRS members: The RP-2000 White Collar Mortality Table projected to 2025 with projection scale BB (set forward one 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 three years for males and two 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 five 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 ended 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.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

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

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

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

Discount rate. The discount rate 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.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") (CONTINUED)

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

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School System'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 System's proportionate share of the net OPEB liablity	$ 115,632,559	$ 99,483,411	$ 86,346,804

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the School System's proportionate share of the net OPEB liability, as well as what the School System'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 System's proportionate share of the net OPEB liablity	$ 83,804,233	$ 99,483,411	$ 119,397,156

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

NOTE 11. RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters and unemployment compensation. There were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self-Insurance

The School System is self-insured for the risks associated with unemployment compensation and workers' compensation. The School System has established a separate fund for accounting for workers' compensation risk financing. A contribution to the fund is calculated on the basis of 1.25% of each salary dollar. Liabilities of this fund are reported when it is probable a loss has occurred and the amounts can be reasonably estimated including amounts for claims incurred but not yet reported ("IBNRs"). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims up to statutory limits.

Changes in the balances of claims liabilities for the workers' compensation fund during the last three fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year-End
2020	**$ 995,668**	**$ 767,125**	**$ 887,453**	**$ 875,340**
2019	1,262,379	405,929	672,640	995,668
2018	1,151,189	879,620	768,430	1,262,379

The fiscal year-end liability is calculated by a third party administrator considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs as previously described.

NOTE 11. RISK MANAGEMENT (CONTINUED)

Self-Insurance (Continued)

The School System has also established a separate fund to account for unemployment claims. Changes in the balances of claims liabilities for the unemployment fund during the last three fiscal years were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Current Year Liability	Claim Payments	Balance at Fiscal Year-End
2020	**$ 2,596**	**$ 22,221**	**$ 13,777**	**$ 11,040**
2019	933	9,332	7,669	2,596
2018	3,901	8,842	11,810	933

Risk Transfer

The School System transfers the risk from all other risks through the use of commercially purchased insurance.

NOTE 12. ON-BEHALF OF PAYMENTS

The School System has recognized revenues and expenditures in the amount of $371,910 for retirement contributions paid on the School System's behalf by the following: Teachers' Retirement System ($71,599) and Public School Employees' Retirement System ($300,311).

NOTE 13. COMMITMENTS AND CONTINGENCIES

In addition to the liabilities enumerated in the balance, at June 30, 2020, the School System has contractual commitments on uncompleted contracts of approximately $32,017,997.

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

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

NOTE 14. RESTATEMENT OF PRIOR YEAR NET POSITION AND FUND BALANCE

In fiscal year 2020, the School System adopted GASB Statement No. 84, *Fiduciary Activities.* This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: 1) whether a government is controlling the assets of the fiduciary activity, and 2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The School System restated beginning net position and beginning fund balance for the special programs fund for the cumulative effect of this accounting change. These changes are in accordance with generally accepted accounting principles.

Fund balance, Special Programs Fund, as previously reported	$	798,465
Prior Period Adjustment - Implementation of GASB No. 84		467,495
Fund balance, Special Programs Fund, as restated	$	1,265,960

Net Position, Governmental Activities, as previously reported	$	99,424,731
Prior Period Adjustment - Implementation of GASB No. 84		467,495
Net Position, Governmental Activities, as restated	$	99,892,226

Required Supplementary Information

Glynn County
Board of Education

GLYNN 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,

	2020	2019	2018	2017	2016	2015
School System's proportion of the net pension liability	**0.663859%**	0.630229%	0.656264%	0.641131%	0.648971%	0.659795%
School System's proportionate share of the net pension liability	**$ 142,747,636**	$ 116,984,002	$ 121,968,686	$ 132,272,474	$ 98,799,390	$ 83,123,178
State of Georgia's proportionate share of the net pension liability associated with the School System	**593,260**	518,812	391,407	276,251	205,220	173,839
Total	**$ 143,340,896**	$ 117,502,814	$ 122,360,093	$ 132,548,725	$ 99,004,610	$ 83,297,017
School System's covered payroll	**$ 80,988,397**	$ 75,399,673	$ 75,644,038	$ 70,273,413	$ 68,430,702	$ 67,400,262
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**176.26%**	155.15%	161.24%	188.225%	144.379%	123.328%
Plan fiduciary net position as a percentage of the total pension liability	**78.56%**	80.27%	79.33%	81.44%	81.44%	84.03%

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

GLYNN COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Contractually required contributions	**$ 16,916,324**	$ 16,926,575	$ 12,674,685	$ 10,737,013	$ 9,939,621	$ 8,931,282
Contributions in relation to the contractually required contribution	**16,916,324**	16,926,575	12,674,685	10,737,013	9,939,621	8,931,282
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	**$ 80,020,454**	$ 80,988,397	$ 75,399,673	$ 75,644,038	$ 70,273,413	$ 68,430,702
Contributions as a percentage of covered payroll	**21.14%**	20.90%	16.81%	14.19%	14.14%	13.05%

GLYNN COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30,

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%.

GLYNN COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
School System's proportion of the net pension liability	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
School System's proportionate share of the net pension liability	**$ -**	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net position liability associated with the School System	**1,689,287**	1,582,395	1,486,681	1,914,043	1,203,279	1,093,295
Total	**$ 1,689,287**	$ 1,582,395	$ 1,486,681	$ 1,914,043	$ 1,203,279	$ 1,093,295
School System's covered payroll	**$ 5,566,231**	$ 4,853,333	$ 5,185,733	$ 4,782,479	$ 4,732,927	$ 4,625,915
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**N/A**	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	**85.02%**	85.26%	81.00%	81.00%	87.00%	88.29%

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

GLYNN COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

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 the Society of Actuaries' projection scale BB (set forward three years for males and two years for females).

