

MURRAY COUNTY
BOARD OF EDUCATION
CHATSWORTH, GEORGIA

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

MURRAY COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

		Page
	SECTION I	
	FINANCIAL	
	INDEPENDENT AUDITOR'S REPORT	
	REQUIRED SUPPLEMENTARY INFORMATION	
	MANAGEMENT'S DISCUSSION AND ANALYSIS	i
	EXHIBITS	
	BASIC FINANCIAL STATEMENTS	
	GOVERNMENT-WIDE FINANCIAL STATEMENTS	
A	STATEMENT OF NET POSITION	1
B	STATEMENT OF ACTIVITIES	2
	FUND FINANCIAL STATEMENTS	
C	BALANCE SHEET GOVERNMENTAL FUNDS	3
D	RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	4
E	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	5
F	RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	6
G	STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS	7
H	STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS	8
I	NOTES TO THE BASIC FINANCIAL STATEMENTS	9
	SCHEDULES	
	REQUIRED SUPPLEMENTARY INFORMATION	
1	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHERS RETIREMENT SYSTEM OF GEORGIA	35
2	SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF GEORGIA	36
3	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA	37
4	SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY SCHOOL OPEB FUND	38
5	SCHEDULE OF CONTRIBUTIONS – SCHOOL OPEB FUND	39
6	NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	40

(This page left intentionally blank)

MURRAY COUNTY BOARD OF EDUCATION

- TABLE OF CONTENTS -

Page

SECTION I

FINANCIAL

SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION

7 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND 41

SUPPLEMENTARY INFORMATION

8 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 42
9 SCHEDULE OF STATE REVENUE 43
10 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS 45

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

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*

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

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION IV

FINDINGS AND QUESTIONED COSTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(This page left intentionally blank)

SECTION I

FINANCIAL

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

(This page left intentionally blank)

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

(This page left intentionally blank)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 18, 2021

(This page left intentionally blank)

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

INTRODUCTION

Our discussion and analysis of the Murray County Board of Education's (School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2020 and June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1) Government-wide financial statements including the Statement of Net Position and the Statement of Activities, which provide both short-term and long-term overviews of the School District's finances.

2) Fund financial statements including the balance sheets that provide a greater level of detail and focus on how well the School District has performed in the short-term in the most significant or major funds.

3) Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2020 are as follows:

On the government-wide financial statements:

- Total assets and deferred outflows of resources of the School District exceeded total liabilities and deferred inflows of resources by $10.8 million for the fiscal year ended June 30, 2020. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $6.0 million for the fiscal year ended June 30, 2019. This represented an increase of $4.8 million in net position when compared to the prior year. This increase in net position is due to an increase in cash, accounts receivables and deferred outflows in resources.

- The School District had $77.6 million in expenses relating to governmental activities; only $53.6 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes), special and extraordinary items of $28.8 million provided for these programs as well.

- As stated above, general revenues, and extraordinary items accounted for $28.8 million or about 34.9% of all revenues totaling $82.4 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues.

On the fund financial statements:

- Among major funds, the general fund had $75.2 million in revenues and $74.0 million in expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. In the case of the Murray County School District, the general fund, capital projects fund, and debt service fund are all considered to be major funds. The School District has no nonmajor funds as defined by GASB Statement No. 34 for the purposes of this report.

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

Government-Wide Statements

Since the School District has no operations that have been classified as "Business Activities", the government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question, are we in a better financial position now than last year? The 'Statement of Net Position' and the 'Statement of Activities' provide the basis for answering this question. These financial statements include all of the School District's assets and liabilities and use the accrual basis of accounting which is 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.

The 'Statement of Net Position' and the 'Statement of Activities' reflect the School District's governmental activities.

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 has no nonmajor funds as defined by generally accepted accounting principles.

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

As discussed previously, the Statement of Net Position provides a financial snapshot of the School District as a whole. The reader can think of the School District's net position as the difference between its assets plus deferred outflows and its liabilities plus deferred inflows at the end of a fiscal year. This balance represents one way to measure the School District's financial health or its financial position. In the case of the School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $10.8 million at June 30, 2020.

To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $10.8 million of net position, about $7.6 million was restricted for continuation of federal programs, capital projects and debt service. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District also had $93.4 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 net position is not available for future spending.

