LUMPKIN COUNTY
BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2021

LUMPKIN COUNTY BOARD OF EDUCATION

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TABLE OF CONTENTS

I. Financial Section	Page
Independent Auditor's Report	1-3
Management's Discussion & Analysis (MD&A)	4-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Notes to the Basic Financial Statements	23-56
II. Required Supplementary Information	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	57
Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia	58
Schedule of Contributions – Teachers Retirement System of Georgia	59
Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia	60
Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund	61
Schedule of Contributions – School OPEB Fund	62
Notes to Required Supplementary Information	63
III. Other Supplementary Information	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	64
IV. Single Audit Section	
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*	65 and 66
Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	67-69
Schedule of Expenditures of Federal Awards	70 and 71
Schedule of Findings and Questioned Costs	72-75
Schedule of Prior Audit Findings	76
Management's Corrective Action Plan	77

I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Lumpkin County Board of Education
Dahlonega, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lumpkin County Board of Education (the "School District"), as of and for the year ended June 30, 2021, 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.

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 and each major fund of the School District, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 16, the Lumpkin County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities,* as of July 1, 2020. This standard significantly changed the accounting for the Lumpkin County Board of Education's fiduciary activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, Schedule of Contributions – Teachers Retirement System of Georgia, Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia, Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and Schedule of Contributions – School OPEB Fund, as 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 schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2023 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 10, 2023

INTRODUCTION

The School District's financial statements for the fiscal year ended June 30, 2021 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

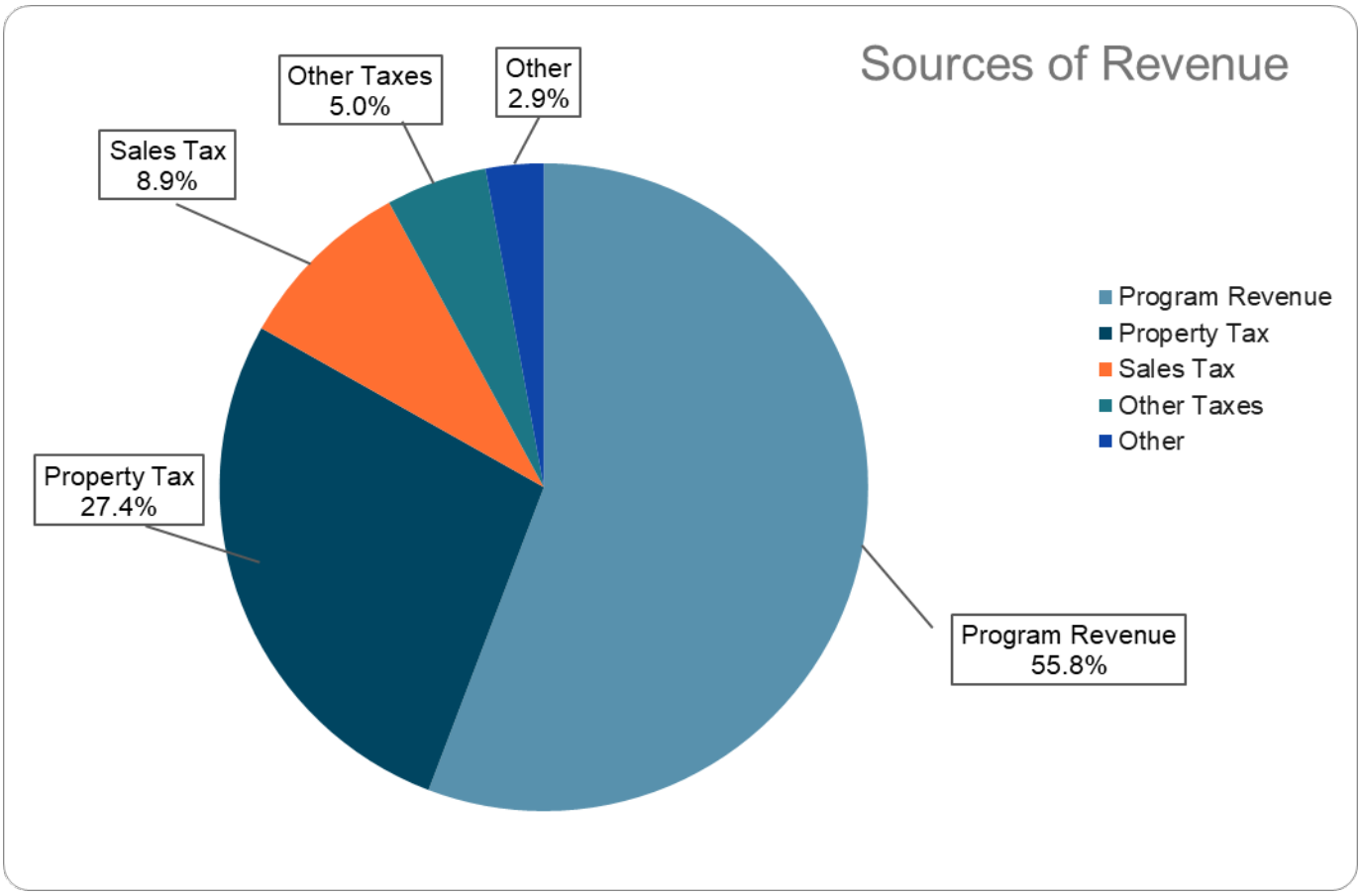
Key financial highlights for FY 2021 are as follows:

On the District-wide financial statements:

- The School District's net position at June 30, 2021 was almost $15.2 million (deficit). 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 inflows of resources. The net position at June 30, 2021 was approximately $15.2 million (deficit) which represented a decrease of about $.7 million in net position (the "deficit increased") when compared to the prior year as restated. The increase in the deficit resulted primarily from the net effect of the changes in deferred outflows and inflows of resources accounts combined with changes in the School District net liabilities for pensions and OPEB as compared to the prior year. These amounts were calculated by professional actuaries.

- The School District had approximately $53.5 million in expenses relating to governmental activities; about $29.3 million of the $53.3 million in expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $23.3 million fell short by about $.7 million in providing funding for the balance of these programs during fiscal year 2021.

- As stated above, general revenues accounted for $23.3 million or about 44.2% of all revenues totaling over $52.6 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues. (Percentages in the table below have been rounded to one decimal place).



On the fund financial statements:

- Among major funds, the General Fund had $47 million in revenues and $44.9 million in expenditures. The General Fund fund balance of $4.5 million at June 30, 2021 increased about $2.2 million from the prior year as restated.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The district-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. In the case of the Lumpkin 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.

District-Wide Statements

Since Lumpkin County School District has no operations that have been classified as "Business Activities", the district-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 district-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 of the 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 district-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 detailed information about the School District's significant or major funds. As discussed previously, the School District does not have any nonmajor funds as defined by generally accepted accounting principles.

The School District has one kind of fund 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 readily be 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 government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

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 non financial factors should be considered in assessing the overall health of the School District.