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

GLYNN COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
School System's proportion of the net pension liability	**0.011099%**	0.009888%	0.010678%	0.010449%	0.010369%	0.010449%
School System's proportionate share of the net pension liability	**$ 458,004**	$ 406,499	$ 433,669	$ 494,282	$ 420,089	$ 387,176
School System's covered payroll	**$ 279,766**	$ 253,422	$ 261,899	$ 251,565	$ 237,065	$ 232,440
pension liability as a percentage of its covered payroll	**163.71%**	160.40%	165.59%	196.483%	177.204%	166.570%
Plan fiduciary net position as a percentage of the total pension liability	**76.74%**	76.68%	76.33%	72.34%	87.00%	88.29%

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

GLYNN COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Contractually required contributions	**$ 72,356**	$ 69,326	$ 62,570	$ 65,442	$ 63,051	$ 52,059
Contributions in relation to the contractually required contribution	**72,356**	69,326	62,570	65,442	63,051	52,059
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	**$ 293,414**	$ 279,766	$ 253,422	$ 261,899	$ 251,565	$ 237,065
Contributions as a percentage of covered payroll	**24.66%**	24.78%	24.69%	24.99%	25.06%	21.96%

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

GLYNN COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

Changes of assumptions

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

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

GLYNN 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,

	2020	2019	2018
School System's proportion of the net OPEB liability	**0.810644%**	0.823969%	0.812939%
School System's proportionate share of the net OPEB liability	**$ 99,483,411**	$ 104,723,932	$ 114,217,603
School System's covered-employee payroll	**$ 70,368,054**	$ 65,600,330	$ 67,176,556
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	**141.38%**	159.64%	170.03%
Plan fiduciary net position as a percentage of the total OPEB liability	**4.63%**	2.93%	1.61%

Note: The schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

GLYNN COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017
Contractually required contributions	**$ 2,768,095**	$ 4,365,879	$ 4,270,551	$ 4,238,728
Contributions in relation to the contractually required contribution	**2,768,095**	4,365,879	4,270,551	4,238,728
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
School System's covered-employee payroll	**$ 70,259,380**	$ 70,368,054	$ 65,600,330	$ 67,176,556
Contributions as a percentage of covered-employee payroll	**3.94%**	6.20%	6.51%	6.31%

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

GLYNN COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30,

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of 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 departments) are now assigned to the 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.

Combining and Individual Fund Statements and Schedules

Glynn County
Board of Education

GLYNN COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The **Special Programs Fund** is used to account for the activities of various other programs funded by local, state and federal funds used for distinct program objectives.

The **Title I Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System to provide remedial education in various area with a focus on disadvantaged students.

The **Title II Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of training teachers in math, science, foreign language, and computer science programs.

The **Special Education Fund** is used to account for federal funds in connection with the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children in pre-kindergarten through 12th grade.

The **Pre-Kindergarten Fund** is used to account for state grant funds flowing through the State of Georgia Department of Education for various programs for pre-kindergarten students as established by the State.

The **Athletics Fund** is used to account for athletic events held on behalf of the School System. Revenues consist primarily of ticket and concession sales.

The **School Food Service** is used to account for the School System's food service operations.

GLYNN COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			
ASSETS	**Special Programs**	**Title I**	**Title II**	**Special Education**
Cash and investments	$ 1,511,390	$ -	$ -	$ -
Accounts receivable	116,954	-	61	-
Intergovernmental receivable	101,611	656,158	37,211	419,856
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 1,729,955	$ 656,158	$ 37,272	$ 419,856
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 351,901	$ 28,237	$ 1,663	$ 11,669
Accrued payroll and payroll withholdings	8,708	359,361	7,368	251,130
Unearned revenue	-	-	-	-
Due to other funds	2,367	268,560	28,241	157,057
Total liabilities	362,976	656,158	37,272	419,856
FUND BALANCES				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Grant programs	-	-	-	-
Assigned:				
Student activity accounts	1,351,779	-	-	-
Historic Glynn Academy	15,200	-	-	-
Athletic programs	-	-	-	-
Total fund balances	1,366,979	-	-	-
Total liabilities and fund balances	$ 1,729,955	$ 656,158	$ 37,272	$ 419,856

Special Revenue Funds				
Pre-Kindergarten	Athletics	School Food Service	Total Nonmajor Governmental Funds
$ 274,117	$ 204,882	$ 2,453,297	$ 4,443,686
-	-	-	117,015
-	-	349,382	1,564,218
-	87	-	87
-	-	149,806	149,806
$ 274,117	$ 204,969	$ 2,952,485	$ 6,274,812
$ 326	$ 15,931	$ 12,298	$ 422,025
273,791	-	249,740	1,150,098
-	-	103,767	103,767
-	3,053	186,778	646,056
274,117	18,984	552,583	2,321,946
-	-	149,806	149,806
-	-	2,250,096	2,250,096
-	-	-	1,351,779
-	-	-	15,200
-	185,985	-	185,985
-	185,985	2,399,902	3,952,866
$ 274,117	$ 204,969	$ 2,952,485	$ 6,274,812

