

LAMAR COUNTY
BOARD OF EDUCATION
BARNESVILLE, GEORGIA

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

LAMAR COUNTY BOARD OF EDUCATION

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SECTION I

FINANCIAL

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DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

December 17, 2021

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

INTRODUCTION

The Lamar County Board of Education's (School District) financial statements for the fiscal year ended June 30, 2020 includes a series of basic financial statements that report financial information for the School District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide financial information about all of the School District's activities and present both a short-term and long-term view of the School District's finances on a global basis. The fund financial statements provide information about all of the School District's funds. Information about these funds, such as the School District's general fund, is important in its own right, but will also give insight into the School District's overall soundness as reported in the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

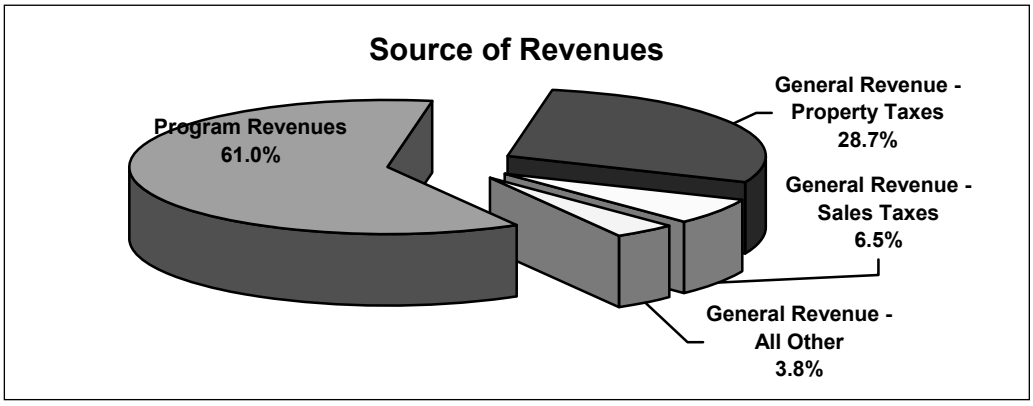
Key financial highlights for fiscal year 2020 are as follows:

On the Government-wide financial statements:

- The School District's net position at June 30, 2020 was about $280,000. Net position reflects the difference between all assets and deferred outflows of resources of the School District (including capital assets, net of depreciation) and all liabilities, both short-term and long-term, and deferred outflows and inflows of resources. The net position at June 30, 2020 of about $280,000 represented a decrease of almost $1.0 million when compared to the prior year. This decrease occurred primarily because the School District used about $2.0 million of its financial resources in the demolition of the old high school complex, which was a nonrecurring expense.

- The School District had $31.6 million in expenses relating to governmental activities; about $20.1 million of the $31.6 million in expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $12.8 million were adequate to provide for funding for these programs during fiscal year 2020.

- As stated above, general revenues accounted for $12.8 million or about 39.0% of all revenues totaling $32.9 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues. (Percentages in table below have been rounded to one decimal place.)



*The above chart does not include a Special Item from Exhibit B totaling ($2,268,828.72).

On the fund financial statements:

- Among major funds, the general fund had $29.3 million in revenues and $29.3 million in expenditures. In addition, the general fund transferred about $2.6 million to the capital projects fund to provide supplemental funding for construction of the new high school. As a result, the general fund balance of $2.4 million at June 30, 2020 decreased about $2.5 million from the prior year.
- In the prior year, the general fund included activity from a charter school, Lamar County College and Career Academy, presented as a blended component unit. This charter school was dissolved during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consists of three parts; management's discussion and analysis (this section), the basic financial statements including notes to the financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

The government-wide financial statements include the 'Statement of Net Position' and 'Statement of Activities'. These statements provide information about the activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The 'governmental funds' statements disclose how basic services are financed in the short-term as well as what remains for future spending. The 'fiduciary funds' statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. In the case of the Lamar County School District, the general fund, capital projects funds, and debt service funds are all considered to be major funds. The School District has no funds reported as nonmajor funds as defined by generally accepted accounting principles.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

Government-Wide Statements

Since the School District has no operations that have been classified as "Business Activities", the government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question, are we in a better financial position now than last year? The 'Statement of Net Position' and the 'Statement of Activities' provides the basis for answering this question. These financial statements include all School District's assets and liabilities and uses 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 District's net position and any changes in net position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the results of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs, student-teacher ratios, and other factors.

When analyzing government-wide financial statements, it is important to remember these statements are prepared using an economic resources measurement focus (accrual accounting) and involve the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets
- Depreciate capital assets
- Report long-term debt, including pension and postemployment obligations, as a liability
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position as follows:

    - *Net Investment in capital assets*
    - *Restricted net position* is amounts with constraints placed on the use by external sources such as creditors, grantors, contributors or laws and regulations.
    - *Unrestricted for no specific use*

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the School District's significant or major funds. As discussed previously, the School District has no nonmajor funds as defined by generally accepted accounting principles.

The School District has two kinds of funds as discussed below:

Governmental Funds – Most of the School District'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 the modified accrual method of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position, which is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, is one indicator of the financial condition of the School District. When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between revenues and expenses can be thought of as the School District's operating results. The School District's net position, as measured in the Statement of Net Position is one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position- as measured in the Statement of Activities- are one indicator of whether its financial health is improving or deteriorating. However, the School District's goal and mission is to provide success for each child's education, not to generate profits as private corporations do. For this reason, many other nonfinancial factors should be considered in assessing the overall health of the School District.

In the case of the Lamar County School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by about $280,000 at June 30, 2020. To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $280,000 in net position, about $4.7 million was restricted for continuation of various Federal and Sponsored programs, debt service and ongoing capital projects. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District had $35.8 million (net of related debt) invested in capital assets (e.g., land, buildings, and equipment). The School District uses these capital assets to provide educational services to students within geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is *not* available for future spending.

Because of the restrictions on net position as discussed above, the School District had an unrestricted (deficit) of almost $40.2 million at June 30, 2020. The reader should remember this deficit includes pension related charges recorded because of the implementation (fiscal year 2015) of GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date on Amendment to GASB No. 68*; and also includes charges recorded because of the implementation (fiscal year 2018) of GASB Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pensions.* The School District believes it is also meaningful to view the School District's net position in the following manner:

Net position associated with pension obligations	$	(18,582,202.00)
Net position associated with postemployment benefits other than pension obligations		(23,007,810.00)
Net position exclusive of pension obligations and postemployment benefits		41,866,128.40
Net Position, June 30, 2020	$	276,116.40

The above analysis shows that the recognition of liabilities for pension obligations and postemployment benefits on the financial statements has had a severe effect on the School District's unrestricted net position. However despite these obligations, management believes the School District's financial position is sound.

Table 1 provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Assets		
Current and Other Assets	$ 10,377,247	$ 16,131,852
Capital Assets, Net	62,186,866	61,598,268
Total Assets	72,564,113	77,730,120
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	6,582,866	4,494,110
Related to OPEB Plan	1,210,087	832,937
Total Deferred Outflows of Resources	7,792,953	5,327,047
Total Assets and Deferred Outflows of Resources	80,357,066	83,057,167
Liabilities		
Current and Other Liabilities	4,027,641	7,303,298
Long-Term Liabilities	26,670,344	27,810,240
Net Pension Liability	23,596,097	20,806,065
Net OPEB Liability	18,366,247	19,901,600
Total Liabilities	72,660,329	75,821,203
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	1,568,971	1,680,487
Related to OPEB Plan	5,851,650	4,297,286
Total Deferred Inflows of Resources	7,420,621	5,977,773
Total Liabilities and Deferred Inflows of Resources	80,080,950	81,798,976
Net Position		
Net Invested in Capital Assets	35,770,129	36,970,746
Restricted	4,690,810	1,955,767
Unrestricted (Deficit)	(40,184,823)	(37,668,322)
Total Net Position	$ 276,116	$ 1,258,191

Total net position decreased almost $1.0 million when compared to the prior year.