In the case of the Lumpkin County School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by almost $15.2 million (deficit) at June 30, 2021. 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 $15.2 million (deficit) in net position, $4.4 million was restricted for continuation of various Federal 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 $44.4 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 $64.0 million at June 30, 2021. The reader should remember this deficit includes pension related charges recorded because of the implementation (fiscal year 2015) of GASB 68, *Accounting and Financial Reporting for Pensions and GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date on Amendment to GASB 68;* and also includes charges recorded because of the implementation (fiscal year 2018) of *GASB Statement 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	$(30,897,151)
Net position associated with postemployment benefits other than pension obligations	(35,298,738)
Net position exclusive of pension obligations and postemployment benefits	51,041,092
Net Position, June 30, 2021	$ (15,154,797)

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 2021	Fiscal Year 2020
Assets		
Current and Other Assets	$ 38,439,761	$ 10,511,301
Capital Assets, Net	55,631,088	50,500,096
TOTAL ASSETS	94,070,849	61,011,397
Deferred Outflow of Resources		
Related to Defined Benefit Pension Plan	12,446,204	11,731,137
Related to OPEB Plan	7,221,163	2,414,566
TOTAL DEFERRED OUTFLOWS OF RESOURCES	19,667,367	14,145,703
Total Assets and Deferred Outflow of Resources	113,738,216	75,157,100
Liabilities		
Current and Other Liabilities	7,098,296	4,594,903
Long-Term Liabilities	35,931,461	8,528,756
Net Pension Liability	43,557,020	38,427,697
Net OPEB Liability	35,479,832	29,631,218
TOTAL LIABILITIES	122,066,609	81,182,574
Deferred Inflow of Resources		
Related to Defined Benefit Pension Plan	10,594	1,016,465
Related to OPEB Plan	7,040,069	7,414,306
TOTAL DEFERRED INFLOWS OF RESOURCES	7,050,663	8,430,771
Total Liabilities and Deferred Inflows of Resources	129,117,272	89,613,345
Net Position		
Invested in Capital Assets, Net of Debt	44,414,705	43,629,006
Restricted	4,434,339	3,323,983
Unrestricted (Deficit)	(64,003,841)	(61,409,234)
TOTAL NET POSITION	$ (15,154,797)	$ (14,456,245)

In connection with Unrestricted (Deficit) shown above, management presents the following additional information:

Total unrestricted net position (deficit)	$ (64,003,841)
Less:	
Unrestricted deficit in net position resulting from recognition of net pension obligations	30,897,151
Unrestricted deficit in net position resulting from recognition of postemployment benefits other than pension obligations	35,298,738
Unrestricted net position exclusive of the net pension obligation and postemployment benefits effect (deficit)	$ (2,192,048)

The above analysis reflects, except for pension obligations and postemployment benefits, the School District's unrestricted net position (deficit) was about $2.2 million as of June 30, 2021.

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 2021	**Fiscal Year 2020**
Revenues		
Program Revenues		
Charges for Services and Sales	$ 764,828	$ 510,960
Operating Grants and Contributions	28,296,465	25,603,214
Capital Grants and Contributions	282,497	827,172
TOTAL PROGRAM REVENUES	29,343,790	26,941,346
General		
Property		
Taxes	14,400,653	15,958,180
Sales Tax	7,334,027	4,759,731
Investment Earnings	1,584	39,195
Miscellaneous	1,515,884	1,325,006
TOTAL GENERAL REVENUES	23,252,148	22,082,112
TOTAL REVENUES	$ 52,595,938	$ 49,023,458
Program Expenses		
Instruction	$ 31,868,874	$ 31,069,943
Support Services		
Pupil Services	3,452,251	2,401,406
Improvement of Instructional Services	1,565,794	1,932,272
Educational Media Services	728,223	685,062
General Administration	692,997	483,932
School Administration	3,066,773	2,897,863
Business Administration	550,256	501,504
Maintenance and Operation of Plant	4,741,408	4,481,621
Student Transportation Services	2,912,879	2,729,440
Central Support	309,893	397,697
Other Support Services	162,204	147,555
Operations of Non-Instructional Services		
Enterprise Operations	620,065	391,278
Food Services	1,744,686	1,873,960
Community Services		17,845
Interest on Short-Term and Long-Term Debt	878,187	203,543
TOTAL EXPENSES	$ 53,294,490	$ 50,214,921
INCREASE IN NET POSITION	$ (698,552)	$ (1,191,463)

Cost of Providing Services

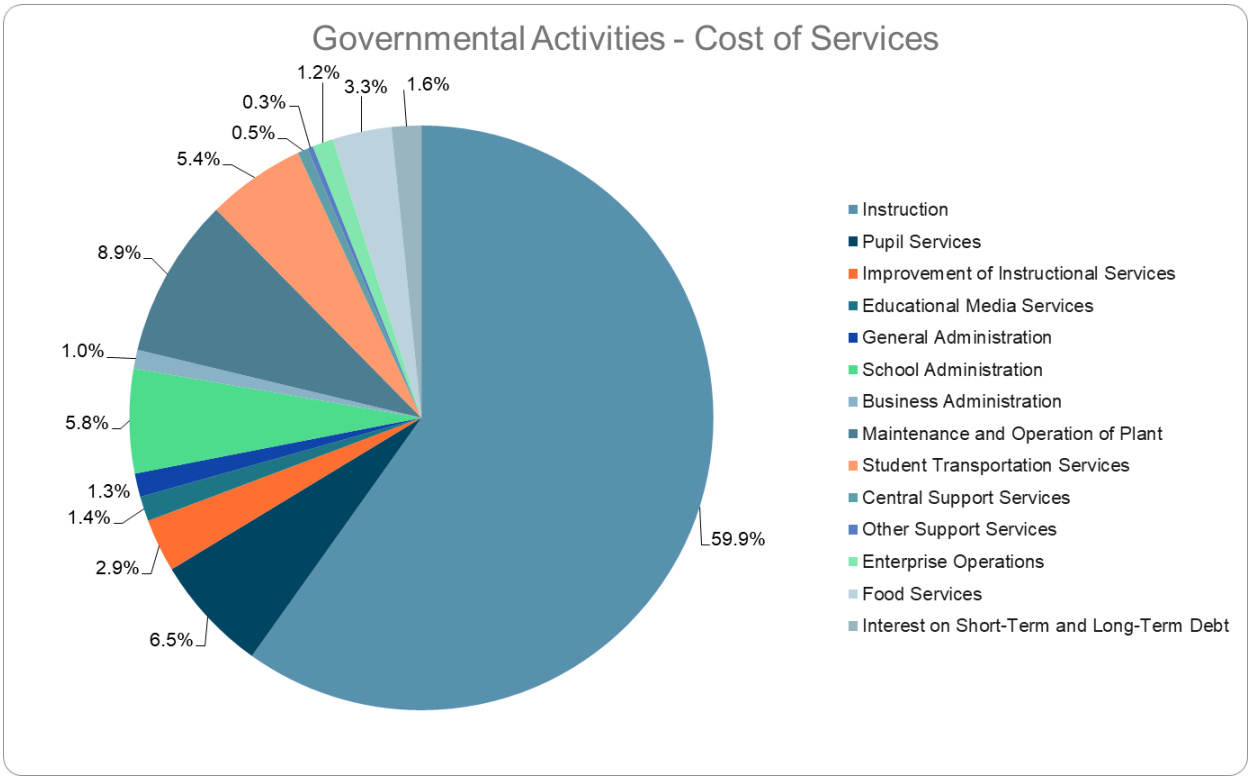
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated 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

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020
Instruction	$ 31,868,874	$ 31,069,943	$ 12,602,933	$ 11,071,471
Support Services				
Pupil Services	3,452,251	2,401,406	2,864,408	2,016,189
Improvement of Instructional Services	1,565,794	1,932,272	1,293,411	1,496,024
Educational Media Services	728,223	685,062	187,465	140,810
General Administration	692,997	483,932	(59,103)	(529,095)
School Administration	3,066,773	2,897,863	1,834,940	1,732,142
Business Administration	550,256	501,504	546,270	501,505
Maintenance and Operation of Plant	4,741,408	4,481,621	2,127,097	3,078,189
Student Transportation Services	2,912,879	2,729,440	767,399	2,225,668
Central Support Services	309,893	397,697	304,923	397,698
Other Support Services	162,204	147,555	162,204	147,555
Operations of Non-Instructional Services				
Enterprise Operations	620,065	391,278	468,904	272,019
Food Services	1,744,686	1,873,960	(28,338)	502,013
Community Services Operations	-	17,845	-	17,845
Interest on Short-Term and Long-Term Debt	878,187	203,543	878,187	203,543
Total Expenses	$ 53,294,490	$ 50,214,921	$ 23,950,700	$ 23,273,576

Overall School District expenses increased by about $3.1 million from the prior year, while the net costs of services increased by about $0.7 million from the prior year. The smaller increase in net costs of services vs. the increase in total expenses occurred primarily because total program revenues increased about $2.4 million as compared to the prior year.