GLYNN COUNTY BOARD OF EDUCATION

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

	Special Revenue Funds			
	Special Programs	Title I	Title II	Special Education
REVENUES				
Local sources	$ 2,692,375	$ -	$ -	$ -
State sources	-	-	-	-
Federal sources	1,283,733	4,164,832	515,440	2,777,444
Interest earned on investments	-	-	-	-
Total revenues	3,976,108	4,164,832	515,440	2,777,444
EXPENDITURES				
Current:				
Instruction	3,224,411	2,985,779	-	1,602,870
Pupil services	150,175	434,250	-	242,029
Improvement of instructional services	456,802	736,803	496,473	934,951
General administration	16,006	8,000	15,944	960
School administration	-	-	-	-
Maintenance and operations	-	-	-	-
Student transportation	18,325	-	-	5,114
Central support services	-	-	3,130	-
Other support services	15,821	-	-	-
Food service operations	-	-	-	-
Total expenditures	3,881,540	4,164,832	515,547	2,785,924
Excess (deficiency) of revenues over (under) expenditures	94,568	-	(107)	(8,480)
OTHER FINANCING SOURCES				
Transfers in	6,451	-	107	8,480
Total other financing sources	6,451	-	107	8,480
Net change in fund balances	101,019	-	-	-
FUND BALANCES, beginning of year, as restated	1,265,960	-	-	-
FUND BALANCES, end of year	$ 1,366,979	$ -	$ -	$ -

Special Revenue Funds			
Pre-Kindergarten	Athletics	School Food Service	Total Nonmajor Governmental Funds
$ -	$ 498,433	$ 768,253	$ 3,959,061
2,407,166	-	199,112	2,606,278
-	-	5,551,067	14,292,516
-	324	-	324
2,407,166	498,757	6,518,432	20,858,179
2,587,876	574,720	-	10,975,656
801	48,812	-	876,067
1,057	2,187	-	2,628,273
-	-	-	40,910
184,886	9	-	184,895
17,841	9,098	57,186	84,125
-	14,829	-	38,268
-	-	-	3,130
-	-	-	15,821
-	-	7,403,514	7,403,514
2,792,461	649,655	7,460,700	22,250,659
(385,295)	(150,898)	(942,268)	(1,392,480)
385,295	-	738,634	1,138,967
385,295	-	738,634	1,138,967
-	(150,898)	(203,634)	(253,513)
-	336,883	2,603,536	4,206,379
$ -	$ 185,985	$ 2,399,902	$ 3,952,866

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Programs		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	$ 1,534,900	$ 2,692,375	$ 1,157,475
State sources	-	-	-
Federal sources	3,187,400	1,283,733	(1,903,667)
Interest earned on investments	-	-	-
Total revenues	4,722,300	3,976,108	(746,192)
EXPENDITURES			
Current:			
Instruction	3,209,600	3,224,411	(14,811)
Pupil services	275,700	150,175	125,525
Improvement of instructional services	1,058,800	456,802	601,998
General administration	73,800	16,006	57,794
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	46,500	18,325	28,175
Central support services	-	-	-
Other support services	64,400	15,821	48,579
Food service operations	-	-	-
Total expenditures	4,728,800	3,881,540	847,260
Excess (deficiency) of revenues over (under) expenditures	(6,500)	94,568	101,068
OTHER FINANCING SOURCES			
Transfers in	6,500	6,451	(49)
Total other financing sources	6,500	6,451	(49)
Net change in fund balances	-	101,019	101,019
FUND BALANCES, beginning of year, as restated	1,265,960	1,265,960	-
FUND BALANCES, end of year	$ 1,265,960	$ 1,366,979	$ 101,019

Title I			Title II		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
4,623,400	4,164,832	(458,568)	788,800	515,440	(273,360)
-	-	-	-	-	-
4,623,400	4,164,832	(458,568)	788,800	515,440	(273,360)
3,295,900	2,985,779	310,121	-	-	-
486,300	434,250	52,050	-	-	-
777,800	736,803	40,997	747,100	496,473	250,627
63,400	8,000	55,400	25,700	15,944	9,756
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	16,000	3,130	12,870
-	-	-	-	-	-
-	-	-	-	-	-
4,623,400	4,164,832	458,568	788,800	515,547	273,253
-	-	-	-	(107)	(107)
-	-	-	-	107	107
-	-	-	-	107	107
-	-	-	-	-	-
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Education		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	$ -	$ -	$ -
State sources	-	-	-
Federal sources	3,206,000	2,777,444	(428,556)
Interest earned on investments	-	-	-
Total revenues	3,206,000	2,777,444	(428,556)
EXPENDITURES			
Current:			
Instruction	1,843,200	1,602,870	240,330
Pupil services	328,000	242,029	85,971
Improvement of instructional services	1,013,200	934,951	78,249
General administration	7,100	960	6,140
School administration	-	-	-
Maintenance and operations	-	-	-
Student transportation	23,000	5,114	17,886
Other support services	-	-	-
Food service operations	-	-	-
Total expenditures	3,214,500	2,785,924	428,576
Excess (deficiency) of revenues over (under) expenditures	(8,500)	(8,480)	20
OTHER FINANCING SOURCES			
Transfers in	8,500	8,480	(20)
Total other financing sources	8,500	8,480	(20)
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year, as restated	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -

Pre-Kindergarten			Athletics		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 280,900	$ 498,433	$ 217,533
2,545,100	2,407,166	(137,934)	-	-	-
-	-	-	-	-	-
-	-	-	1,200	324	(876)
2,545,100	2,407,166	(137,934)	282,100	498,757	216,657
2,697,600	2,587,876	109,724	286,000	574,720	(288,720)
3,100	801	2,299	17,700	48,812	(31,112)
3,800	1,057	2,743	7,100	2,187	4,913
-	-	-	-	-	-
185,500	184,886	614	-	9	(9)
40,400	17,841	22,559	7,100	9,098	(1,998)
-	-	-	-	14,829	(14,829)
-	-	-	-	-	-
-	-	-	-	-	-
2,930,400	2,792,461	137,939	317,900	649,655	(331,755)
(385,300)	(385,295)	5	(35,800)	(150,898)	(115,098)
385,300	385,295	(5)	-	-	-
385,300	385,295	(5)	-	-	-
-	-	-	(35,800)	(150,898)	(115,098)
-	-	-	336,883	336,883	-
$ -	$ -	$ -	$ 301,083	$ 185,985	$ (115,098)

(Continued)

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	School Food Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local sources	$ 1,159,900	$ 768,253	$ (391,647)
State sources	156,000	199,112	43,112
Federal sources	6,235,000	5,551,067	(683,933)
Interest earned on investments	-	-	-
Total revenues	7,550,900	6,518,432	(1,032,468)
EXPENDITURES			
Current:			
Instruction	-	-	-
Pupil services	-	-	-
Improvement of instructional services	-	-	-
Educational media services	-	-	-
General administration	-	-	-
School administration	-	-	-
Maintenance and operations	60,000	57,186	2,814
Student transportation	-	-	-
Central support services	-	-	-
Other support services	-	-	-
Food service operations	7,490,900	7,403,514	87,386
Total expenditures	7,550,900	7,460,700	90,200
Excess (deficiency) of revenues over (under) expenditures	-	(942,268)	(942,268)
OTHER FINANCING SOURCES			
Transfers in	738,700	738,634	(66)
Total other financing sources	738,700	738,634	(66)
Net change in fund balances	738,700	(203,634)	(942,334)
FUND BALANCES, beginning of year, as restated	2,603,536	2,603,536	-
FUND BALANCES, end of year	$ 3,342,236	$ 2,399,902	$ (942,334)

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF APPROVED SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS YEAR ENDED JUNE 30, 2020

PROJECT DESCRIPTION	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	EXPENDED IN CURRENT YEAR (3)	EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COSTS NOT EXPENDED	ESTIMATED COMPLETION DATE
2011 SPLOST							
For the following capital outlay projects:							
New Southwest Middle School (Risley Middle School).	$ 22,000,000	$ 21,416,160	$ -	$ 21,416,160	$ 21,416,160	$ -	Completed
New Brunswick High School, including necessary demolition, renovation and upgrades to existing facilities and associated site and field work.	52,000,000	59,049,881	-	59,049,881	59,049,881	-	Completed
Renovations and additions to Risley Early College Academy (formerly Risley Middle School).	-	-	-	-	-	-	
Renovations and additions to Glynn Academy.	23,940,281	30,968,978	926,730	30,000,913	30,927,643	41,335	To Be Determined
New fine arts center to be known as the Coastal Community Center for the Arts.	19,483,106	-	-	-	-	-	
Renovations to the Historic Risley Center.	-	-	-	-	-	-	
Renovations to:							
Altama Elementary	-	-	-	-	-	-	
Burroughs-Molette Elementary	-	-	-	-	-	-	
New elementary school	-	-	-	-	-	-	
Demolition at:							
Perry Building	-	186,692	-	186,692	186,692	-	Completed
Former Glynn Middle School	-	399,585	-	399,585	399,585	-	Completed
Other real and personal property for the School System, including any necessary demolition, site improvements, renovations, and improvements to facilities, land acquisition, technology upgrades, computers and related technology including fiber and software, telephone and communication equipment, computerized energy management systems, heating and air conditioning systems, lighting, and similar property and equipment in accordance with its facilities plans, as the same may be revised in accordance with the needs of the School System.	-	6,806,250	660,000	5,745,820	6,405,820	400,430	To Be Determined
Glynn Academy 9th Grade Center (Design Only)	-	-	-	-	-	-	
Paying capitalized interest on General Obligation Bonds	5,144,836	6,689,158	-	6,689,158	6,689,158	-	Completed
GUDE Management Group	1,311,000	1,341,000	-	1,341,000	1,341,000	-	Completed
Totals	$ 123,879,223	$ 126,857,704	$ 1,586,730	$ 124,829,209	$ 126,415,939	$ 441,765	

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF APPROVED SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS YEAR ENDED JUNE 30, 2020

PROJECT DESCRIPTION	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	EXPENDED IN CURRENT YEAR (3)	EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COSTS NOT EXPENDED	ESTIMATED COMPLETION DATE
2016 SPLOST							
Acquiring, constructing, and equiping the following capital outlay projects:							
New:							
Burroughs-Molette Elementary School	$ 23,000,000	$ 28,517,866	$ 691,015	$ 26,395,025	$ 27,086,040	$ 1,431,826	To Be Determined
Altama Elementary School	24,250,000	28,141,950	9,877,356	3,204,201	13,081,557	15,060,393	To Be Determined
Coastal Community Center for the Arts	20,000,000	20,000,000	-	-	-	20,000,000	To Be Determined
Elementary School #11	25,000,000	-	-	-	-	-	
Renovations and improvements to:							
Glynn Academy including athletic facilities	19,000,000	26,535,035	7,769,947	9,605,749	17,375,696	9,159,339	To Be Determined
Brunswick High Athletic facilities	4,000,000	4,978,160	250	4,810,670	4,810,920	167,240	To Be Determined
The Glynn County Stadium	4,250,000	-	-	-	-	-	To Be Determined
Needwood Middle Baseball field and weight room	500,000	1,371,397	-	1,371,397	1,371,397	-	To Be Determined
Other real and personal property for the School System, including any necessary demolition, site improvements, renovations, and improvements to facilities, land acquisition, technology upgrades, computers, and related technology including fiber and software, telephone and communication equipment, computerized energy management systems, heating and air conditioning systems, lighting, and similar property and equipment in accordance with its facilities plans.	10,000,000	5,193,143	976,224	1,588,921	2,565,145	2,627,998	To Be Determined
GUDE Management Group	-	1,125,000	165,000	840,000	1,005,000	120,000	To Be Determined
Paying Capitalized Interest on General Obligation Bonds [4]	-	6,109,667	767,500	4,912,167	5,679,667	430,000	To Be Determined
	$ 130,000,000	$ 121,972,218	$ 20,247,292	$ 52,728,130	$ 72,975,422	$ 48,996,796	