In connection with unrestricted (deficit) shown above, management presents the following additional information:

Total unrestricted net position (deficit)	$	(40,184,822.81)
Less:		
Unrestricted deficit in net position resulting from recognition of net pension obligations		(18,582,202.00)
Unrestricted deficit in net position resulting from recognition of postemployment benefits other than pension obligations		(23,007,810.00)
Unrestricted net position, exclusive of the net pension obligation and postemployment benefits effect	$	1,405,189.19

The above analysis reflects, except for pension obligations and postemployment benefits, the School District's unrestricted net position is a positive of $1.4 million. Despite the deficit unrestricted net position caused by implementation of GASB No. 68 and GASB No. 75, management believes the School District's financial position is sound.

Table 2 provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Revenues		
Program Revenues:		
Charges for Services	$ 336,260	$ 436,039
Operating Grants and Contributions	18,565,746	17,447,731
Capital Grants and Contributions	1,162,262	6,621,203
Total Program Revenues	20,064,268	24,504,973
General Revenues:		
Property Taxes	9,447,054	8,803,472
Sales Taxes	2,153,638	2,127,422
Grants and Contributions not Restricted to Specific Programs	512,734	631,509
Investment Earnings	54,474	415,857
Miscellaneous	667,898	892,768
Special Items		
Loss on Disposal of Assets	(2,268,829)	(269,633)
Total General Revenues and Special Items	10,566,969	12,601,395
Total Revenues	30,631,237	37,106,368
Program Expenses		
Instruction	19,567,224	16,699,591
Support Services		
Pupil Services	1,572,954	1,637,881
Improvement of Instructional Services	656,298	743,744
Educational Media Services	491,007	624,800
General Administration	780,192	724,497
School Administration	1,866,678	1,569,048
Business Administration	413,295	482,095
Maintenance and Operation of Plant	2,217,626	1,862,298
Student Transportation Services	1,304,650	1,373,561
Central Support	273,378	323,629
Other Support Services	245,619	305,935
Operations of Non-Instructional Services		
Community Services	17,876	15,778
Food Services	1,388,104	1,659,125
Interest on Short-Term and Long-Term Debt	818,411	826,896
Total Expenses	31,613,312	28,848,877
Increase (Decrease) in Net Position	$ (982,075)	$ 8,257,491

Cost of Providing Services

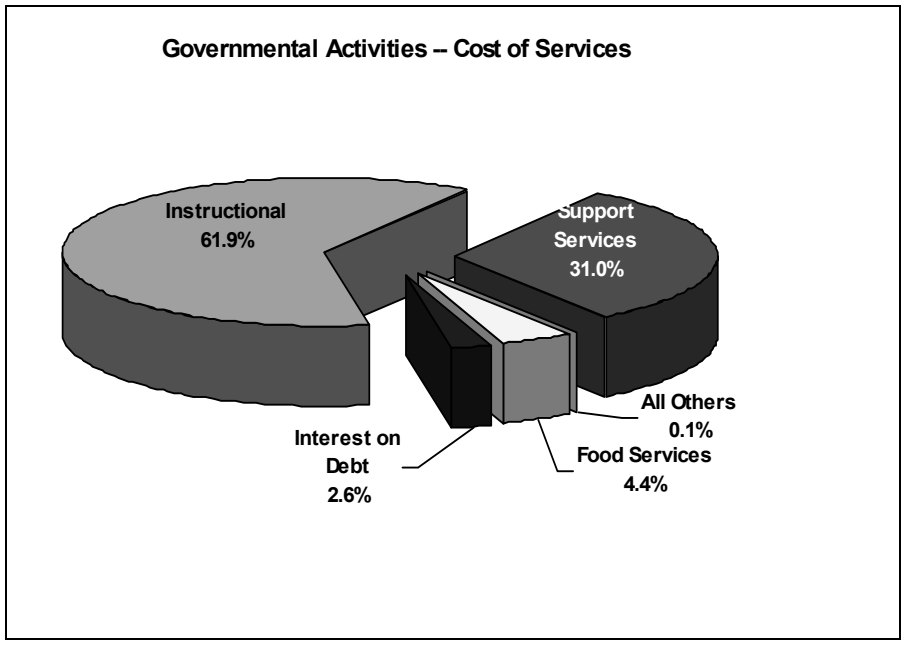
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity as compared to the prior fiscal year.

Table 3
Governmental Activites

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2019
Instruction	$ 19,567,224	$ 16,699,591	$ 5,055,479	$ (2,029,835)
Support Services				
Pupil Services	1,572,954	1,637,881	1,311,267	1,327,146
Improvement of Instructional Services	656,298	743,744	340,309	319,543
Educational Media Services	491,007	624,800	88,683	251,657
General Administration	780,192	724,497	13,456	140,432
School Administration	1,866,678	1,569,048	837,407	802,710
Business Administration	413,295	482,095	396,327	394,825
Maintenance and Operation of Plant	2,217,626	1,862,298	1,265,904	808,036
Student Transportation Services	1,304,650	1,373,561	814,093	758,397
Central Support Services	273,378	323,629	268,137	319,506
Other Support Services	245,619	305,935	244,256	305,198
Operations of Non-Instructional Services				
Community Services	17,876	15,778	17,876	15,778
Food Services	1,388,104	1,659,125	160,115	103,615
Interest on Short-Term and Long-Term Debt	818,411	826,895	735,735	826,896
Total Expenses	$ 31,613,312	$ 28,848,877	$ 11,549,044	$ 4,343,904

Overall School District expenses increased about $2.8 million from the prior year, while the net costs of services increased by about $7.2 million from the prior year. This situation occurred primarily because capital grants and contributions from the State of Georgia decreased by about $5.5 million from the prior year. The decrease in funding from the State of Georgia occurred because all funding for construction of the new high school was received in the prior year.

The chart below shows a functional summary of the expenses made by the School District during fiscal year 2020. The percentages are rounded to one decimal place.



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Exhibit "C" of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $32.2 million and total expenditures of $35.1 million in fiscal year 2020. Total governmental expenditures exceeded revenues by over $2.9 million, mostly as a result of costs associated with construction of the new high school. This situation was the primary reason the School District fund balances decreased about $3.3 million as compared to the prior year.

General Fund Budget Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund. During the course of fiscal year 2020, the School District amended its general fund budget as needed.

The School District budget is adopted at the aggregate level and maintained at the program, function, object, and site levels to facilitate budgetary control. The budgeting systems are designed to control the total budget but provide flexibility to meet the ongoing programmatic needs. The budgeting systems are also designed to control total site budgets but provide flexibility for site management as well.

For the general fund, the final actual revenues of $29.3 million exceeded the final budgeted revenues by almost $3.9 million. This situation resulted primarily because the School District did not budget revenues for its principal accounts as well as many of its State, Federal and local programs which are included as a part of the general fund for financial statement purposes.