The chart below shows a functional summary of the expenses made by the School District during fiscal year 2021. 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 in this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $52.8 million and total expenditures of $56.1 million Total governmental fund balances of over $33.3 million at June 30, 2021, increased about $28.2 million from the prior year, primarily because the School District sold a general obligation bonds in fiscal year 2021 that yielded $31.5 funding for new district wide construction projects.

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 2021, 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 $47 million were less than the final budgeted revenues by almost $2.8 million. This situation resulted primarily because the School District's actual Federal revenues fell far short of the final budgeted Federal revenues by $5.5 million. The Federal revenues were less than the final budget primarily due to the fact the School District deferred expenditures of the ESSR II grant until fiscal year 2022, even though the grant was approved and budgeted for fiscal year 2021.

The General Fund's final actual expenditures of about $44.9 million exceeded the final budget amount by $1.6 million. This situation also resulted primarily because the School District did not budget expenditures for its principal's accounts as well as certain Federal funds which are included as a part of the General Fund for financial statement purposes.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2021, the School District had $55.2 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; construction in progress; and instructional; food service, transportation and maintenance equipment. Table 4 reflects a summary of these balances, net of accumulated depreciation and amortization, as compared to the prior fiscal year.

Table 4

	Total Capital Assets	
	Fiscal Year 2021	Fiscal Year 2020
Land	$ 4,771,714	$ 1,759,139
Construction in Progress	2,926,292	75,205
Land Improvements	1,883,734	2,105,535
Buildings and Improvements	43,224,062	44,637,412
Equipment	2,825,286	1,922,805
Total Capital Assets	$ 55,631,088	$ 50,500,096

Additional information about the School District's Capital Assets can be found in the notes to the financial statements.

Long Term Debt

As of June 30, 2021, the School District had $36.5 million in total debt outstanding which consisted of almost $27.5 million in various bond debt, $2.9 million in installment sales agreement debt and $6.1 million in unamortized bond premiums. Table 5 summarizes the School District's debt as compared to the prior fiscal year.

Table 5
Changes in Long Term Debt

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
General Obligation Bonds	$ 25,000,000	$ -
Revenue Bonds	2,475,000	3,045,000
Installment Sales Agreement	2,915,000	3,850,000
Unamortized Bond Premiums	6,112,628	6,923
Total Long-term Debt	$ 36,502,628	$ 6,901,923

Additional information about the School District's debt can be found in the notes to the 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 calendar year 2020 (the School District's fiscal year 2021) increased very modestly to 16.176 mills. The School District will construct additional facilities to accommodate the growth at various schools as 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.

- Although the local economy has continued to improve from the prior year revenues from property taxes and state funds combined increased only about $1.1 million from the prior year. Federal revenues did increase about $3.4 million from the prior year mainly due to an infusion of funds provided by the Federal Government for Covid-19 relief. This level of Federal funding is not expected to be sustained. The General Fund had an unassigned fund balance of almost $3 million at June 30, 2021, which is an increase of about $2.2 million from the prior year. The Board anticipates significant financial challenges going forward due to expected continued higher health insurance and benefit costs for employees. In spite of these challenges, the School District will continue to be a good steward of tax dollars while providing a quality educational opportunity.

- The School District's fund balance continues to be well below 15% of its operating budget as recommended by the Georgia Department of Education. For the foreseeable future a tax anticipation note will likely be needed in order to meet payroll cash flow needs while awaiting tax collections. The School District continues to operate in the difficult situation to either continue to operate with minimal General Fund reserves which include spending resolutions and tax anticipation notes or to raise taxes in order to realize a fund balance which can sustain the School District's current budgetary needs while providing for a healthier fund balance.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen 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 Mrs. Whittney McPherson, Director of Finance, Lumpkin County Board of Education, 56 Indian Drive, Dahlonega, Georgia 30533. You may also email your questions to whittney.mcpherson@lumpkinschools.com.

BASIC FINANCIAL STATEMENTS

LUMPKIN COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 4,929,105
Restricted cash and cash equivalents	28,610,022
Receivables:	
Taxes	1,216,833
Intergovernmental:	
State	3,249,933
Federal	365,141
Local	15,000
Other receivables	1,128
Inventory	52,599
Capital assets (nondepreciable)	7,698,006
Capital assets (depreciable, net of accumulated depreciation)	47,933,082
Total assets	94,070,849
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	12,670,463
OPEB related items	7,221,163
Total deferred outflows of resources	19,891,626
LIABILITIES	
Accounts payable	218,232
Salaries and benefits payable	4,439,588
Accrued interest payable	103,602
Installment sale due within one year	955,000
Installment sale due in more than one year	1,960,000
Bonds payable due within one year	590,000
Bonds payable due in more than one year	32,997,628
Compensated absences due within one year	791,874
Compensated absences due in more than one year	973,833
Net pension liability	43,557,020
Net OPEB liability	35,479,832
Total liabilities	122,066,609
DEFERRED INFLOWS OF RESOURCES	
Pension related items	10,594
OPEB related items	7,040,069
Total deferred inflows of resources	7,050,663
NET POSITION	
Net investment in capital assets	44,414,705
Restricted for:	
Federal programs	902,327
Capital projects	3,532,012
Unrestricted	(64,003,841)
Total net position	$ (15,154,797)

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

LUMPKIN COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 31,868,874	$ 457,059	$ 18,808,882	$ -	$ (12,602,933)
Support services:					
Pupil services	3,452,251	-	587,843	-	(2,864,408)
Improvement of instructional services	1,565,794	-	272,383	-	(1,293,411)
Educational media services	728,223	-	540,758	-	(187,465)
General administration	692,997	-	752,100	-	59,103
School administration	3,066,773	-	1,231,833	-	(1,834,940)
Business administration	550,256	-	3,986	-	(546,270)
Maintenance and operation of facilities	4,741,408	76,094	2,487,380	50,837	(2,127,097)
Student transportation services	2,912,879	-	1,913,820	231,660	(767,399)
Central support services	309,893	-	4,970	-	(304,923)
Other support services	162,204	-	-	-	(162,204)
Operations of non-instructional services:					
Enterprise operations	620,065	151,161	-	-	(468,904)
Food services	1,744,686	80,514	1,692,510	-	28,338
Interest on long-term debt	878,187	-	-	-	(878,187)
Total governmental activities	$ 53,294,490	$ 764,828	$ 28,296,465	$ 282,497	(23,950,700)

General revenues:	
Taxes:	
Property taxes, levied for maintenance and operations	14,400,653
Sales taxes:	
Local option sales tax	4,686,183
Other taxes	2,647,844
Unrestricted investment earnings	1,584
Other miscellaneous general revenues	1,515,884
Total general revenues	23,252,148
Change in net position	(698,552)
Net position, beginning of year, as restated	(14,456,245)
Net position, end of year	$ (15,154,797)

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

LUMPKIN COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General	Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 4,929,105	$ -	$ -	$ 4,929,105
Restricted cash and cash equivalents	-	28,610,022	-	28,610,022
Receivables:				
Taxes	796,842	419,991	-	1,216,833
Intergovernmental:				
State	3,249,933	-	-	3,249,933
Federal	365,141	-	-	365,141
Local	15,000	-	-	15,000
Other receivables	1,128	-	-	1,128
Inventory	52,599	-	-	52,599
Total assets	$ 9,409,748	$ 29,030,013	$ -	$ 38,439,761
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 6,476	$ 211,756	$ -	$ 218,232
Salaries and benefits payable	4,439,588	-	-	4,439,588
Total liabilities	4,446,064	211,756	-	4,657,820
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	506,403	-	-	506,403
Total deferred inflows of resources	506,403	-	-	506,403
FUND BALANCES				
Nonspendable:				
Inventory	52,599	-	-	52,599
Restricted for:				
Federal programs	849,728	-	-	849,728
Capital projects	-	28,818,257	-	28,818,257
Assigned for school activities	517,008	-	-	517,008
Unassigned	3,037,946	-	-	3,037,946
Total fund balances	4,457,281	28,818,257	-	33,275,538
Total liabilities, deferred inflows of resources, and fund balances	$ 9,409,748	$ 29,030,013	$ -	$ 38,439,761