The remaining *unrestricted net position* reflected a deficit of $90.2 million due to the adoption of GASB Statement No. 68 and GASB Statement No. 71 for pension plans, and GASB Statement No. 75 for other post-employment benefits.

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

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Assets		
Current and Other Assets	$ 36,397,655	$ 27,376,235
Capital Assets, Net	103,529,377	102,246,390
Total Assets	139,927,032	129,622,625
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plan	16,974,152	11,577,858
Related to OPEB Plan	3,041,884	3,197,157
Total Deferred Outflows of Resources	20,016,036	14,775,015
Liabilities		
Current and Other Liabilities	12,822,564	8,927,766
Long-Term Liabilities	11,852,301	11,221,316
Net Pension Liability	61,082,301	53,363,374
Net OPEB Liability	46,154,189	47,703,291
Total Liabilities	131,911,355	121,215,747
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plan	3,634,540	4,331,348
Related to OPEB Plan	13,551,392	12,809,032
Total Deferred Inflows of Resources	17,185,932	17,140,380
Net Pension		
Net Investment in Capital Assets	93,408,714	90,806,982
Restricted	7,603,983	6,295,520
Unrestricted (Deficit)	(90,166,916)	(91,060,989)
Total Net Position	$ 10,845,781	$ 6,041,513

Table 2 shows the changes in Net Position for this fiscal year as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Revenues		
Program Revenues		
Charges for Services	$ 796,388	$ 1,914,004
Operating Grants and Contributions	52,637,457	49,515,169
Capital Grants and Contributions	154,400	394,805
Total Program Revenues	53,588,245	51,823,978
General Revenues		
Taxes		
Property Taxes		
For Maintenance and Operations	14,271,156	12,359,318
Other	229,736	-
Sales Taxes		
Special Purpose Local Option Sales Tax For Capital Projects	4,552,654	4,342,130
Other Taxes	272,154	1,741,283
Grants and Contributions not Restricted to Specific Program	5,264,072	4,852,892
Investments	73,997	185,022
Miscellaneous	1,716,082	-
Extraordinary Items	2,401,740	-
Total General Revenues and Extraordinary Items	28,781,591	23,480,645
Total Revenues and Extraordinary Items	82,369,836	75,304,623
Program Expenses:		
Instruction	49,772,944	42,694,026
Support Services		
Pupil Services	2,869,743	2,581,346
Improvement of Instructional Services	2,601,443	1,947,855
Educational Media Services	1,089,042	952,048
General Administration	674,602	796,740
School Administration	4,354,872	3,825,211
Business Administration	432,008	396,667
Maintenance and Operation of Plant	5,659,943	5,422,657
Student Transportation Services	3,122,635	3,384,569
Central Support Services	1,725,022	1,696,339
Other Support Services	44,598	325,551
Operations of non-Instructional Services		
Community Services	260,712	-
Food Services	4,560,495	5,072,324
Interest Long-Term Debt	397,508	156,140
Total Expenses	77,565,567	69,251,473
Increase in Net Position	$ 4,804,269	$ 6,053,150

Governmental Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2019
Instruction	$ 49,772,944	$ 42,694,026	$ 11,281,512	$ 5,803,570
Support Services				
Pupil Services	2,869,743	2,581,346	2,390,258	2,129,143
Improvement of Instructional Services	2,601,443	1,947,855	767,713	245,131
Educational Media Services	1,089,042	952,048	97,649	11,615
General Administration	674,602	796,740	(941,685)	(443,485)
School Administration	4,354,872	3,825,211	2,231,354	1,812,867
Business Administration	432,008	396,667	429,127	389,357
Maintenance and Operation of Plant	5,659,943	5,422,657	3,175,363	3,264,591
Student Transportation Services	3,122,635	3,384,569	2,004,440	3,114,786
Central Support Services	1,725,022	1,696,339	1,694,029	1,674,294
Other Support Services	44,598	325,551	2,554	281,057
Operations of Non-Instructional Services				
Miscellaneous Non-Instructional Services	-	-	-	(1,037,495)
Community Services	260,712	-	260,712	-
Food Services	4,560,495	5,072,324	186,788	25,924
Interest on Short-Term and Long-Term Debt	397,508	156,140	397,508	156,140
Total Expenses	$ 77,565,567	$ 69,251,473	$ 23,977,322	$ 17,427,495

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Exhibit "C" of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $79.8 million and total expenditures of $82.2 million for fiscal year 2020 and total revenues of $75.0 million and total expenditures of $78.3 million for fiscal year 2019.