The general fund's final actual expenditures of almost $29.3 million were less than the final budget amount by almost $2.0 million. This under expenditure of the budget occurred even though the School District did not prepare a budget for its principal accounts as well as many of its State, Federal, and Local Programs which are included in the general fund expenditures for financial statement purposes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2020, the School District had about $62.2 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including buildings; land; land improvements; and instructional; food service, transportation and maintenance equipment. Table 4 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Land	$ 879,428	$ 879,428
Construction in Progress	-	29,535,371
Land Improvements	457,080	384,925
Buildings and Improvements	58,858,378	29,959,039
Equipment	1,991,980	839,505
Total	$ 62,186,866	$ 61,598,268

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

Long-Term Debt

At June 30, 2020, the School District had almost $26.7 million in total debt outstanding which consisted of about $23.1 million in various forms of bond debt, and almost $3.6 million in unamortized bond premiums. Table 5 summarizes the School District's debt as compared to the prior fiscal year.

Table 5
Change in Long-Term Debt

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
General Obligation Bonds Payable	$ 21,125,000	$ 21,985,000
QZAB Bonds Payable	2,000,000	2,000,000
Unamortized Bond Premiums	3,545,344	3,825,240
Total	$ 26,670,344	$ 27,810,240

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

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- The School District is financially stable. The School District's operating millage for fiscal year 2020 was 17.077 mills, which produced about $510,000 per mill. The School District completed construction of a new high school during fiscal year 2020. If needed, the School District plans to fund additional capital outlays, in part, with the one percent local sales tax revenue and state capital outlay grants.

- The economy has continued to grow from the prior year. Both property taxes and operating revenues from the State of Georgia increased about 7.3% and 6.7%, respectively from the prior year while revenues from Federal sources increased almost 7.2%. The general fund had an unassigned fund balance of $1.8 million at June 30, 2020, which is a decrease of about $2.4 million from the prior year. The decrease is primarily associated with the general fund providing supplemental funding for construction of the new high school during fiscal year 2020.

- The Board anticipates significant financial challenges going forward due to expected continued higher health insurance and benefit costs for employees. The School District incurred additional expenses during the 2019-2020 school year to keep the students and staff safe as a result of the COVID-19 pandemic. We are uncertain of the additional costs the School District may incur in order to provide both "virtual" and "in school" educational services during the school year 2020-2021. In spite of these challenges, the School District will continue to be a good steward of tax dollars while providing a quality educational opportunity.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Eugene Herrington, Director of Finance, Lamar County Board of Education, 100 Victory Lane, Barnesville, Georgia 30204. You may also email Mr. Herrington at the following address: Eugene.herrington@lamar.k12.ga.us.

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LAMAR COUNTY BOARD OF EDUCATION

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 4,917,958.99
Investments	1,353,366.72
Receivables, Net	
Interest	294.81
Taxes	451,385.55
State Government	2,727,098.96
Federal Government	779,288.30
Local	18,298.55
Inventories	129,554.94
Capital Assets, Non-Depreciable	879,428.00
Capital Assets, Depreciable	61,307,438.00
Total Assets	72,564,112.82
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	6,582,866.00
Related to OPEB Plan	1,210,087.00
Total Deferred Outflows of Resources	7,792,953.00
LIABILITIES	
Accounts Payable	1,188.36
Salaries and Benefits Payable	3,101,125.44
Interest Payable	352,633.33
Contracts Payable	572,577.98
Deposits and Unearned Revenues	114.98
Proportionate Share of Collective Net Pension Liability	23,596,097.00
Proportionate Share of Collective Net OPEB Liability	18,366,247.00
Long-Term Liabilities	
Due Within One Year	1,164,895.61
Due in More Than One Year	25,505,448.72
Total Liabilities	72,660,328.42
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	1,568,971.00
Related to OPEB Plan	5,851,650.00
Total Deferred Inflows of Resources	7,420,621.00
NET POSITION	
Net Investment in Capital Assets	35,770,129.38
Restricted for	
Continuation of Federal Programs	208,906.21
Continuation of Sponsored Program	39.33
Debt Service	1,353,336.52
Capital Projects	3,128,527.77
Unrestricted (Deficit)	(40,184,822.81)
Total Net Position	$ 276,116.40

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

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

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 19,567,223.65	$ 260,419.13	$ 13,298,341.62	$ 952,984.16	$ (5,055,478.74)
Support Services					
Pupil Services	1,572,954.24	-	261,687.11	-	(1,311,267.13)
Improvement of Instructional Services	656,298.32	-	315,989.06	-	(340,309.26)
Educational Media Services	491,007.37	-	402,324.18	-	(88,683.19)
General Administration	780,191.93	-	766,736.44	-	(13,455.49)
School Administration	1,866,678.00	-	1,029,271.33	-	(837,406.67)
Business Administration	413,295.12	-	4,079.36	12,888.31	(396,327.45)
Maintenance and Operation of Plant	2,217,625.69	3,228.50	909,214.36	39,279.07	(1,265,903.76)
Student Transportation Services	1,304,649.98	-	431,305.32	31,640.99	(841,703.67)
Central Support Services	273,378.20	-	5,240.75	-	(268,137.45)
Other Support Services	245,618.74	-	1,362.88	-	(244,255.86)
Operations of Non-Instructional Services					
Community Services	17,876.46	-	-	-	(17,876.46)
Food Services	1,388,103.92	72,612.62	1,140,193.73	42,793.26	(132,504.31)
Interest on Short-Term and Long-Term Debt	818,410.54	-	-	82,676.00	(735,734.54)
Total Governmental Activities	$ 31,613,312.16	$ 336,260.25	$ 18,565,746.14	$ 1,162,261.79	(11,549,043.98)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					8,749,608.92
For Debt Services					697,445.00
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Debt Service					2,032,043.31
Other Sales Tax					121,594.80
Grants and Contributions not Restricted to Specific Programs					512,734.00
Investment Earnings					54,473.92
Miscellaneous					667,898.02
Special Item					
Loss on Disposal of Old High School Building					(2,268,828.72)
Total General Revenues and Special Item					10,566,969.25
Change in Net Position					(982,074.73)
Net Position - Beginning of Year					1,258,191.13
Net Position - End of Year					$ 276,116.40

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

LAMAR COUNTY BOARD OF EDUCATION
BALANCE SHEET
JUNE 30, 2020

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 1,285,184.92	$ 2,410,432.90	$ 1,222,341.17	$ 4,917,958.99
Investments	587,853.20	-	765,513.52	1,353,366.72
Receivables, Net				
Interest	294.81	-	-	294.81
Taxes	255,270.39	-	196,115.16	451,385.55
State Government	2,008,569.76	718,529.20	-	2,727,098.96
Federal Government	757,288.30	-	-	757,288.30
Local	18,298.55	-	-	18,298.55
Due from Other Funds	500,000.00	-	-	500,000.00
Inventories	129,554.94	-	-	129,554.94
Total Assets	$ 5,542,314.87	$ 3,128,962.10	$ 2,183,969.85	$ 10,855,246.82
LIABILITIES				
Accounts Payable	$ 754.03	$ 434.33	$ -	$ 1,188.36
Salaries and Benefits Payable	3,101,125.44	-	-	3,101,125.44
Due to Other Funds	-	-	500,000.00	500,000.00
Contracts Payable	-	572,577.98	-	572,577.98
Deposits and Unearned Revenue	114.98	-	-	114.98
Total Liabilities	3,101,994.45	573,012.31	500,000.00	4,175,006.76
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	76,025.78	-	6,795.69	82,821.47
Unavailable Revenue - GSFIC	-	718,529.20	-	718,529.20
Total Deferred Inflows of Resources	76,025.78	718,529.20	6,795.69	801,350.67
FUND BALANCES				
Nonspendable	129,554.94	-	-	129,554.94
Restricted	79,390.60	1,837,420.59	1,677,174.16	3,593,985.35
Committed	220,407.60	-	-	220,407.60
Assigned	96,676.40	-	-	96,676.40
Unassigned	1,838,265.10	-	-	1,838,265.10
Total Fund Balances	2,364,294.64	1,837,420.59	1,677,174.16	5,878,889.39
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,542,314.87	$ 3,128,962.10	$ 2,183,969.85	$ 10,855,246.82