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

LUMPKIN COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2021

Total fund balances - governmental funds			$	33,275,538
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.				
Cost	$	88,560,713		
Less accumulated depreciation		(33,207,665)		55,353,048
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.				
Donated capital assets				278,040
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.				
Property taxes				506,403
The net pension liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.				
Net pension liability	$	(43,557,020)		
Pension related deferred outflows of resources		12,670,463		
Pension related deferred inflows of resources		(10,594)		(30,897,151)
The net OPEB liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.				
Net OPEB liability	$	(35,479,832)		
OPEB related deferred outflows of resources		7,221,163		
OPEB related deferred inflows of resources		(7,040,069)		(35,298,738)
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Bonds payable	$	(27,475,000)		
Premium, net of amortization		(6,112,628)		
Accrued interest		(103,602)		
Compensated absences		(1,765,707)		
Financed purchase payable		(2,915,000)		
				(38,371,937)
Net position of governmental activities			$	(15,154,797)

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

LUMPKIN COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 14,299,575	$ -	$ -	$ 14,299,575
Sales taxes	-	5,171,844	-	5,171,844
Other taxes	2,647,844	-	-	2,647,844
State funds	21,808,355	50,837	-	21,859,192
Federal funds	6,545,734	-	-	6,545,734
Investment income	110	1,474	-	1,584
Charges for services	764,828	-	-	764,828
Miscellaneous	960,785	555,099	-	1,515,884
Total revenues	47,027,231	5,779,254	-	52,806,485
EXPENDITURES				
Current:				
Instruction	26,981,014	397,930	-	27,378,944
Support services:				
Pupil services	2,912,474	302,559	-	3,215,033
Improvement of instructional services	1,365,990	73,203	-	1,439,193
Educational media services	654,313	1,789	-	656,102
General administration	603,436	5,312	-	608,748
School administration	2,586,938	5,926	-	2,592,864
Business administration	455,380	44,040	-	499,420
Maintenance and operation of facilities	3,688,293	1,596,380	-	5,284,673
Student transportation services	2,965,916	96,124	-	3,062,040
Central support services	269,749	11,435	-	281,184
Other support services	162,204	-	-	162,204
Food services	1,600,169	2,768	-	1,602,937
Enterprise operations	620,065	-	-	620,065
Capital outlay	-	5,984,992	-	5,984,992
Debt service:				
Principal retirement	-	-	1,505,000	1,505,000
Interest and fees	5,927	298,433	895,328	1,199,688
Total expenditures	44,871,868	8,820,891	2,400,328	56,093,087
Excess (deficiency) of revenues over expenditures	2,155,363	(3,041,637)	(2,400,328)	(3,286,602)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,400,328	2,400,328
Transfers out	-	(2,400,328)	-	(2,400,328)
Proceeds from sale of capital assets	5,920	-	-	5,920
Issuance of bonds	-	25,000,000	-	25,000,000
Premium on bonds	-	6,516,854	-	6,516,854
Total other financing sources (uses)	5,920	29,116,526	2,400,328	31,522,774
Net change in fund balances	2,161,283	26,074,889	-	28,236,172
FUND BALANCES, beginning of year, as restated	2,295,998	2,743,368	-	5,039,366
FUND BALANCES, end of year	$ 4,457,281	$ 28,818,257	$ -	$ 33,275,538

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

LUMPKIN COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds		$ 28,236,172
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period is as follows:		
Capital outlay	$ 7,165,072	
Depreciation expense	(2,034,080)	5,130,992
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Sales taxes	$ (485,661)	
Property taxes	101,078	(384,583)
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		(3,184,126)
In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		(667,780)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of bonds	$ (25,000,000)	
Premium on bonds	(6,516,854)	
Principal payments - bonds	570,000	
Principal payments - installment sale	935,000	(30,011,854)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	$ (138,874)	
Amortization of bond premium	411,149	
Change in accrued interest	(89,648)	182,627
Change in net position of governmental activities		$ (698,552)

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

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of the Lumpkin County Board of Education.

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 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.

In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes, and unrestricted amounts.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements:
The fund financial statements provide information about the School District's funds. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.

- *District-Wide Capital Projects Fund* accounts for financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) projects, Bond Proceeds and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.

- *Debt Service Fund* accounts for taxes (property and special purpose local option sales) legally restricted for the payment of general long-term debt principal, interest and paying agent's fees.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The School District-wide governmental activities 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, intergovernmental revenues reported in the governmental funds are considered to be available if they are collected within 120 days after year-end.

Property taxes, sales taxes, intergovernmental revenue, 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, claims and judgments, compensated absences, and other long-term liabilities, 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 capital leases are reported as other financing sources.

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

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in GASB Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

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 position 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.

Cash and Cash Equivalents

COMPOSITION OF DEPOSITS
Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Georgia Laws 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 or insured Federal savings and loan associations.

Receivables and Payables

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 are reported net of an allowance for uncollectible receivables when necessary.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds."

Property Taxes

The Lumpkin County Tax Commissioner levied the property tax for the 2020 tax digest year (calendar year) on August 25, 2020 (levy date). Taxes were due on November 30, 2020 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2020 tax digest are reported as revenue in the governmental funds for fiscal year 2021. The Lumpkin 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, 2021, for maintenance and operations amounted to $14,299,575.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. The Lumpkin County Board of Education is in compliance with this law. Tax millage rates levied for the 2020 tax year (calendar year) for the Lumpkin County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Maintenance and Operations	16.176 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $1,931,413 for the General Fund during the fiscal year ended June 30, 2021.

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $5,171,844 and was authorized by local referendum and the sales tax must be re-authorized at least every five years.

Inventories

CONSUMABLE SUPPLIES
On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for the consumable supplies inventory whereby an asset is recorded when supplies are purchased and expenses/expenditures are recorded at the time the supplies are consumed.

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 (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2021 are recorded as prepaid items using the consumption method.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the School District-wide financial statements, all purchased capital assets are valued 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 estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. 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. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 20,000	20 years
Buildings and Improvements	$ 20,000	20 to 80 years
Equipment	$ 10,000	8 to 15 years
Intangible Assets	$ 200,000	5 to 10 years

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has nine (9) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred outflow of resources for the School District's actual contributions to the pension plan during the fiscal year ended June 30, 2021 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2022; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions for the pension plan which will be amortized over the remaining service period; (4) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension plan's assets, which will be amortized over a five year period; (5) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (6) a deferred outflow of resources for the School District's actual contributions to the OPEB plan during the fiscal year ended June 30, 2021 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2022; (7) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five-year period; (8) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the OPEB plan, which will be amortized over the remaining service period; and (9) a deferred outflow of resources for the changes in actuarial assumptions for the OPEB plan which will be amortized over the remaining service period.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one type of deferred inflow under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property and sales taxes and intergovernmental revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District has four (4) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred inflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (2) a deferred inflow of resources for experience gains or losses related to the OPEB plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions for the OPEB plan which will be amortized over the remaining service period; and (4) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the OPEB plan, which will be amortized over the remaining service period.

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligations bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Obligation Bonds (Continued)

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

All 12-month personnel of Lumpkin County Board of Education earn annual vacation days per year from July 1 through June 30 based upon how many years of continuous service in Lumpkin County seen in the table below. Annual vacation leave is credited to 12-month employees at the rate of 1.25 days per month. Employees may carry forward a maximum of 30 vacation days at July 1 of each year. The maximum number of days that an employee may be paid is 15. Accrued vacation and compensated absences are shown as long-term liabilities on the statement of net position. A fund liability is accrued only for the matured portion of compensated absences at fiscal year end.

Years of Continuous Service in Lumpkin County	Vacation Days Earned Each Year
1-4	10 vacation days
5-7	12 vacation days
8-10	14 vacation days
11 and over	15 vacation days

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees Retirement System of Georgia (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. 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.