$ 21,834,022	**FY 2020 SPLOST expenditures**
1,392,104	**Expenditures not related to the SPLOST**
13,500,000	**Principal payment on Series 2016 Bonds**
$ 36,726,126	**Total Capital Projects Fund Expenditures as of 6/30/2020**

(1) The School System's original cost estimate as specified in the resolution calling purposes (the "Educational Sales Tax").

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

(3) The voters of Glynn County approved the imposition of a 1% sales and use 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 funds over the life of the projects.

GLYNN COUNTY BOARD OF EDUCATION

INTERNAL SERVICE FUNDS

The **Unemployment Compensation Fund** is used to account for the provisions of unemployment benefits for former employees of the School System.

The **Workers' Compensation Fund** is used to account for the self-insured workers' compensation activity of the School System.

GLYNN COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Governmental-type Activities - Internal Service Funds		
ASSETS	**Unemployment Compensation Fund**	**Workers' Compensation Fund**	**Total**
Cash and cash equivalents	$ 3,137,361	$ 9,734,150	$ 12,871,511
Due from other funds	-	914	914
Total assets	3,137,361	9,735,064	12,872,425
LIABILITIES			
Claims payable due within one year	11,040	50,000	61,040
Claims payable due in more than one year	-	825,340	825,340
Due to other funds	1,575,569	-	1,575,569
Total liabilities	1,586,609	875,340	2,461,949
NET POSITION			
Unrestricted	1,550,752	8,859,724	10,410,476
Total net position	$ 1,550,752	$ 8,859,724	$ 10,410,476

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

GLYNN COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental-type Activities - Internal Service Funds		
	Unemployment Compensation Fund	Workers' Compensation Fund	Total
OPERATING EXPENSES			
Risk management	$ 22,221	$ 767,125	$ 789,346
Total operating expenses	22,221	767,125	789,346
Operating loss	(22,221)	(767,125)	(789,346)
NON-OPERATING REVENUES			
Investment income	-	1,816	1,816
Total non-operating revenues	-	1,816	1,816
Change in net position	(22,221)	(765,309)	(787,530)
NET POSITION, beginning of year	1,572,973	9,625,033	11,198,006
NET POSITION, end of year	$ 1,550,752	$ 8,859,724	$ 10,410,476

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

GLYNN COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental-type Activities - Internal Service Funds		
	Unemployment Compensation Fund	Workers' Compensation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from local sources	$ 1,561,792	$ 274,814	$ 1,836,606
Payments to suppliers	-	(887,453)	(887,453)
Net cash provided by (used in) operating activities	1,561,792	(612,639)	949,153
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	1,816	1,816
Net cash provided by investing activities	-	1,816	1,816
Net increase (decrease) in cash and cash equivalents	1,561,792	(610,823)	950,969
Cash and cash equivalents, beginning of year	1,575,569	10,344,973	11,920,542
Cash and cash equivalents, end of year	$ 3,137,361	$ 9,734,150	$ 12,871,511

(Continued)

GLYNN COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental-type Activities - Internal Service Funds		
	Unemployment Compensation Fund	Workers' Compensation Fund	Totals
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating (loss)	$ (22,221)	$ (767,125)	$ (789,346)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities			
Decrease in due from other funds	-	274,814	274,814
Increase (decrease) in claims payable	8,444	(120,328)	(111,884)
Increase in due to other funds	1,575,569	-	1,575,569
Net cash provided by (used in) operating activities	$ 1,561,792	$ (612,639)	$ 949,153

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

Continuing Disclosure Section

Glynn County
Board of Education

Historical Educational Sales Tax Data. The prior special 1% sales and use tax for educational purposes first began being collected in Glynn County on January 1, 2011, and ended on December 31, 2015, as approved by the majority of the voters of Glynn County voting in an election held for such purposes on November 3, 2009.

Set forth below is the total amount of the sales and use tax for educational purposes distributed by the Collection Agent to the School System as of December 31 in the years 2012 through 2019.

Year	Amount[1]	Percentage Change
2012	$ 18,779,573	– %
2013	18,563,382	(1.15)
2014	19,411,835	4.57
2015	20,165,601	3.88
2016	19,990,797	(0.87)
2017	20,676,787	3.43
2018	23,188,540	12.15
2019	24,337,399	4.95

[1] Net of deduction allowed to dealers and net of commission allowed to the Revenue Commissioner.

Source: State of Georgia Department of Revenue.

The historical sales tax data presented above should not be considered to represent future results that may be obtained by the School System from collections of the Educational Sales Tax. Although the Board of Education believes that future financial results will be comparable to, or exceed, those set forth above, certain of the assumptions upon which it presently is relying may not materialize, and unanticipated events and circumstances, such as a recession, may occur that may adversely affect such results.