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

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")		$ 5,878,889.39
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	$ 879,428.00	
Land improvements	1,984,309.00	
Accumulated depreciation - land improvements	(1,527,229.00)	
Buildings	69,789,376.00	
Accumulated depreciation - buildings	(10,930,998.00)	
Machinery and equipment	4,792,408.00	
Accumulated depreciation - equipment	(2,800,428.00)	
Total capital assets		62,186,866.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		82,821.47
Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.		718,529.20
Certain liabilities, including pension obligations, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Net pension liability	$ (23,596,097.00)	
Net OPEB liability	(18,366,247.00)	(41,962,344.00)
Qualified zone academy bond interest subsidy was not earned in the current period and therefore not reported as receivable in the governmental funds.		22,000.00
Deferred outflows of resources and inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the governmental funds (net).		
Related to pensions	$ 5,013,895.00	
Related to OPEB	(4,641,563.00)	372,332.00
Some liabilities reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as liabilities in the governmental fund statements.		
Accrued interest on long-term debt		(352,633.33)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	$ (23,125,000.00)	
Unamortized bond premiums	(3,545,344.33)	(26,670,344.33)
Net position of governmental activities (Exhibit "A")		$ 276,116.40

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 8,707,157.00	$ -	$ 693,792.74	$ 9,400,949.74
Sales Taxes	121,594.80	-	2,032,043.31	2,153,638.11
State Funds	16,175,812.63	-	-	16,175,812.63
Federal Funds	3,306,417.10	-	-	3,306,417.10
Charges for Services	336,260.25	-	-	336,260.25
Investment Earnings	30,946.00	3,808.32	19,719.60	54,473.92
Miscellaneous	667,898.02	-	82,676.00	750,574.02
Total Revenues	29,346,085.80	3,808.32	2,828,231.65	32,178,125.77
EXPENDITURES				
Current				
Instruction	18,077,750.06	59,498.00	-	18,137,248.06
Support Services				
Pupil Services	1,548,213.24	-	-	1,548,213.24
Improvement of Instructional Services	621,977.32	-	-	621,977.32
Educational Media Services	452,127.37	-	-	452,127.37
General Administration	755,651.73	17,158.20	-	772,809.93
School Administration	1,845,444.00	-	-	1,845,444.00
Business Administration	358,827.38	33,978.62	2,634.30	395,440.30
Maintenance and Operation of Plant	2,462,247.30	65,979.91	-	2,528,227.21
Student Transportation Services	1,273,336.72	4,699.99	-	1,278,036.71
Central Support Services	269,837.20	-	-	269,837.20
Other Support Services	246,564.74	-	-	246,564.74
Community Services	17,876.46	-	-	17,876.46
Food Services Operation	1,351,399.03	497.50	-	1,351,896.53
Capital Outlay	-	3,657,945.90	-	3,657,945.90
Debt Services				
Principal	-	-	860,000.00	860,000.00
Dues and Fees	-	-	1,206.15	1,206.15
Interest	-	-	1,105,700.00	1,105,700.00
Total Expenditures	29,281,252.55	3,839,758.12	1,969,540.45	35,090,551.12
Revenues over (under) Expenditures	64,833.25	(3,835,949.80)	858,691.20	(2,912,425.35)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,412,477.05	-	3,412,477.05
Transfers Out	(2,575,996.00)	-	(836,481.05)	(3,412,477.05)
Total Other Financing Sources (Uses)	(2,575,996.00)	3,412,477.05	(836,481.05)	-
SPECIAL ITEM				
Demolition of Old High School	-	(339,755.00)	-	(339,755.00)
Net Change in Fund Balances	(2,511,162.75)	(763,227.75)	22,210.15	(3,252,180.35)
Fund Balances - Beginning	4,875,457.39	2,600,648.34	1,654,964.01	9,131,069.74
Fund Balances - Ending	$ 2,364,294.64	$ 1,837,420.59	$ 1,677,174.16	$ 5,878,889.39

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

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ (3,252,180.35)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay additions	$ 3,945,259.61	
Depreciation expense - buildings	(1,096,771.49)	
Depreciation expense - equipment	(213,157.49)	
Depreciation expense - land improvement	(117,660.00)	2,517,670.63
In the Statement of Activities, only the gain or loss on the sale or disposal of the capital assets equipment is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the carrying value of the capital assets sold or disposed of.		(1,929,073.00)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expenses (net)	$ (589,760.00)	
OPEB expenses (net)	358,139.00	(231,621.00)
Because some taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues.		
Deferred inflows - unavailable property taxes		
June 30, 2019	$ (36,717.29)	
June 30, 2020	82,821.47	46,104.18
Georgia State Financing and Investment Commission grants recognized in the Statement of Activities that are not available to pay current period expenditures are deferred in the funds.		718,529.20
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest expense		
June 30, 2019	$ 361,233.33	
June 30, 2020	(352,633.33)	8,600.00
Repayment of Long-Term Debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Redemption of bond principal	860,000.00	
Amortization of bond premiums	$ 279,895.61	1,139,895.61
Change in net position of governmental activities (Exhibit "B")		$ (982,074.73)

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

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

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	$ 25,986.45	$ 20,360.02
Receivables, Net		
Other	470.00	-
Total Assets	$ 26,456.45	$ 20,360.02
LIABILITIES		
Accounts Payable	$ 170.00	$ -
Funds Held for Others	-	20,360.02
Total Liabilities	170.00	$ 20,360.02
NET POSITION		
Held in Trust for Private Purposes	$ 26,286.45	

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

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

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Contributions	
Donors	$ 15,010.00
DEDUCTIONS	
Scholarships	17,500.00
Other Deductions	1,025.85
Total Deductions	18,525.85
Change in Net Position	(3,515.85)
Net Position - Beginning	29,802.30
Net Position - Ending	$ 26,286.45

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

In the prior year, the financial statements of the blended component unit, the Lamar County College and Career Academy (charter school), were included in the general fund. The charter school was dissolved during the year under review.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE STATEMENTS:

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

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

1. Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
2. Restricted net position consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

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

FUND FINANCIAL STATEMENTS:

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The School District has no funds reported as nonmajor funds.

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund types:

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

BASIS OF ACCOUNTING

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

NEW ACCOUNTING PRONOUNCEMENTS

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

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

The School District can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

RECEIVABLES

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

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

INVENTORIES

Food Inventories

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

CAPITAL ASSETS

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000.00	10 to 60 years
Buildings and Improvements	$ 5,000.00	20 to 60 years
Equipment	$ 5,000.00	3 to 15 years
Intangible Assets	$ 100,000.00	Individually determined

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

In the School District's government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the

straight-line method, which is a departure from generally accepted accounting principles (GAAP). To conform to GAAP, bond premiums and discounts should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

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

PENSIONS

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

FUND BALANCES

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

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

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

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

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

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

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

USE OF ESTIMATES

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

PROPERTY TAXES

The Lamar County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on September 10, 2019 (levy date) based on property values as of January 1, 2019. Taxes were due on November 15, 2019 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2019 tax digest are reported as revenue in the governmental funds for fiscal year 2020. The Lamar County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2020, for maintenance and operations amounted to $8,707,157.00 and for school bonds amounted to $693,792.74.