Other Postemployment Benefits (OPEB)

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

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment, also through a resolution.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund, Debt Service Fund, and Capital Projects Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, O.C.G.A. §20-2-167 and in accordance with U.S. generally accepted accounting principles. The legal level of budgetary control was established by the Board and the aggregate function level. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation , as well as the School District's website. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2021:

General Fund:		
Instruction	$	1,564,979
Support services:		
Pupil services		454,572
Maintenance and operation of plant		43,410
Student transportation		87,261
Enterprise operations		620,065
Debt service		5,927

The excess of expenditures over budget that are noted above were primarily funded by the use of fund balance.

Note 4: DEPOSITS AND INVESTMENTS

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2021, the financial institution holding some of the School District's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2021, the School District's cash accounts were insured and/or collateralized as defined by GASB Standards.

Note 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2021, the commodities usage is recorded at their federally assigned value of $118,466.

Note 6: CAPITAL ASSETS

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

	Balances June 30, 2020	Increases	Decreases	Transfers	Balances June 30, 2021
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,759,139	$ 3,012,575	$ -	$ -	$ 4,771,714
Construction in progress	75,205	2,851,087	-	-	2,926,292
Total	1,834,344	5,863,662	-	-	7,698,006
Capital assets, being depreciated:					
Building improvements	67,559,736	-	-	-	67,559,736
Equipment	8,085,794	1,301,410	(368,374)	-	9,018,830
Land improvements	4,562,181	-	-	-	4,562,181
Total	80,207,711	1,301,410	(368,374)	-	81,140,747
Less accumulated depreciation for:					
Building improvements	(22,922,324)	(1,413,350)	-	-	(24,335,674)
Equipment	(6,162,989)	(398,929)	368,374	-	(6,193,544)
Land improvements	(2,456,646)	(221,801)	-	-	(2,678,447)
Total	(31,541,959)	(2,034,080)	368,374	-	(33,207,665)
Total capital assets, being depreciated, net	48,665,752	(732,670)	-	-	47,933,082
Governmental activities capital assets, net	$ 50,500,096	$ 5,130,992	$ -	$ -	$ 55,631,088

Depreciation expense was charged to functions as follows:

Instruction	$ 1,639,668
Support services:	
General administration	27,780
School Administration	1,269
Maintenance and operation of facilities	48,359
Student transportation services	219,095
Operations of non-instructional services:	
Food services	97,909
	$ 2,034,080

Note 7: RISK MANAGEMENT

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; acts of God; and unemployment compensation and vision plan.

The School District participates in the Georgia School Boards Association Risk Management Fund (the "Fund"), a public entity risk pool organized on August 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against members of the Fund. The School District pays an annual contribution to the Fund for coverage. Reinsurance is provided to the Fund through agreements by the Fund with insurance companies according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

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

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not incurred any liabilities for unemployment compensation during the last two fiscal years.

Note 7: RISK MANAGEMENT (Continued)

The School District pays an annual premium for its general insurance coverage. The School District has purchased surety bonds to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$50,000

Note 8: SHORT–TERM DEBT

The Lumpkin County School District, acting by and through the Lumpkin County Board of Education, issued a Tax Anticipation Note (TAN) through Truist Bank in the amount of $2,000,000 on September 14, 2020 and matured on December 31, 2020. The note shall bear interest at the adjusted SOFR rate and shall never be less than 1.68%. Funds from the note will be used to pay the current expenses of the School District. The School District will retire the note using funds levied taxes during the year 2020. The total outstanding balance of $2,000,000 was paid off in full on December 16, 2020 with a total interest paid of $5,927.

Note 9: LONG–TERM DEBT

GENERAL OBLIGATION DEBT OUTSTANDING
General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Outstanding Balance at June 30, 2021
General Government - Series 2020	3.00% - 5.00%	$ 25,000,000
Revenue Bonds - Series 2018	3.16%	2,475,000
		$ 27,475,000

Note 9: LONG–TERM DEBT (Continued)

The changes in long-term obligations during the fiscal year ended June 30, 2021, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ -	$ 25,000,000	$ -	$ 25,000,000	$ -
Revenue bonds	3,045,000	-	(570,000)	2,475,000	590,000
Installment sales agreement	3,850,000	-	(935,000)	2,915,000	955,000
Unamortized bond premium	6,923	6,516,854	(411,149)	6,112,628	-
Bonds payable, net	6,901,923	31,516,854	(1,916,149)	36,502,628	1,545,000
Compensated absences	1,626,833	868,467	(729,593)	1,765,707	791,874
Net pension liability	38,427,697	10,305,062	(5,175,739)	43,557,020	-
Net OPEB liability	29,631,218	7,398,437	(1,549,823)	35,479,832	-
Governmental activity Long-term liabilities	$ 76,587,671	$ 50,088,820	$ (9,371,304)	$ 117,305,187	$ 2,336,874

For governmental activities, the net pension liability, net OPEB liability and compensated absences are being liquidated primarily by the General Fund.

The School District entered into a contract with the Lumpkin County Public Building Authority, dated December 1, 2018, for the issuance of revenue bonds to provide funds for capital outlay projects of the School District. Under the terms of the contract, the Lumpkin County Public Building Authority issued $3,600,000 in revenue bonds on behalf of the School District with the School District portion of the bond premium of $8,631. The obligation of the School District is absolute and unconditional so long as any of the bonds remain outstanding. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract. The amount outstanding as of June 30, 2021, is $2,475,000 with an unamortized bond premium of $5,844.

In September 2020, the Lumpkin County Board of Education issued $25,000,000 of Lumpkin County School District General Obligation Bonds Series 2020 to provide funds for capital outlay projects of the School District. The obligation of the School District is absolute and unconditional so long as any of the bonds remain outstanding. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract. The amount outstanding as of June 30, 2021, is $25,000,000 with an unamortized bond premium of $6,107,140.

Note 9: LONG–TERM DEBT (Continued)

At June 30, 2021, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2022	$ 590,000	$ 1,179,188	$ 1,769,188
2023	970,000	1,155,032	2,125,032
2024	1,000,000	1,124,906	2,124,906
2025	1,380,000	1,083,589	2,463,589
2026	1,430,000	1,030,602	2,460,602
2027-2031	8,580,000	4,028,070	12,608,070
2032-2036	11,025,000	1,685,000	12,710,000
2037	2,500,000	50,000	2,550,000
Total	$ 27,475,000	$ 11,336,387	$ 38,811,387

INSTALLMENT SALES AGREEMENT OUTSTANDING

The School District entered in an agreement dated June 2, 2017 with the Georgia Municipal Association, Inc. in order to provide installment sale financing in the amount of $6,090,000 with respect to a multi-purpose educational building, together with equipment and personal property. Under the terms of the agreement the School District will purchase the project by making annual payments through December 1, 2023 with an interest rate of 1.85%. The obligation of the School District is absolute and unconditional so long as the agreement remains outstanding. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract. The amount outstanding as of June 30, 2021 is $2,915,000.

At June 30, 2021, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30,	Installment Sales Agreement		
	Principal	Interest	Total
2022	$ 955,000	$ 45,778	$ 1,000,778
2023	970,000	27,730	997,730
2024	990,000	9,306	999,306
Total	$ 2,915,000	$ 82,814	$ 2,997,814

Note 10: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2021:

Project	Amount
Lumpkin County Elementary School	$ 1,350,298

The amount described in this note is not reflected in the basic financial statements.

Note 11: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $95,243 for retirement contributions paid on the School District's behalf by the following State Agencies:

State Treasurer of the State of Georgia Paid to the Public School Employees Retirement System for Public School Employees Retirement (PSERS) Employer's Cost	$95,243

Note 12: SIGNIFICANT CONTINGENT LIABILITIES

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. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

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 be material to the basic financial statements.