General Fund Budgeting Highlights

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

During fiscal year 2020 the general fund had final actual revenues totaling $75.2 million, which represented an increase from the original budgeted amount of $73.1 million by $2.1 million. This difference (final actual vs. original budget) was primarily due to an increase in federal funds and miscellaneous revenue.

During fiscal year 2019 the general fund had final actual revenues totaling $70.4 million, which represented an increase from the original budgeted amount of $67.5 million by $2.9 million. This difference (final actual vs. original budget) was primarily due to an increase in state funds from original budget by $1.4 million and an increase in charges for services totaling $1.0 million.

Final actual expenditures during fiscal year 2020 totaling $74.0 million represented an increase from the original budgeted amount of $73.7 million by $0.3 million. Expenditures for instruction, improvement of instructional services, education media services, general administration, business administration, maintenance and operation of plant, student transportation services, central support services, other support services, food services operation and capital outlay decreased from the final budgeted amounts by approximately $3.2 million, expenditures for pupil services, school administration, community services and debt service increased from the final budgeted amounts by approximately $1.3 million.

Final actual expenditures during fiscal year 2019 totaling $68.8 million represented a decrease from the original budgeted amount of $69.7 million by $0.9 million. Expenditures for instruction, improvement of instructional services and maintenance and operations maintenance of plant decreased from the final budgeted amounts by $2.3; expenditures for pupil services, school administration, other support services and debt services increased from the final budgeted amounts by 1.0 million.

General fund revenue and other financing sources exceeded expenditures and other financing uses by $1.5 million for the fiscal year 2020 and by $1.7 million for fiscal year 2019.

CAPITAL ASSETS AND BOND DEBT

Capital Assets

At the fiscal years ended June 30, 2020 and June 30, 2019, the School District had $103.5 million and $102.2 million, respectively, invested in capital assets, net of accumulated depreciation all in governmental activities. Table 4 reflects a summary of these balances net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2020	Fiscal Year 2019
Land	$ 4,149,570	$ 4,149,570
Construction in Progress	2,364,107	1,871,797
Building and Improvements	89,895,036	92,103,716
Equipment	1,544,143	1,033,435
Land Improvements	5,576,521	3,087,872
Total	$ 103,529,377	$ 102,246,390

Bond Debt

At the fiscal years ending June 30, 2020 and June 30, 2019, the School District had $10.5 million and $10.2 million respectively, in bonds outstanding. Table 5 summarizes the School District's long-term debt for general obligation bonds.

Table 5
Bond Debt at June 30

	Governmental Activities	
Bond Issue	Fiscal Year 2020	Fiscal Year 2019
2017 Issue	$ 6,695,000	$ 10,230,000
2019 Issue	3,800,000	-
Total Bonds Payable	10,495,000	10,230,000
Less Current Portion	3,615,000	3,535,000
Long-Term Bonds	$ 6,880,000	$ 6,695,000

Current Issues

Currently known facts, decisions or conditions that are expected to have a significant effect on financial positions or results of operations.

- Capital Improvements - The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues and anticipated receipts of capital outlay funds from the State of Georgia. The School District regularly monitors anticipated capital outlay needs. Based on the passing of the 2016 ESPLOST, the School District began renovations of Gladden Middle School during fiscal year 2020.

- COVID-19 Pandemic - During March 2020, the COVID-19 Pandemic forced the closing of all District facilities. School District employees began to provide various instructional resources to students in addition to the distribution of meal at various locations. The School District formulated an initiative to provide a Chromebook for every student by the 2021 fiscal year using a combination of federal and local funding sources.

- Tornado Damage - In April 2020, Northwest Elementary and Bagley Middle School were severely damaged by a tornado. The School District is working with their insurance carrier and construction contractors along with the facilities division of the Georgia Department of Education to make the necessary repairs.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kathy Smith, Director of Finance, Murray County Board of Education, 1006 Green Road, Chatsworth, GA 30705.