Enrollment

Set forth below is information concerning enrollment in the School System over the past seven school years:

School Year[1]	(PK)	(K)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total
2013 – 2014	546	1,091	1,047	976	974	993	970	925	944	956	1,151	847	744	654	12,818
2014 – 2015	531	1,078	1,102	1,031	1,002	980	1,000	988	935	964	1,198	923	782	654	13,168
2015 – 2016	524	1,097	1,073	1,038	1,073	996	963	1,000	1,005	950	1,188	1,030	814	623	13,374
2016 – 2017	510	1,048	1,050	1,043	1,050	1,031	982	966	996	1,007	1,208	950	860	675	13,376
2017 – 2018	524	1,002	997	1,014	1,042	1,033	1,018	986	968	1,008	1,209	908	802	764	13,275
2018 – 2019	528	1,005	952	997	1,014	1,021	1,043	1,042	986	981	1,199	976	798	748	13,290
2019 – 2020	515	971	1,008	958	1,009	1,009	1,038	1,031	1,038	990	1,182	980	827	731	13,287

[1] Enrollment numbers based on information obtained from the October FTE for each respective school year.

(PK) = Preschool; (K) = Kindergarten. Special education students are mainstreamed throughout K – 12th grades.

Employees, Employee Relations and Labor Organizations

The School System had approximately 1,995 employees as of June 30, 2020, in the following categories:

Classroom teachers	939
Administrators and Supervisors	76
Librarians, Counselors, Specialists and Social Workers	111
Aides, Nurse and Clerical Personnel	388
Transportation, Maintenance and Security Personnel	211
Food Service Personnel and Custodians	243
Other	27
Total	1,995

There are currently approximately 939 certified teachers serving 13,287 students in the various schools. Specialists are available in the fields of speech, hearing, vision, learning disabilities, emotionally disturbed, physically handicapped, mentally retarded, hospital/homebound, and gifted children. The 2019 – 2020 pupil-classroom teacher ratio for all schools is 14:2; this does not include non-teaching personnel such as counselors and librarians.

Debt Limitation

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the School System may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the School System voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the School System may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the School System. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the table below, based upon assessed values as of January 1, 2019, the School System could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately $434,668,562 of long-term obligations payable out of general property taxes.

Computation of Legal Debt Margin

Gross Tax Digest for the School District as of January 1, 2019	$ 5,950,823,854
Less M&O Exemptions[1]	(1,383,138,239)
Net M&O Tax Digest	$ 4,567,685,615
Debt Limit (10% of Net M&O Tax Digest)	$ 456,768,562
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit	(22,100,000)
Legal Debt Margin	$ 434,668,562

[1] Based on M&O exemptions. Actual bond exemptions are not available because in past years it has not been necessary for the School System to levy a tax for general obligation debt; debt service on outstanding debt has been paid by the Educational Sales Tax. It is not expected that the amount of bond exemptions would be materially higher than the amount of M&O exemptions.

Source: State of Georgia Department of Revenue.

O.C.G.A. § 20-2-506(a)(4) provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5% of the total local revenue collected for M&O of the School System in the most recently completed fiscal year. Seven and one-half percent (7.5%) of the total local revenue collected for maintenance and operation of the School System in fiscal year 2018 was $5,115,848 ($68,211,303 x 7.5%) and the School System's total combined annual payments for lease and installment purchase contracts and intergovernmental contracts in calendar year 2019 is $1,078,159.

M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the School System for the past seven calendar years.

	2013	2014	2015	2016	2017	2018	2019
ASSESSED VALUES[1]:							
Residential	$ 3,209,867,242	$ 3,272,557,390	$ 3,374,181,685	$ 3,520,932,714	$ 3,761,725,073	$ 3,991,901,474	$ 4,186,066,057
Historical	-	-	-	-	18,000	36,000	36,000
Agricultural	4,526,597	4,244,069	4,120,733	2,165,493	2,337,085	2,292,365	2,842,005
Preferential	-	-	-	-	-	-	-
Conservation	22,938,868	24,140,708	23,834,028	21,691,708	21,738,068	21,017,748	19,627,228
Brownfield Property	1,629,880	1,629,880	1,645,440	1,693,000	1,693,000	1,693,000	2,327,320
Forest Land Cons Use	9,279,621	10,783,267	11,511,240	15,392,400	14,698,520	12,755,240	13,737,440
Commercial	703,445,472	735,501,252	715,258,465	763,815,555	794,935,788	813,396,315	844,171,626
Industrial	591,845,869	581,424,251	701,097,380	904,810,365	713,978,238	691,692,530	700,988,748
Utility[2]	101,711,388	108,165,311	106,444,594	107,644,765	109,726,824	106,159,819	119,141,868
Motor Vehicles[3]	216,542,020	195,648,840	140,487,920	100,248,240	75,443,820	56,212,440	45,880,950
Mobile Home[4]	10,380,851	10,708,028	10,610,388	10,842,189	10,661,469	11,264,587	11,684,157
Timber 100%	5,506,043	5,825,579	7,447,357	11,587,710	11,728,385	6,907,138	3,944,484
Heavy Equipment	-	-	500	1,500	100	1,013	375,971
Gross Tax Digest	4,877,673,851	4,950,628,575	5,096,639,730	5,460,825,639	5,518,684,370	5,715,329,669	5,950,823,854
Less M&O Exemptions	(882,989,070)	(898,304,839)	(1,048,338,031)	(1,289,077,943)	(1,159,404,714)	(1,230,677,695)	(1,383,138,239)
Net M&O Tax Digest[5]	$ 3,994,684,781	$ 4,052,323,736	$ 4,048,301,699	$ 4,171,747,696	$ 4,359,279,656	$ 4,484,651,974	$ 4,567,685,615
Estimated Actual Value:	$12,185,925,563	$12,367,833,069	$12,730,428,290	$13,634,682,532	$13,779,118,348	$14,277,963,466	$14,871,142,909

[1] The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%.