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

School Operations	17.077 mills
School Bonds	1.500 mills
	18.577 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, which are included in the property taxes as shown above amounted to $901,510.92 during fiscal year ended June 30, 2020.

SALES TAXES

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $2,032,043.31 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. The most recent authorization expires on December 31, 2022.

NOTE 3: BUDGETARY DATA

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

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

The Board is authorized to approve adjustments of the amount budgeted for expenditures in any budget function. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during fiscal year 2020.

NOTE 4: DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

O.C.G.A. § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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

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

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

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

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

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

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

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

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2020, School District had deposits with a carrying amount of $4,113,314.34, and a bank balance of $4,718,156.56. The bank balances insured by Federal depository insurance were $500,000.00 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution’s trust department or agent in the School District’s name were $4,218,156.56.

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

Cash and cash equivalents	
Statement of Net Position	$ 4,917,958.99
Statement of Fiduciary Net Position	46,346.47
Total cash and cash equivalents	4,964,305.46
Add:	
Deposits with original maturity of three months or more reported as investments	587,853.20
Less:	
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	1,438,844.32
Total carrying value of deposits - June 30, 2020	$ 4,113,314.34

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported cash equivalents of $1,438,844.32 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2020 was 38 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Comprehensive Annual Financial Report, which is publicly available at https://www.sao.georgia.gov/comprehensive-annual-financial-reports.

CATEGORIZATION OF INVESTMENTS

At June 30, 2020, the School District had investments in certificates of deposit of $587,853.20 and other types of investments in the amount of $765,513.52. An analysis of the other investments is as follows:

Investment Type	Fair Value	Investment Maturity Less Than 1 Year
Mutual Funds		
Money Market Funds	$ 765,513.52	$ 765,513.52

Fair Value of Investments

The School District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2020:

Mutual Funds – money market funds of $765,513.52 are valued using quoted market prices. (Level 1 inputs)

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

The investments subject to credit quality risk are the money market funds. These investments had a quality rating of AAA.

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2019	Increases	Decreases	Balances June 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 879,428.00	$ -	$ -	$ 879,428.00
Construction in Progress	29,535,371.00	3,651,431.00	33,186,802.00	-
Total Capital Assets Not Being Depreciated	30,414,799.00	3,651,431.00	33,186,802.00	879,428.00
Capital Assets Being Depreciated				
Buildings and Improvements	42,788,020.00	31,900,144.00	4,898,788.00	69,789,376.00
Equipment	3,691,521.00	1,383,191.00	282,304.00	4,792,408.00
Land Improvements	1,988,159.00	197,295.00	201,145.00	1,984,309.00
Less Accumulated Depreciation for:				
Buildings and Improvements	12,828,981.00	1,096,771.00	2,994,754.00	10,930,998.00
Equipment	2,852,016.00	213,157.00	264,745.00	2,800,428.00
Land Improvements	1,603,234.00	117,660.00	193,665.00	1,527,229.00
Total Capital Assets, Being Depreciated, Net	31,183,469.00	32,053,042.00	1,929,073.00	61,307,438.00
Governmental Activities Capital Assets - Net	$ 61,598,268.00	$ 35,704,473.00	$ 35,115,875.00	$ 62,186,866.00

Current year depreciation expense by function is as follows:

Instruction		$ 1,192,600.00
Support Services		
Business Administration	$ 15,835.00	
Maintenance and Operation of Plant	48,259.00	
Student Transportation Services	120,892.00	184,986.00
Food Services		50,002.00
		$ 1,427,588.00

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

INTERFUND ASSETS AND LIABILITIES

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2020, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund	$ 500,000.00	$ -
Debt Service Fund	-	500,000.00
	$ 500,000.00	$ 500,000.00

The School District's debt service fund borrowed money from the general fund to help pay off the outstanding QZAB bonds which is expected to be repaid in future years.

INTERFUND TRANSFERS

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

	Transfers From		
Transfers to	General Fund	Debt Service Fund	Total
Capital Projects Fund	$ 2,575,996.00	$ 836,481.05	$ 3,412,477.05

Transfers were used to move property tax revenues collected by the general fund to the capital projects fund as required match or supplemental funding source for capital construction projects and to move sales tax revenues collected by the debt service fund to the capital projects fund to provide funding for projects approved by the citizenry by local referendum.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
General Obligation (G.O.) Bonds	$ 21,985,000.00	$ -	$ 860,000.00	$ 21,125,000.00	$ 885,000.00
Unamortized Bond Premiums	3,825,239.94	-	279,895.61	3,545,344.33	279,895.61
Qualified Zone Academy Bonds	2,000,000.00	-	-	2,000,000.00	-
	$ 27,810,239.94	$ -	$ 1,139,895.61	$ 26,670,344.33	$ 1,164,895.61

GENERAL OBLIGATION DEBT OUTSTANDING

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

The School District's outstanding bonds from direct placements related to governmental activities of $21,125,000.00 contain a provision that in the event of default, the State of Georgia Board of Education is authorized to withhold any state appropriation to which the School District may be entitled and apply it to the payment of principal, premium if any, and interest on the bonds then due.

Of the total amount authorized, $2,015,000.00 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2017	3.00% - 5.00%	10/2/2017	3/1/2033	$ 21,985,000.00	$ 21,125,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2021	$ 885,000.00	$ 991,900.00	$ 279,895.61
2022	915,000.00	965,350.00	279,895.61
2023	950,000.00	928,750.00	279,895.61
2024	1,500,000.00	881,250.00	279,895.61
2025	1,530,000.00	843,750.00	279,895.61
2026 - 2030	8,895,000.00	2,990,250.00	1,399,478.03
2031 - 2033	6,450,000.00	654,250.00	746,388.25
Total Principal and Interest	$ 21,125,000.00	$ 8,255,500.00	$ 3,545,344.33

QUALIFIED ZONE ACADEMY BONDS (QZAB)

Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34) provides for a source of capital at no or at nominal interest rates for costs incurred by School Districts in connection with the establishment of special academic programs, in partnership with the business community. This legislation established a method of repayment for qualified interest free debt on such agreements.

In fiscal year 2007, the School District, in agreement with Liberty Freedom Academy, entered into such an arrangement for the sale of $2,000,000.00 of Qualified Zone Academy Bonds (QZAB) for the purpose of Capital construction.

Additionally, in fiscal year 2012, the Lamar County Board of Education sold $2,000,000.00 of Qualified Zone Academy Bonds (QZAB)-Series 2011 for the purpose of funding the costs of renovations and improvements at Lamar College and Career Center. Under Federal Law, these bonds are eligible to receive an interest subsidy from the U.S. Government which will materially offset the School District's liability to make full interest debt service amortization payments as scheduled. To qualify for this subsidy the School District is required to periodically file appropriate documents with the Internal Revenue Service. The amount of interest due on QZAB-2011 series bonds included in the amortization schedule below is $264,000.00. The interest subsidy received by the School District from the U.S. Government in fiscal year 2020 funded all but $5,324.00 of the $88,000.00 interest expense due on the series 2011 QZAB bonds in fiscal year 2020.

The School District is obligated make an annual deposit of $666,666.00 to a sinking fund for retirement of this debt beginning April 1, 2021, through April 1, 2023.