(This page left intentionally blank)

MURRAY COUNTY BOARD OF EDUCATION

(This page left intentionally blank)

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 23,682,221.75
Investments	304,569.44
Receivables, Net	
Taxes	1,537,508.81
State Government	5,827,725.02
Federal Government	2,789,405.22
Other	2,088,473.03
Inventories	167,752.14
Capital Assets, Non-Depreciable	6,513,676.62
Capital Assets, Depreciable (Net of Accumulated Depreciation)	97,015,700.33
Total Assets	139,927,032.36
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	16,974,152.39
Related to OPEB Plan	3,041,884.00
Total Deferred Outflows of Resources	20,016,036.39
LIABILITIES	
Accounts Payable	2,601,656.82
Salaries and Benefits Payable	8,013,890.15
Interest Payable	98,412.50
Contracts Payable	1,864,573.87
Retainages Payable	203,788.18
Deposits and Unearned Revenues	40,242.94
Net Pension Liability	61,082,301.00
Net OPEB Liability	46,154,189.00
Long-Term Liabilities	
Due Within One Year	4,110,788.46
Due in More Than One Year	7,741,512.04
Total Liabilities	131,911,354.96
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	3,634,540.00
Related to OPEB Plan	13,551,392.00
Total Deferred Inflows of Resources	17,185,932.00
NET POSITION	
Net Investment in Capital Assets	93,408,714.40
Restricted for	
Continuation of Federal Programs	1,566,060.13
Debt Service	3,713,412.50
Capital Projects	2,324,510.79
Unrestricted (Deficit)	(90,166,916.03)
Total Net Position	$ 10,845,781.79

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

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

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 49,772,944.40	$ 350,430.85	$ 38,141,001.49	$ -	$ (11,281,512.06)
Support Services					
Pupil Services	2,869,743.06	-	479,485.31	-	(2,390,257.75)
Improvement of Instructional Services	2,601,442.84	-	1,833,729.85	-	(767,712.99)
Educational Media Services	1,089,042.36	-	991,393.00	-	(97,649.36)
General Administration	674,602.25	-	1,616,286.92	-	941,684.67
School Administration	4,354,872.43	-	2,123,518.00	-	(2,231,354.43)
Business Administration	432,007.69	-	2,881.07	-	(429,126.62)
Maintenance and Operation of Plant	5,659,942.68	-	2,484,579.66	-	(3,175,363.02)
Student Transportation Services	3,122,635.35	-	963,794.89	154,400.00	(2,004,440.46)
Central Support Services	1,725,021.91	-	30,993.31	-	(1,694,028.60)
Other Support Services	44,597.52	-	42,043.54	-	(2,553.98)
Operations of Non-Instructional Services					
Community Services	260,711.93	-	-	-	(260,711.93)
Food Services	4,560,494.60	445,956.67	3,927,750.28	-	(186,787.65)
Interest on Long-Term Debt	397,508.15	-	-	-	(397,508.15)
Total Governmental Activities	$ 77,565,567.17	$ 796,387.52	$ 52,637,457.32	$ 154,400.00	(23,977,322.33)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					14,271,155.95
Other Taxes					229,735.82
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					4,552,653.84
Other Sales Tax					272,154.41
Grants and Contributions not Restricted to Specific Programs					5,264,072.00
Investment Earnings					73,996.62
Miscellaneous					1,716,082.44
Extraordinary Item					
Net Gain from Tornado					2,401,740.43
Total General Revenues and Extraordinary Items					28,781,591.51
Change in Net Position					4,804,269.18
Net Position - Beginning of Year					6,041,512.61
Net Position - End of Year					$ 10,845,781.79