Note 13: RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

Plan description: All teachers of the School District as defined in §47-3-60 of the O.C.G.A. and certain other support personnel as defined by §47-3-63 are provided a pension through the 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. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Note 13: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS) (Continued)

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School District payroll. School District contributions to TRS were $4,364,247 for the year ended June 30, 2021.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2021, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support attributable to those personnel funded on behalf of the School District by the State of Georgia. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia funding, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$	43,557,020
State of Georgia's proportionate share of the net pension liability associated with the School District		-
Total	$	43,557,020

Note 13: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 0.179810%, which was an increase of 0.001099% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of $7,542,119. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,896,922	$ -
Changes in assumption	4,486,423	-
Net difference between projected and actual earnings on pension plan investments	1,049,078	-
Changes in proportion and differences between District contributions and proportionate share of contributions	873,793	10,594
District contributions subsequent to the measurement date	4,364,247	
Total	$ 12,670,463	$ 10,594

Note 13: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

School District contributions subsequent to the measurement date of $4,364,247 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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 ending June 30,	
2022	$ 1,837,945
2023	2,722,248
2024	2,703,478
2025	1,031,951
Total	$ 8,295,622

Actuarial assumptions: The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

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
Postretirement benefit increases	1.50% semi-annually

Postretirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (ages set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

Note 13: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target 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 large equities	51.00	8.90
Domestic small equities	1.50	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

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

Note 13: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

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

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 69,071,036	$ 43,557,020	$ 22,642,845

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

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS 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.

Note 13: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES' RETIREMENT SYSTEM (PSERS) (Continued)

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.

Pension Liabilities and Pension Expense

At June 30, 2021, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 558,854

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of $112,460 and revenue of $112,460 for support provided by the State of Georgia.

Note 13: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES' RETIREMENT SYSTEM (PSERS) (Continued)

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

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

Postretirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014, with the exception of the assumed investment rate of return.

Note 13: RETIREMENT PLANS (Continued)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOLS EMPLOYEES' RETIREMENT SYSTEM (PSERS) (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(.10)%
Domestic large stocks	46.20	8.90
Domestic small stocks	1.30	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Alternatives	5.00	12.00
Total	100.00%	

* Net of inflation

Discount rate: The discount rate used to measure the collective total 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 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 14: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

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

Benefits. 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 of Community Health, 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 required and made to the School OPEB Fund from the School District were $844,045 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

Note 14: POSTEMPLOYMENT BENEFITS (Continued)

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

At June 30, 2021, the School District reported a liability of $35,479,832 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 0.241562%, which was an increase of 0.000111% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of $1,511,825. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,873,296
Changes in plan assumptions	5,867,576	3,156,942
Net difference between projected and actual earnings on OPEB plan investments	92,474	-
Changes in proportion and differences between District contributions and proportionate share of contributions	417,068	9,831
District contributions subsequent to the measurement date	844,045	-
Total	$ 7,221,163	$ 7,040,069

School District contributions subsequent to the measurement date of $844,045 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. 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 ending June 30,	
2022	$ (602,699)
2023	(605,180)
2024	(407,491)
2025	143,462
2026	594,926
2027	214,031
Total	$ (662,951)

Note 14: POSTEMPLOYMENT BENEFITS (Continued)

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

Actuarial assumptions:

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 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, 2020:

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	7.00%
Medicare eligible	5.25%
Ultimate trend rate	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate	
Pre-Medicare eligible	2029
Medicare eligible	2023

Note 14: POSTEMPLOYMENT BENEFITS (Continued)

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

- For TRS members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with the MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with the MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.

- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and females) is used for the period 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. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Note 14: POSTEMPLOYMENT BENEFITS (Continued)

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

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the School District 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. The target allocation and best estimates of arithmetic real rate of return for the major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.50%
Equities	70.00	9.20%
Total	100.00%	

*Net of Inflation

Discount rate:

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers 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 members were projected through 2118. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2022. Therefore, the calculated discount rate of 2.22% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Note 14: POSTEMPLOYMENT BENEFITS (Continued)

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

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 2.22%, 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 (1.22%) or 1-percentage-point higher (3.22%) than the current rate:

	1% Decrease (1.22%)	Current discount rate (2.22%)	1% Increase (3.22%)
School District's proportionate share of the net OPEB liability	$ 41,682,949	$ 35,479,832	$ 30,519,071

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:

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 trend rates:

	1% Decrease	Current Healthcare cost trend rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 29,540,527	$ 35,479,832	$ 43,169,508

Note 15: SUBSEQUENT EVENTS

The Lumpkin County School District, acting by and through the Lumpkin County Board of Education, issued a Tax Anticipation Note (TAN) through Truist Bank in the amount of $3,000,000 on September 22, 2021 with a maturity date of December 31, 2021. The note shall bear interest at the adjusted SOFR rate and shall never be less than 1.38%. Funds from the note will be used to pay the current expenses of the School District. The School District will retire the note using funds levied taxes during the year 2021.

NOTE 16: RESTATEMENTS

The School District has determined a restatement to beginning net position required in relation to the Governmental Activities to record the School Districts' compensated absences for the fiscal year ended June 30, 2020 which should be reported as a liability on the statement of net posistion.

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the School District is required to reevaluate its accounting treatment of fiduciary activities. The new standard requires the School District to determine which funds are fiducary under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatements were required to the beginning fund balance of the General Fund and the beginning net position of Governmental Activities to properly report the student activity accounts. The effects of the restatements are as follows:

	Governmental Activities
Net position, July 1, 2020 as previously reported	$ (12,936,058)
Restatement for recording compensated absences	(1,626,833)
Restatement for Implementation of GASBS No. 84	106,646
Net position, July 1, 2020 as restated	$ (14,456,245)

	General Fund
Fund balance, July 1, 2020 as previously reported	$ 2,189,352
Restatement for Implementation of GASBS No. 84	106,646
Fund Balance, July 1, 2020 as restated	$ 2,295,998

II. REQUIRED SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 15,990,000	$ 16,054,942	$ 16,947,419	$ 892,477
State funds	19,935,305	21,309,574	21,808,355	498,781
Federal funds	1,934,868	12,052,038	6,545,734	(5,506,304)
Charges for services	-	75,000	764,828	689,828
Investment income	-	-	110	110
Miscellaneous	-	310,000	960,785	650,785
Total revenues	37,860,173	49,801,554	47,027,231	(2,774,323)
EXPENDITURES				
Current:				
Instruction	24,354,435	25,416,035	26,981,014	(1,564,979)
Support services:				
Pupil services	2,114,422	2,457,902	2,912,474	(454,572)
Improvement of instructional services	1,449,192	1,576,940	1,365,990	210,950
Educational media services	732,967	755,733	654,313	101,420
General administration	641,041	847,956	603,436	244,520
School administration	2,638,631	2,681,424	2,586,938	94,486
Business administration	481,150	485,407	455,380	30,027
Maintenance and operation of plant	3,610,401	3,644,883	3,688,293	(43,410)
Student transportation services	2,816,770	2,878,655	2,965,916	(87,261)
Central support services	296,500	299,639	269,749	29,890
Other support services	159,000	165,000	162,204	2,796
Food services	135,000	2,105,957	1,600,169	505,788
Enterprise operations	-	-	620,065	(620,065)
Debt service	-	-	5,927	(5,927)
Total expenditures	39,429,509	43,315,531	44,871,868	(1,556,337)
Excess (deficiency) of revenues over (under) expenditures	(1,569,336)	6,486,023	2,155,363	(4,330,660)
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	5,920	5,920
Total other financing sources	-	-	5,920	5,920
Net change in fund balances	(1,569,336)	6,486,023	2,161,283	(4,324,740)
FUND BALANCES, beginning of year, restated	2,295,998	2,295,998	2,295,998	-
FUND BALANCES, end of year	$ 726,662	$ 8,782,021	$ 4,457,281	$ (4,324,740)

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

	2021	2020	2019	2018
School District's proportion of the net pension liability	0.179810%	0.178711%	0.173408%	0.171325%
School District's proportionate share of the net pension liability	$ 43,557,020	$ 38,427,697	$ 32,188,239	$ 31,841,279
State of Georgia's proportionate share of the net pension liability associated with the School District	-	-	-	-
Total	$ 43,557,020	$ 38,427,697	$ 32,188,239	$ 31,841,279
School District's covered payroll	$ 23,216,276	$ 21,808,252	$ 20,667,666	$ 19,638,857
School District's proportionate share of the net pension liability as a percentage of its covered payroll	187.61%	176.21%	155.74%	162.13%
Plan fiduciary net position as a percentage of the total pension liability	77.01%	78.56%	80.27%	79.33%