[2] The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the County. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

[3] The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the County.

[4] The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the County.

[5] Total assessed value, after deducting exemptions, for purposes of levying tax for the School District's general obligation bonds.

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

Largest Taxpayers

Set forth below is information concerning the largest taxpayers in the School System in calendar year 2019.

Taxpayer	Type of Business	2019 Assessed Value for the School System	Assessed Value as a Percent of 2019 Gross Assessed Values [1]	2019 Taxes Levied for the School System
Brunswick Cellulose Inc.	Manufacturing	$ 140,543,781	33.00%	$ 3,667,961
Georgia Power Company	Public Utility	93,429,189	22.00%	2,305,677
Sea Island Acquisition	Resort/Real Estate	69,445,050	16.00%	5,887,268
Pinova Inc	Manufacturing	32,907,538	8.00%	713,354
Gulfstream Aerospace		24,624,331	6.00%	642,941
Mercedes-Benz USA LLC	Manufacturing	17,774,478	4.00%	464,092
Exclusive Resorts LLC	Resort/Real Estate	13,774,910	3.00%	362,693
Brunswick Cellulose Inc.	Manufacturing	12,957,920	3.00%	338,456
King & Prince Seafood	Manuf./Seafood	10,982,508	3.00%	243,702
NV LNWA JIC Hotel	Resort/Real Estate	7,697,986	2.00%	161,812
Total		$ 424,137,691	100.00%	$ 14,787,955

[1] Based on calendar year 2019 Gross Tax Digest of $5,950,823,854

Source: Glynn County Tax Commissioner.

Millage Rates

Set forth below is information concerning the rate of levy of property taxes per $1,000 of assessed value, or millage rates, of the School System, unincorporated and incorporated Glynn County, and the State of Georgia for the past seven calendar years.

Millage Rates by Category	2013	2014	2015	2016	2017	2018	2019
State of Georgia	0.150	0.100	0.050	-	-	-	-
County School	16.230	16.157	16.157	16.157	16.157	16.157	16.157
County Incorporated	5.673	5.673	5.673	5.673	7.383	7.383	4.863
City of Brunswick	12.719	13.219	13.219	13.219	13.219	13.219	13.219
Fire District 3,4,5 (Unincorporated)	1.680	1.680	1.680	1.680	2.080	2.080	2.080
Fire District 2 Rural (Unincorporated)	-	-	-	-	-	-	-
County Unincorporated - Jekyll Island	4.981	4.981	4.981	4.981	6.691	6.691	4.863
County Unincorporated	5.673	5.673	5.673	5.673	7.383	7.383	4.863
SSD Sea Island Police	0.220	0.220	0.220	0.220	0.220	0.220	0.220
SSD Capital Projects	0.490	0.490	0.490	0.490	0.490	0.490	0.490

Source: State of Georgia Department of Revenue, Local Government Services Division.

M&O Tax Levies and Collections

Glynn County levies M&O taxes on behalf of the School System on January 1 of each year and normally bills said taxes by September. M&O taxes are due and payable on the earlier of November 15th or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the School System reported as of the School System's fiscal years ended June 30, 2013 through June 30, 2019, for the prior calendar year's tax levy. The figures below exclude taxes levied and collected on motor vehicles, mobile homes, heavy equipment and timber.

	2013	2014	2015	2016	2017	2018	2019
Current Year's M&O Tax Levy[1]	$ 57,081,810	$ 60,458,684	$ 60,486,066	$ 61,935,639	$ 64,724,694	$ 67,962,185	$ 70,282,645
Less 2.5% Collection Fee	1,427,045	1,511,467	1,512,152	1,548,391	1,618,117	1,699,055	1,757,066
Current Year's Net M&O Tax Levy	$ 55,654,765	$ 58,947,217	$ 58,973,915	$ 60,387,248	$ 63,106,576	$ 66,263,131	$ 68,525,578
Distribution of Current Year's Taxes	$ 53,853,416	$ 57,245,109	$ 57,798,356	$ 59,367,102	$ 62,119,595	$ 65,168,623	$ 68,192,670
Distribution of Prior Year's Taxes	2,248,693	1,642,586	1,859,382	1,117,064	1,156,777	1,056,380	1,412,804
Total Tax Collections	$ 56,102,109	$ 58,887,695	$ 59,657,738	$ 60,484,165	$ 63,276,372	$ 66,225,004	$ 69,605,475
Current Years' Tax Collections as a	97%	97%	98%	98%	98%	98%	99%
Total Tax Collections as a Percent of	100%	100%	100%	100%	100%	100%	102%
Uncollected Current Year's M&O	$1,801,348.36	$1,702,107.31	$1,175,558.79	$1,020,146.66	$986,981.24	$1,094,507.26	$332,908.03
Due Date of Taxes	11/15/2013	11/15/2014	11/15/2015	11/15/2016	11/22/2017	11/15/2018	11/15/2019
Tax Period Begins	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
Tax Period Ends	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019

[1] Current Year's M&O Tax Levy represents the tax levy after errors, omissions and appeals have been deducted from the original bill.