Debt currently outstanding under Qualified Zone Academy Bonds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Series 2011 - QZAB	4.40%	12/29/2011	4/1/2023	$ 2,000,000.00	$ 2,000,000.00

The following schedule reports the annual Qualified Zone Academy Bond payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ -	$ 88,000.00
2022	-	88,000.00
2023	2,000,000.00	88,000.00
Total Principal and Interest	$ 2,000,000.00	$ 264,000.00

NOTE 8: RISK MANAGEMENT

INSURANCE

Commercial Insurance

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

UNEMPLOYMENT COMPENSATION

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and the related liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has had no unemployment compensation claims during the past two fiscal years.

SURETY BOND

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

Position Covered	Amount
Superintendent	$ 25,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories		$ 129,554.94
Restricted		
Continuation of Federal Programs	$ 40,863.63	
Continuation of State Program	38,487.64	
Continuation of Sponsored Program	39.33	
Capital Projects	1,837,420.59	
Debt Service	1,677,174.16	3,593,985.35
Committed		
School Activity Accounts		220,407.60
Assigned		
Other Local Programs		96,676.40
Unassigned		1,838,265.10
Fund Balance, June 30, 2020		$ 5,878,889.39

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

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 12% of expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. § 20-2-167(a)5. If the unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

FEDERAL GRANTS

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

LITIGATION

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

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $532,267.00 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2020, the School District reported a liability of $18,366,247.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2019. At June 30, 2019, the School District's proportion was 0.149658%, which was a decrease of 0.006928% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $174,128.00. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,998,057.00
Changes of assumptions	637,824.00	2,589,061.00
Net difference between projected and actual earnings on OPEB plan investments	39,996.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	1,264,532.00
School District contributions subsequent to the measurement date	532,267.00	-
Total	$ 1,210,087.00	$ 5,851,650.00

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

Year Ended June 30:	OPEB
2021	$ (1,140,069.00)
2022	$ (1,140,069.00)
2023	$ (1,141,607.00)
2024	$ (995,607.00)
2025	$ (590,717.00)
Thereafter	$ (165,761.00)

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

OPEB:

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

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

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

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

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

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

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

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

*Net of Inflation

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

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

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
School District's Proportionate share of the Net OPEB Liability	$ 21,347,642.00	$ 18,366,247.00	$ 15,941,017.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's Proportionate share of the Net OPEB Liability	$ 15,471,617.00	$ 18,366,247.00	$ 22,042,647.00

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

NOTE 12: RETIREMENT PLANS

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

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll, and employer contributions to the pension plan were $2,976,785.00 from the School District.

EMPLOYEES' RETIREMENT SYSTEM

Plan Description: The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of

the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

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

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

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

Contributions: Member contributions under the old plan are 4% of annual compensation, up to $4,200.00, plus 6% of annual compensation in excess of $4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's contribution rate for the year ended June 30, 2020 was 24.66% of annual covered payroll for old and new plan members and 21.64% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were $15,688.00 for the current fiscal year.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution by the State of Georgia was $52,802.00.

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

At June 30, 2020, the School District reported a total liability of $23,596,097.00 for its proportionate share of the net pension liability, which consisted of $23,495,575.00 for TRS and $100,522.00 for ERS.

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

At June 30, 2019, the School District's TRS proportion was 0.109268%, which was a decrease of 0.002339% from its proportion measured as of June 30, 2018. At June 30, 2019, the School District's ERS proportion was 0.002436%, which was an increase of 0.000261% from its proportion measured as of June 30, 2018.

At June 30, 2020, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $252,915.00.

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

For the year ended June 30, 2020, the School District recognized pension expense of $3,496,416.00 for TRS, $17,930.00 for ERS and $77,996.00 for PSERS and revenue of ($67,887.00) for TRS and $77,996.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,324,330.00	$ 6,966.00	$ 3,348.00	$ -
Changes of assumptions	2,254,707.00	-	1,769.00	-
Net difference between projected and actual earnings on pension plan investments	-	559,501.00	-	3,129.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	997,095.00	6,239.00	2,280.00
School District contributions subsequent to the measurement date	2,976,785.00	-	15,688.00	-
Total	$ 6,555,822.00	$ 1,563,562.00	$ 27,044.00	$ 5,409.00

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

Year Ended June 30:	TRS	ERS
2021	$ 850,927.00	$ 6,356.00
2022	$ (128,400.00)	$ (207.00)
2023	$ 606,398.00	$ (616.00)
2024	$ 686,550.00	$ 414.00

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

Teachers Retirement System:

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

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

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

Employees' Retirement System:

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

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

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

Public School Employees Retirement System:

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

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

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

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

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

* Rates shown are net of assumed rate of inflation.

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

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

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 38,140,194.00	$ 23,495,575.00	$ 11,452,494.00

Employees' Retirement System:	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	$ 142,851.00	$ 100,522.00	$ 64,437.00

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

NOTE 13: SPECIAL ITEM

During fiscal year 2020, the School District paid a contractor to demolish the old high school building complex. The total costs of this demolition included the cost basis and accumulated depreciation of various categories of capital assets carried as a part of the School District's capital assets records. These items were removed from the capital assets records at their net carrying values which totaled $1,929,073.72. The cost of this demolition, which includes the contractors fee of $339,755.00 totaled $2,268,828.72 and is reflected as a special item on Exhibit B of this report.

NOTE 14: SUBSEQUENT EVENT

On March 16, 2021, voters authorized the continuation of a one percent sales and use tax for the raising of not more than $13,200,000.00 for capital outlay projects and the repayment of existing debt.

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.109268%	$ 23,495,575.00	$ -	$ 23,495,575.00	$ 13,338,866.03	176.14%	78.56%
2019	0.111607%	$ 20,716,650.00	$ 179,867.00	$ 20,896,517.00	$ 13,416,928.29	154.41%	80.27%
2018	0.112630%	$ 20,932,632.00	$ 275,434.00	$ 21,208,066.00	$ 13,109,094.16	159.68%	79.33%
2017	0.118607%	$ 24,469,947.00	$ 374,661.00	$ 24,844,608.00	$ 13,217,267.39	185.14%	76.06%
2016	0.121943%	$ 18,564,611.00	$ 301,283.00	$ 18,865,894.00	$ 13,080,704.00	141.92%	81.44%
2015	0.122616%	$ 15,490,914.00	$ 246,736.00	$ 15,737,650.00	$ 12,739,646.00	121.60%	84.03%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 2,976,785.00	$ 2,976,785.00	$ -	$ 14,081,794.58	21.14%
2019	$ 2,787,823.00	$ 2,787,823.00	$ -	$ 13,338,886.03	20.90%
2018	$ 2,235,981.00	$ 2,235,981.00	$ -	$ 13,416,928.29	16.67%
2017	$ 1,846,391.00	$ 1,846,391.00	$ -	$ 13,109,094.16	14.08%
2016	$ 1,857,679.00	$ 1,857,679.00	$ -	$ 13,217,267.39	14.05%
2015 (1)	$ 1,719,711.00	$ 1,719,711.00	$ -	$ 13,080,704.00	13.15%
2014 (1)	$ 1,564,428.00	$ 1,564,428.00	$ -	$ 12,739,646.00	12.28%
2013 (1)	$ 1,477,572.00	$ 1,477,572.00	$ -	$ 12,758,912.00	11.58%
2012 (1)	$ 1,324,453.00	$ 1,324,453.00	$ -	$ 12,692,579.00	10.43%
2011 (1)	$ 1,266,865.00	$ 1,266,865.00	$ -	$ 12,316,816.00	10.29%

(1) The School District has included On Behalf Payments within the contributions for years 2015 and prior