	2017	2016	2015
School District's proportion of the net pension liability	0.171381%	0.172710%	0.178046%
School District's proportionate share of the net pension liability	$ 35,357,811	$ 26,293,382	$ 22,493,764
State of Georgia's proportionate share of the net pension liability associated with the School District	-	-	-
Total	$ 35,357,811	$ 26,293,382	$ 22,493,764
School District's covered payroll	$ 18,801,817	$ 18,230,573	$ 18,164,265
School District's proportionate share of the net pension liability as a percentage of its covered payroll	188.06%	144.23%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

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

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

	2021	2020	2019	2018
Contractually required contributions	$ 4,364,247	$ 4,907,037	$ 4,556,959	$ 3,474,235
Contributions in relation to the contractually required contributions	4,364,247	4,907,037	4,556,959	3,474,235
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered payroll	$ 22,897,413	$ 23,216,276	$ 21,808,252	$ 20,667,666
Contributions as a percentage of covered payroll	19.06%	21.14%	20.90%	16.81%

	2017	2016	2015	2014
Contractually required contributions	$ 2,803,447	$ 2,683,019	$ 2,397,320	$ 2,230,572
Contributions in relation to the contractually required contributions	2,803,447	2,683,019	2,397,320	2,230,572
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered payroll	$ 19,638,857	$ 18,801,817	$ 18,230,573	$ 18,164,265
Contributions as a percentage of covered payroll	14.28%	14.27%	13.15%	12.28%

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

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

	2021	2020	2019	2018
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%
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	558,854	515,375	497,324	457,440
Total	$ 558,854	$ 515,375	$ 497,324	$ 457,440
School District's covered-employee payroll	$ 2,241,468	$ 1,543,531	$ 1,514,518	$ 1,543,716
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	84.45%	85.02%	85.26%	85.69%

	2017	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%
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	578,538	402,249	362,435
Total	$ 578,538	$ 402,249	$ 362,435
School District's covered-employee payroll	$ 1,399,141	$ 1,466,093	$ 1,449,184
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.00%	87.00%	88.29%

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

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

	2021	2020	2019	2018
School District's proportion of the net OPEB liability	0.241562%	0.241451%	0.239337%	0.237110%
School District's proportionate share of the net OPEB liability	$ 35,479,832	$ 29,631,218	$ 30,418,999	$ 33,313,859
Total	$ 35,479,832	$ 29,631,218	$ 30,418,999	$ 33,313,859
School District's covered-employee payroll	$ 21,634,969	$ 20,271,074	$ 22,105,905	$ 22,790,797
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	163.99%	146.17%	137.61%	146.17%
Plan fiduciary net position as a percentage of the total OPEB liability	3.99%	4.63%	2.93%	1.61%

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

LUMPKIN COUNTY BOARD OF EDUCATION

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

	2021	2020	2019	2018	2017
Contractually required contributions	$ 844,045	$ 816,908	$ 1,300,382	$ 1,240,460	$ 1,236,308
Contributions in relation to the contractually required contributions	844,045	816,908	1,300,382	1,240,460	1,236,308
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 22,821,057	$ 21,634,969	$ 20,271,074	$ 22,105,905	$ 22,790,797
Contributions as a percentage of covered-employee payroll	3.70%	3.78%	6.41%	5.61%	5.42%

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

Teachers Retirement System of Georgia:

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%.

In 2020, the expectation of retired mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality tables (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate.

Public Schools Employees Retirement System of Georgia:

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

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

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

School OPEB Fund:

Changes of benefit terms: In the June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

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

In the June 30, 2019 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

III. OTHER SUPPLEMENTARY INFORMATION

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project	Original Estimated Cost (1)	Current Estimated Cost (2)	Expended In Current Year (3) (4)	Expended In Prior Years (3) (5)	Total Completion Cost	Project Status
SPLOST Issue 2016:						
(1) Adding to, renovating, repairing, improving, equipping, and demolishing existing school buildings and school system facilities including, but not limited to, roofing, HVAC, and physical education/athletic facilities, and fields	$ 4,000,000	$ 4,021,353	$ 1,314,285	$ 2,707,068	$ 4,021,353	Ongoing
(2) Acquiring new computer hardware and software	1,500,000	2,245,834	500,156	1,745,678	2,245,834	Ongoing
(3) Acquiring miscellaneous new equipment, fixtures, and furnishings for the School District, including, but not limited to, safety and security equipment	2,000,000	2,852,605	1,055,788	1,796,817	2,852,605	Ongoing
(4) Acquiring school buses and transportation and maintenance equipment and facilities.	2,000,000	1,842,723	414,714	1,428,009	1,842,723	Ongoing
(5) Acquiring, constructing, and equipping new buildings and facilities useful and desirable	8,500,000	12,741,276	52,384	12,688,892	12,741,276	Ongoing
(6) Acquiring land	500,000	90,150	12,210	77,940	90,150	Ongoing
(7) Purchasing textbooks	1,000,000	272,553	6,085	266,468	272,553	Ongoing
Total SPLOST Issue 2016	$ 19,500,000	$ 24,066,494	$ 3,355,622	$ 20,710,872	$ 24,066,494	Ongoing
SPLOST Issue 2021:						
(1) Adding to, renovating, repairing, improving, equipping, and demolishing existing school buildings and school system facilities including, but not limited to, roofing, HVAC, and physical education/athletic facilities, and fields	$ 2,000,000	$ 3,000,000	$ 2,644,924	$ -	$ 2,644,924	Ongoing
(2) Acquiring new computer hardware and software	250,000	250,000	-	-	-	Ongoing
(3) Acquiring miscellaneous new equipment, fixtures, and furnishings for the School District, including, but not limited to, safety and security equipment	500,000	500,000	-	-	-	Ongoing
(4) Acquiring school buses and transportation and maintenance equipment and facilities.	2,000,000	2,000,000	-	-	-	Ongoing
(5) Acquiring, constructing, and equipping new buildings and facilities useful and desirable	16,750,000	16,750,000	729,148	-	729,148	Ongoing
(6) Acquiring land	3,000,000	3,000,000	2,986,525	-	2,986,525	Ongoing
(7) Purchasing textbooks	500,000	500,000	-	-	-	Ongoing
Total SPLOST Issue 2021	$ 25,000,000	$ 26,000,000	$ 6,360,597	$ -	$ 6,360,597	Ongoing

(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 project(s). Includes all cost from project inception to completion.

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

(4) During fiscal year 2020, the Lumpkin County Board of Education issued General Obligation Refunding Bond Series 2020, to prefund the SPLOST Issue 2021 expenditures.

(5) The balance of expenditures reported from prior years for these projects has been corrected by the School District to appropriately reflect the actual balance of the SPLOST funds expended in accordance with the voter approved referendum.

IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Lumpkin County Board of Education
Dahlonega, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lumpkin County Board of Education (the "School District"), as of and for the year ended June 30, 2021, 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 April 10, 2023. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

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*.

The School District's Responses to Findings

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 10, 2023

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Lumpkin County Board of Education
Dahlonega, Georgia

Report on Compliance for Each Major Federal Program

We have audited the School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. 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.