Source: Glynn County Tax Commissioner.

Insurance Coverage. The School System is self-insured for unemployment compensation claims. It carries commercial insurance for risk of loss associated with assets, and has neither significantly reduced coverage for this risk nor incurred losses which exceeded its insurance coverage in the current fiscal year or the past two fiscal years. Automobile coverage with Georgia School Board Association Risk Management Fund is summarized as follows:

AUTOMOBILE	
Bodily Injury	$500,000 per person/per accident
Property Damage	$500,000 per accident
Medical	$5,000 per person
Uninsured Motor Vehicle	$75,000 per accident
SURETY BONDS	
School Superintendent	$50,000

The School System is a participating member of the Georgia School Board Association Risk Management Fund ("GSBA-RMF"), an interlocal risk management agency established for Georgia school districts to pool liability and property risks. GSBA-RMF serves as the agent of its members for claims adjustment and administration of the risk sharing pool. GSBA-RMF offers its members risk management services in order to reduce losses. Annual contributions by members are weighted to reflect the exposures of the member, the level of proprietary services offered to the member and the member's claim history. The School System's estimated total contribution for the period from July 1, 2013 to June 30, 2019, was $4,752,048. Although protected by reinsurance purchased directly by GSBA-RMF, the solvency of the pool is assured through retained surplus funds and the agreement of its members to be jointly and severally liable for the self-insurance pool's obligations.

Single Audit Section

Glynn County
Board of Education

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Glynn County Board of Education
Brunswick, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glynn County Board of Education (the "School System") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract, 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 Glynn County Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 22, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Glynn County Board of Education
Brunswick, Georgia

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* 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 System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the School System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 System's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
March 22, 2021

GLYNN COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	FAIN Number	Grantor's Number	Total Expenditures	
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Georgia Department of Education:					
Child Nutrition Cluster					
School Breakfast Program	10.553	205GA324N1099	556	$ 1,542,232	
National School Lunch Program - cash assistance	10.555	205GA324N1099	556	3,654,341	
National School Lunch Program - non-cash assistance	10.555	205GA324N1099	556	266,925	(1)
Total Child Nutrition Cluster				5,463,498	
Fresh Fruit and Vegetables Program	10.582	N/A	N/A	87,568	
Total U.S. Department of Agriculture				5,551,066	
U.S. DEPARTMENT OF DEFENSE					
Direct Program					
Department of the Navy ROTC Program	12.000	N/A	N/A	71,376	
U.S. DEPARTMENT OF EDUCATION					
Passed through Georgia Department of Education					
Special Education Cluster					
Special Education - Grants to States	84.027	H027A180073	553	424,899	
Special Education - Grants to States	84.027	H027A190073	553	2,263,440	
Special Education - Grants to States	84.173	H173A190081	553	89,105	
Total Special Education Cluster				2,777,444	
Other Programs:					
Career and Technical Education - Basic Grants to States	84.048	V048A180010	562	6,552	
Career and Technical Education - Basic Grants to States	84.048	V048A190010	562	153,482	
English Language Acquisition Grants	84.365	S365A180010	632	29,621	
English Language Acquisition Grants	84.365	S365A190010	632	75,036	
Mathematics Science Partnership Grants	84.366	S366B170011	579	56,880	
Supporting Effective Instruction State Grants	84.367	S367A180001	630	188,373	
Supporting Effective Instruction State Grants	84.367	S367A190001	630	270,187	
Striving Readers Birth to Age 5	84.371	S371C170002	637	31,554	
Striving Readers Kindgergarten to Grade 5	84.371	S371C170002	637	331,875	
Striving Readers Middle School	84.371	S371C170002	637	133,188	
Striving Readers High School	84.371	S371C170002	637	109,352	
Twenty-First Century Community Learning Centers	84.287	S287C190010	N/A	190,607	
Title I Grants to Local Educational Agencies	84.010	S010A180010	551	264,136	
Title I Grants to Local Educational Agencies	84.010	S010A190010	551	3,900,696	
Title IV Student Support and Academic Enrichment Grants	84.424	S424A180011	498	153,457	
Title IV Student Support and Academic Enrichment Grants	84.424	S424A190011	498	69,009	
Total Other Programs				5,964,005	
Total U.S. Department of Education				8,741,449	
Total Expenditures of Federal Awards				**$ 14,363,891**	

(1) The amount shown for non-cash assistance represents the Federally assigned value of donated commodities received during the current fiscal year under the USDA Food Distribution program.

GLYNN COUNTY BOARD OF EDUCATION

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

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Glynn County Board of Education (the "School System") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. DE MINIMIS COST RATE

The School System elected not to use the 10% de minimis cost rate for the year ended June 30, 2020.

NOTE 3. SUBRECIPIENTS

The School System did not pass through any grant funds to subrecipients for the year ended June 30, 2020.

GLYNN COUNTY BOARD OF EDUCATION

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

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___Yes __X__No
Significant deficiencies identified not considered to be material weaknesses?	____Yes __X__None Reported
Noncompliance material to financial statements noted?	____Yes __X__No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____Yes __X__No
Significant deficiencies identified not considered to be material weaknesses?	____Yes __X__None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	____Yes __X__No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	Pass-Through from Georgia Department of Education:
84.010	Title I Grants to Local Educational Agencies
	Special Education Cluster
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____Yes __X__No

GLYNN COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT

None reported.

C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

GLYNN COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

None reported.

GLYNN COUNTY BOARD OF EDUCATION

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