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.002436%	$ 100,522.00	$ 61,398.36	163.72%	76.74%
2019	0.002175%	$ 89,415.00	$ 60,518.40	147.75%	76.68%
2018	0.002421%	$ 98,325.00	$ 59,380.80	165.58%	76.33%
2017	0.002554%	$ 120,815.00	$ 59,380.80	203.46%	72.34%
2016	0.002551%	$ 103,351.00	$ 58,277.16	177.34%	76.20%
2015	0.002544%	$ 95,416.00	$ 57,281.64	166.57%	77.99%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 15,688.00	$ 15,688.00	$ -	$ 63,616.00	24.66%
2019	$ 15,215.00	$ 15,215.00	$ -	$ 61,398.36	24.78%
2018	$ 15,015.00	$ 15,015.00	$ -	$ 60,518.40	24.81%
2017	$ 14,732.00	$ 14,732.00	$ -	$ 59,380.80	24.81%
2016	$ 14,679.00	$ 14,679.00	$ -	$ 59,380.80	24.72%
2015	$ 12,810.00	$ 12,810.00	$ -	$ 58,277.16	21.98%
2014	$ 10,574.00	$ 10,574.00	$ -	$ 57,281.64	18.46%

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

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

Year Ended (1)	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	$ -	$ -	$ 252,915.00	$ 252,915.00	$ 944,708.05	N/A	85.02%
2019	$ -	$ -	$ 262,225.00	$ 262,225.00	$ 778,278.44	N/A	85.26%
2018	$ -	$ -	$ 261,394.00	$ 261,394.00	$ 737,794.90	N/A	85.69%
2017	$ -	$ -	$ 362,262.00	$ 362,262.00	$ 723,238.34	N/A	81.00%
2016	$ -	$ -	$ 239,268.00	$ 239,268.00	$ 753,234.01	N/A	87.00%
2015	$ -	$ -	$ 221,654.00	$ 221,654.00	$ 765,895.74	N/A	88.29%

(1) The 2020 amount includes all months while the previously reported amounts include the nine months of the year employees contribute to the Plan.

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

Year Ended	School District's proportion of the net OBEP liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.149658%	$ 18,366,247.00	$ -	$ 18,366,247.00	$ 12,892,874.02	142.45%	4.63%
2019	0.156586%	$ 19,901,600.00	$ -	$ 19,901,600.00	$ 12,555,167.01	158.51%	2.93%
2018	0.158293%	$ 22,240,103.00	$ -	$ 22,240,103.00	$ 12,573,762.89	176.88%	1.61%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2020	$ 532,267.00	$ 532,267.00	$ -	$ 13,405,675.82	3.97%
2019	$ 806,010.00	$ 806,010.00	$ -	$ 12,892,874.02	6.25%
2018	$ 811,568.00	$ 811,568.00	$ -	$ 12,555,167.01	6.46%
2017	$ 825,355.00	$ 825,355.00	$ -	$ 12,573,762.89	6.56%

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

Teachers Retirement System

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

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

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

Employees' Retirement System

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

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

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

Public School Employees Retirement System

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

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

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

School OPEB Fund

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

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

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

SCHEDULE "9"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 8,690,612.00	$ 8,690,612.00	$ 8,707,157.00	$ 16,545.00
Sales Taxes	250,000.00	250,000.00	121,594.80	(128,405.20)
State Funds	15,144,061.00	15,144,061.00	16,175,812.63	1,031,751.63
Federal Funds	1,283,227.81	1,283,227.81	3,306,417.10	2,023,189.29
Charges for Services	93,599.46	93,599.46	336,260.25	242,660.79
Investment Earnings	699.68	699.68	30,946.00	30,246.32
Miscellaneous	3,659.25	3,659.25	667,898.02	664,238.77
Total Revenues	25,465,859.20	25,465,859.20	29,346,085.80	3,880,226.60
EXPENDITURES				
Current				
Instruction	18,702,420.27	19,825,001.05	18,077,750.06	1,747,250.99
Support Services				
Pupil Services	997,852.62	1,123,623.95	1,548,213.24	(424,589.29)
Improvement of Instructional Services	1,102,035.59	1,357,362.76	621,977.32	735,385.44
Educational Media Services	601,916.90	657,732.27	452,127.37	205,604.90
General Administration	750,074.37	756,132.37	755,651.73	480.64
School Administration	1,375,245.60	1,697,414.96	1,845,444.00	(148,029.04)
Business Administration	369,933.11	369,933.11	358,827.38	11,105.73
Maintenance and Operation of Plant	2,017,061.73	2,137,061.73	2,462,247.30	(325,185.57)
Student Transportation Services	1,219,509.22	1,276,348.22	1,273,336.72	3,011.50
Central Support Services	285,663.96	292,550.96	269,837.20	22,713.76
Other Support Services	317,903.68	317,903.68	246,564.74	71,338.94
Community Services	-	-	17,876.46	(17,876.46)
Food Services Operation	1,419,586.20	1,419,586.20	1,351,399.03	68,187.17
Total Expenditures	29,159,203.25	31,230,651.26	29,281,252.55	1,949,398.71
Excess of Revenues over (under) Expenditures	(3,693,344.05)	(5,764,792.06)	64,833.25	5,829,625.31
OTHER FINANCING USES				
Transfers to Other Funds	-	-	(2,575,996.00)	(2,575,996.00)
Net Change in Fund Balances	(3,693,344.05)	(5,764,792.06)	(2,511,162.75)	3,253,629.31
Fund Balances - Beginning	5,260,889.57	5,292,121.31	4,875,457.39	(416,663.92)
Adjustments	(85,804.56)	43,750.38	-	(43,750.38)
Fund Balances - Ending	$ 1,481,740.96	$ (428,920.37)	$ 2,364,294.64	$ 2,793,215.01

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

(1) Original and final budget amounts do not include budgeted revenues and expenditures for school principal accounts and various local programs administered by the district. Federal program revenues have not been budgeted, though federal program expenditures have been included in the final budget, except for the Title IV, Title VB and ROTC programs. State program revenues have also not been budgeted, however, State program expenditures have been included in the final budget for expenditures associated with the State lottery grant. A summary of the various funds and programs not included in the final budget is shown below:

	Not Included in Original Budget		Not Included in Final Budget	
	Revenues	Expenditures	Revenues	Expenditures
Various Federal Programs	$ 365,584.31	$ 214,124.37	$ 365,584.31	$ 214,032.37
Various State Programs	583,799.75	6,050.90	583,799.75	6,050.90
School Principal Accounts	640,136.42	702,023.34	640,136.42	702,023.34
Various Local Programs	30,979.62	26,044.25	30,979.62	26,044.25
	$ 1,620,500.10	$ 948,242.86	$ 1,620,500.10	$ 948,150.86

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

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	$ 265,502.34
National School Lunch Program	10.555	205GA324N1099	1,036,831.16
Total U. S. Department of Agriculture			1,302,333.50
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	93,633.46
Grants to States	84.027	H027A190073	467,338.75
Preschool Grants	84.173	H173A180081	3,221.97
Preschool Grants	84.173	H173A190081	14,235.75
Total Special Education Cluster			578,429.93
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	31,422.94
Rural Education	84.358	S365B180010	6,029.00
Rural Education	84.358	S358B190010	42,487.33
Striving Readers	84.371	S371C110049	362,102.82
Student Support and Academic Enrichment Program	84.424A	S424A180011	6,317.00
Student Support and Academic Enrichment Program	84.424A	S424A190011	44,858.96
Supporting Effective Instruction State Grants	84.367	S367A180001	16,955.72
Supporting Effective Instruction State Grants	84.367	S367A190001	82,928.69
Title I Grants to Local Educational Agencies	84.010	S010A180010	101,834.50
Title I Grants to Local Educational Agencies	84.010	S010A190010	789,715.02
Total Other Programs			1,484,651.98
Total U. S. Department of Education			2,063,081.91
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program			114,432.08
Total Expenditures of Federal Awards			$ 3,479,847.49