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, 2021.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
April 10, 2023

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Expenditures
U. S. Department of Agriculture:			
Passed through Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	215GA324N1199	$ 423,765
National School Lunch Program	10.555	215GA324N1199	1,050,186
National School Lunch Program (non-cash)	10.555	215GA324N1199	118,466
National School Snack Program	10.555	215GA324N1199	3,300
Child Nutrition Discretionary Grants Limited Availability	10.579	215GA324L1603	2,395
Total Child Nutrition Cluster			1,598,112
Total U. S. Department of Agriculture			1,598,112
U.S. Department of Education:			
Passed through Georgia Department of Education:			
Special Education Cluster:			
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190081	2,644
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190073	146,398
Special Education - Grants to States (IDEA, Part B)	84.027	H027A200073	547,160
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A200081	16,442
IDEA Supplemental Relief	84.027	H027A200073	6,451
High Cost Fund Pool	84.027	H027A200073	40,323
Total Special Education Cluster			759,418
Career and Technical Education - Basic Grants to States	84.048	V048A200010	52,265
Total Career and Technical Education - Basic Grants to States			52,265
Title II-A Program			
Title II-A - Improving Teacher Quality	84.367	S367A190001	11,500
Title II-A - Advanced Placement	84.367	S367A190001	1,355
Title II-A - Improving Teacher Quality	84.367	S367A200001	74,679
Total Title II-A Program			87,534
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A200011	17,435
Elementary and Secondary School Emergency Relief Fund (ESSER) Program			
COVID-19: ESSER II - CRRSA ACT - LEA Bonuses	84.425D	S425D200012	524,892
COVID-19: ESSER I - CARES Act Elementary and Secondary School Emergency Relief Fund Grant	84.425D	S425D200012	712,029
COVID-19: ESSER II - CARES ACT - CTAE Extended Day	84.425D	S425D200012	1,156
COVID-19: ESSER-CARES-CTAE Supervision	84.425D	S425D200012	1,430
COVID-19: ESSER-CARES-CTAE Youth Apprentice	84.425D	S425D200012	1,814
COVID-19: ESSER-CARES-Ag Extended Day	84.425D	S425D200012	505
COVID-19: ESSER-CARES-Ag Extended Year	84.425D	S425D200012	429
COVID-19: ESSER II-CRRSA ACT - LEA	84.425D	S425D200012	1,940,769
Total Elementary and Secondary School Emergency Relief Fund (ESSER) Program			3,183,024
Title I-A Program			
Title I, Part A - Local Education Agency	84.010	S010A190010	180,277
Title I, Part A - Local Education Agency	84.010	S010A200010	615,164
Total Title I-A Program			795,441
Total U. S. Department of Education			4,895,117

(Continued)

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Expenditures
U. S. Department of Defense:			
R.O.T.C. Program	12.Unknown	N/A	73,292
Total U. S. Department of Defense			73,292
Total Expenditures of Federal Awards			$ 6,566,521

(1) The amounts shown for the Food Distribution Program represents the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year.

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Lumpkin County Board of Education and is presented on the modified accrual basis of accounting.

The School District did not utilize the 10% de minimis indirect cost rate.

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.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	X yes ____ no
Significant deficiencies identified?	___ yes X no
Noncompliance material to financial statements noted?	___ yes X no

Federal Awards

Internal Control over major federal programs: Material weaknesses identified?	___ yes X no
Significant deficiencies identified?	___ yes X none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____yes X no

Identification of major federal program:

Name of Federal Program or Cluster	Assistance Listing Number
COVID-19: Elementary and Secondary School Emergency Relief	84.425D

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____yes X no

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 Year-end Financial Close-Out and Reporting Procedures

Criteria: Management should have a financial closeout process in place to accurately capture and record the activity related to the fiscal year being closed.

Condition: The School District did not have adequate internal controls over the financial close-out process which lead to multiple significant errors in the original financial statements.

Context/Cause: During the audit, we noted instances related to the financial closeout in which activity was improperly recorded within the General Fund and Capital Projects Fund. This resulted in several cases in which revenues earned and expenses incurred in fiscal year 2021 but received in fiscal year 2022 were inaccurately recorded. Among these instances were:

- Governmental Activities required prior period restatement of approximately $1,627,000 to record compensated absences and related expenses as of June 30, 2020.
- The General Fund required an audit adjustment of approximately $149,000 to decrease claim liability and expenditures due to a posting error.
- The General Fund required an audit adjustment of approximately $131,000 to increase intergovernmental receivables and federal revenue for amounts received within 120 days after year-end.
- The General Fund required an audit adjustment of approximately $682,000 to decrease cash and increase expenditures related to cash that was not properly reconciled.
- The General Fund required an audit adjustment of approximately $194,000 to increase cash, and adjust various revenues and expenditures related to cash that was not properly reconciled.
- The Capital Projects Fund required an audit adjustment of approximately $279,000 to increase cash and revenue due to unrecorded cash at year-end.

Effects: The combined effect of all the items noted above caused the balances of Governmental Activities, General Fund and Capital Projects Fund to be misstated until the indicated post-closing entries were recorded.

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-001 Year-end Financial Close-Out and Reporting Procedures (Continued)

Recommendation: We recommend management implement more rigorous procedures for the financial closeout process. Procedures should include review of accruals at year-end and reading through the various grant agreements and available grant resources to ensure that grant activity is recorded in the correct funds and in the correct period.

***Auditee's Response*:** We concur with the finding and have adjusted processes for the financial closeout to record information in the correct periods on an accrual and modified accrual basis, where appropriate, and appropriately record activity within each fund.

2021-002 Timely Reporting of Accurate Financial Information

Criteria: Timely and accurate financial reporting of all funds included in the financial statements of the School District to facilitate informed financial decisions by the School District's management and those with oversight of management is imperative.

Condition: Internal controls and available resources were not sufficient to facilitate the accurate, timely reporting of the School District's overall financial position and results of operations as of and for the fiscal year ended June 30, 2021.

Context/Cause: The School District did not complete its year-end closing process to provide updated cash reconciliations and grant reconciliations for its funds for the fiscal year ended June 30, 2021 for auditing until June 2022 and February 2023.

Effects: The School District was unable to report accurate financial information on either an accrual or modified accrual basis, as appropriate, in a timely manner.

Recommendation: We recommend management implement procedures to ensure timely and accurate financial reporting to facilitate informed financial decisions.

Auditee's Response: We concur with this finding. There were three different finance officers during the data financial information reporting period for the FY21 Audit that led to issues with reporting and communication. This finding will not continue to be a concern.

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

LUMPKIN COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

2020-001 Financial Control

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).

Condition: Internal controls were not sufficient to detect a misstatement in the financial statements of the School District. An adjustment of approximately $277,000 was required to correctly report special purpose local option sales tax and cash balance for capital projects fund as of the fiscal year ended June 30, 2020. There were other audit adjustments made to properly present the note disclosures and supplementary information.

Status: See finding 2021-001.

Lumpkin County Schools
56 Indian Drive
Dahlonega, Georgia 30533
706-864-3611

Superintendent
Dr. Rob Brown

Associate Superintendent
Sharon Head

Director of Finance
Whittney McPherson

Board Members
Bobby Self, Chairman
Jim McClure
Lynn Sylvester
Craig Poore
Mera Turner

CORRECTIVE ACTION PLANS – FINANCIAL STATEMENT FINDINGS

FS 2021-001 Financial Close-Out Procedures

Corrective Action Plans – Management will:

- Develop and implement more rigorous procedures for the financial closeout process.
- Review accruals at year-end to ensure accuracy.
- Analyze grant agreements and resources to ensure grant activities are recorded in the correct funds and correct period.

Estimated Completion Date: Ongoing through Fiscal Year 2022-2023

FS 2021-002 Internal Controls over Financial Reporting

Corrective Action Plans – Management will:

- Develop and implement internal controls over timely and accurate financial reporting to facilitate informed financial decisions;
- Attend State, RESA, and other (i.e. SmartFusion) available trainings to become better prepared for financial reporting;
- Work with consultants to become more knowledgeable and experienced with using the SmartFusion accounting system;
- Utilize proven strategies for successful school district accounting- such as those provided by the Financial Review Division of the Georgia Department of Education (Examples: Financial Management for Georgia LUAS Manual; Tips for Monthly Closeout Checklist; Year End Closing Checklist; etc.); and
- Communicate regularly with the GADOE Financial Review Division to stay abreast of current issues relevant to GA School Accounting and to ask questions when needed.

Estimated Completion Date: Ongoing through Fiscal Year 2022-2023

Contact Person: Whittney McPherson
Email: whittney.mcpherson@lumpkinschools.com
Telephone: (706) 864-3611

Sharon Head
Associate Superintendent

Whittney McPherson
Director of Finance