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 583,799.75
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	696,310.00
Kindergarten Program - Early Intervention Program	286,279.00
Primary Grades (1-3) Program	1,973,765.00
Primary Grades - Early Intervention (1-3) Program	392,160.00
Upper Elementary Grades (4-5) Program	979,295.00
Upper Elementary Grades - Early Intervention (4-5) Program	129,389.00
Middle School (6-8) Program	1,826,169.00
High School General Education (9-12) Program	1,568,767.00
Vocational Laboratory (9-12) Program	607,232.00
Students with Disabilities	2,172,807.00
Gifted Student - Category VI	928,413.00
Remedial Education Program	27,215.00
Alternative Education Program	132,204.00
English Speakers of Other Languages (ESOL)	39,328.00
Media Center Program	312,183.00
20 Days Additional Instruction	94,856.00
Staff and Professional Development	52,940.00
Principal Staff and Professional Development	1,123.00
Indirect Cost	
Central Administration	618,481.00
School Administration	664,742.00
Facility Maintenance and Operations	654,244.00
Mid-term Adjustment Hold-Harmless	46,612.00
Amended Formula Adjustment	(224,467.00)
Categorical Grants	
Pupil Transportation	379,134.00
Nursing Services	54,468.00
Vocational Supervisors	14,139.46
Education Equalization Funding Grant	512,734.00
Other State Programs	
Food Services	37,300.00
Hygiene Products in Georgia Schools	204.00
Math and Science Supplements	5,257.88
Preschool Disability Services	27,143.44
School Security Grant	120,000.00
Vocational Education	408,783.10
Office of the State Treasurer	
Public School Employees Retirement	52,802.00
	$ 16,175,812.63

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

SCHEDULE "12"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2) (3)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
SPLOST V							
(a) The repayment of a portion of previously incurred general obligation debt of the School District, a portion of the principal and interest on the Series 2011 Bond;	$ 2,000,000.00	$ 2,440,000.00	$ 88,000.00	$ 88,000.00	$ -	$ -	12/31/2022
(b) a portion of the interest incurred on general obligation debt of School District Bond Series 2017 for construction of new high school;	2,500,000.00	10,703,633.89	1,017,700.00	1,017,700.00	-	-	12/31/2022
(i) renovation and improvements to existing school buildings, including primary, elementary, middle and high schools, maintenance facilities and the central office;	1,000,000.00	1,000,000.00	62,096.61	36,290.00	-	-	12/31/2022
(ii) acquisition of school buses, transportation vehicles and equipment, and maintenance vehicles;	1,000,000.00	1,000,000.00	18,600.00	3,550.00	-	-	12/31/2022
(iii) acquisition of computers and system-wide technology upgrades;	1,000,000.00	1,000,000.00	371,145.14	145,947.79	-	-	12/31/2022
(iv) upgrades and renovations to athletic facilities and physical education equipment;	1,000,000.00	1,000,000.00	58,320.00	107,780.00	-	-	12/31/2022
(v) textbooks, furnishing, band instruments, vocational equipment, and safety and security equipment; and	750,000.00	750,000.00	4,000.00	62,404.38	-	-	12/31/2022
(vi) construction and equipping of new high school complex.	750,000.00	33,000,000.00	3,683,305.90	29,364,171.05	-	-	12/31/2022
	$ 10,000,000.00	$ 50,893,633.89	$ 5,303,167.65	$ 30,825,843.22	$ -	$ -	

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

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

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

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SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lamar County Board of Education (School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 17, 2021.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

School District Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

December 17, 2021

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DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

December 17, 2021

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SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FS 2019-001	**Internal Controls over Financial Reporting Process**
Control Category:	Financial Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Finding Status:	Unresolved
Entity's Response:	Our Finance Department is on a course of acquiring a better understanding of the financial reporting offered by our third-party contractor. One means of study is the 'All Exhibits and Schedules' issued by the GADOE, and a plan to attend the next available conferences offered for financial reporting preparation.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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SECTION IV

FINDINGS AND QUESTIONED COSTS

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

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

Noncompliance material to financial statements noted: — No

Federal Awards

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? — No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FS 2020-001	Internal Controls over Financial Reporting Process
Control Category:	Financial Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Repeat of Prior Year Finding:	FS 2019-001

Description:

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

Criteria:

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

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

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

Condition:

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

- An adjustment of $718,529.20 was proposed and accepted by the School District to accrue a final grant payment for a Georgia State Financing and Investment Commission (GSFIC) project.
- A reclassification entry of $320,320.67 was proposed and accepted by the School District to reclassify an outstanding disbursement of cash to salaries and benefits payable.
- A reclassification entry of $310,368.27 was proposed and accepted by the School District to reclassify expenses due to errors in the capitalization process.
- An adjustment of $332,007.00 was proposed and accepted by the School District to uncapitalize noncapital items which were originally reported as capital assets.
- An adjustment of $500,000.00 was proposed and accepted by the School District to correctly reflect due to and due from accounts that were incorrectly netted with cash on the general fund and debt service fund statements.
- A reclassification entry of $508,850.00 was proposed and accepted by the School District to eliminate the reporting of erroneous transfers and amounts reported as due to and due from other funds.
- A reclassification entry of $836,481.05 was proposed and accepted by the School District to correctly report cash and transfers between the capital projects and debt service fund opinion units for amounts incorrectly netted to cash.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

- A reclassification entry of $17,500.00 was proposed and accepted by the School District to reclassify deductions as scholarships in the private purpose trust opinion unit.
- Other audit adjustments were proposed and accepted by the School District to properly present the School District's financial statements, note disclosures and supplemental information.

Cause:

In discussing this deficiency with the School District, they stated since the inception of their new ERP system, that there are flaws in the automatic transactions that occur behind the scenes which has caused some significant issues with their interfund accounts. Additionally, a lack of review of the financial statements and note disclosures resulted in several of the misstatements.

Effect or Potential Effect:

Misstatements were included in the financial statements presented for audit. The lack of controls and monitoring could impact the reporting of the School District's financial position and results of operation.

Recommendation:

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

Views of Responsible Officials:

We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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SECTION V

MANAGEMENT'S CORRECTIVE ACTION

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Dr. Jute Wilson
Superintendent

Cleve Hendrix
Deputy Supt.

Lamar County Schools

100 Victory Lane - Barnesville, GA 30204
(770) 358-5891 – FAX (770) 358-5858
www.lamar.k12.ga.us

James Butler
District 1

Sue O'Neal
District 2

Joshua Swatts
District 3

Ron Smith
District 4

Danny Turner
At Large

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

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2020-001	Internal Controls over Financial Reporting Process
Control Category:	Financial Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Repeat of Prior Year Finding:	FS 2019-001

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

Corrective Action Plans:
The Finance Department will embark on a course of action to acquire a better understanding of the financial statement preparation process. This will entail reviewing the 'All Exhibits and Statements" guidance spreadsheets that the GADOE offers each year, and a commitment to attend the next available conference/training course for financial reporting preparation. We believe this will enable us to more fully review and recognize the data that is currently being handled by a third party contractor.

Estimated Completion Date: 5/1/2022

Contact Person: Eugene Herrington
Telephone: 404-770-358-5891
E-mail: eugene.herrington@lamar.k12.ga.us

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