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

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 16,338,057.00	$ 7,344,164.75	$ -	$ 23,682,221.75
Investments	304,569.44	-	-	304,569.44
Receivables, Net				
Taxes	1,131,573.60	405,935.21	-	1,537,508.81
State Government	5,432,920.22	394,804.80	-	5,827,725.02
Federal Government	2,789,405.22	-	-	2,789,405.22
Other	21,739.60	2,066,733.43	-	2,088,473.03
Inventories	167,752.14	-	-	167,752.14
Total Assets	$ 26,186,017.22	$ 10,211,638.19	$ -	$ 36,397,655.41
LIABILITIES				
Accounts Payable	$ 2,326,354.42	$ 275,302.40	$ -	$ 2,601,656.82
Salaries and Benefits Payable	8,013,890.15	-	-	8,013,890.15
Contracts Payable	-	1,864,573.87	-	1,864,573.87
Retainages Payable	-	203,788.18	-	203,788.18
Deposits and Unearned Revenue	40,242.94	-	-	40,242.94
Total Liabilities	10,380,487.51	2,343,664.45	-	12,724,151.96
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Insurance Proceeds	-	1,171,152.04	-	1,171,152.04
Unavailable Revenue - Property Taxes	723,043.84	-	-	723,043.84
Unavailable Revenue - Georgia State Financing and Investment Commission	-	394,804.80	-	394,804.80
Total Deferred Inflows of Resources	723,043.84	1,565,956.84	-	2,289,600.68
FUND BALANCES				
Nonspendable	167,752.14	-	-	167,752.14
Restricted	1,398,307.99	6,302,016.90	-	7,700,324.89
Assigned	679,028.01	-	-	679,028.01
Unassigned	12,837,397.73	-	-	12,837,397.73
Total Fund Balances	15,082,485.87	6,302,016.90	-	21,384,502.77
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 26,186,017.22	$ 10,211,638.19	$ -	$ 36,398,255.41

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

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")		$ 21,384,502.77
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	$ 4,149,570.25	
Construction in progress	2,364,106.37	
Buildings and improvements	117,860,653.82	
Equipment	13,144,363.96	
Land improvements	10,676,730.95	
Accumulated depreciation	(44,666,048.40)	103,529,376.95
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (61,082,301.00)	
Net OPEB liability	(46,154,189.00)	(107,236,490.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	$ 13,339,612.39	
Related to OPEB	(10,509,508.00)	2,830,104.39
Taxes that are not available to pay for current period expenditures are deferred in the funds.		723,043.84
Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.		394,804.80
Insurance proceeds that are not available for current period expenditures are deferred in the funds.		1,171,152.04
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	$ (10,495,000.00)	
Accrued interest payable	(98,412.50)	
Capital leases payable	(593,379.94)	
Energy efficiency lease payable	(139,959.84)	
Unamortized bond premiums	(623,960.72)	(11,950,713.00)
Net position of governmental activities (Exhibit "A")		$ 10,845,781.79

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

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

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 14,416,021.17	$ -	$ -	$ 14,416,021.17
Sales Taxes	272,154.41	4,552,653.84	-	4,824,808.25
State Funds	48,482,482.82	-	-	48,482,482.82
Federal Funds	9,522,616.44	-	-	9,522,616.44
Charges for Services	796,387.52	-	-	796,387.52
Investment Earnings	7,723.31	66,273.31	-	73,996.62
Miscellaneous	1,665,450.44	50,632.00	-	1,716,082.44
Total Revenues	75,162,836.11	4,669,559.15	-	79,832,395.26
EXPENDITURES				
Current				
Instruction	46,444,233.12	3,479.64	-	46,447,712.76
Support Services				
Pupil Services	2,841,357.17	-	-	2,841,357.17
Improvement of Instructional Services	2,551,000.47	-	-	2,551,000.47
Educational Media Services	1,067,954.31	-	-	1,067,954.31
General Administration	628,512.19	-	-	628,512.19
School Administration	4,268,249.19	-	-	4,268,249.19
Business Administration	380,553.01	-	-	380,553.01
Maintenance and Operation of Plant	5,046,440.98	-	-	5,046,440.98
Student Transportation Services	3,687,626.22	-	-	3,687,626.22
Central Support Services	1,680,943.14	-	-	1,680,943.14
Other Support Services	44,597.52	-	-	44,597.52
Community Services	260,711.93	-	-	260,711.93
Food Services Operation	4,554,771.85	-	-	4,554,771.85
Capital Outlay	155,916.58	4,178,155.98	-	4,334,072.56
Debt Service				
Principal	364,361.16	-	3,535,000.00	3,899,361.16
Bond Issuance Costs	-	46,350.00	-	46,350.00
Interest	9,749.73	-	439,813.33	449,563.06
Total Expenditures	73,986,978.57	4,227,985.62	3,974,813.33	82,189,777.52
Revenues over (under) Expenditures	1,175,857.54	441,573.53	(3,974,813.33)	(2,357,382.26)
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds	-	3,800,000.00	-	3,800,000.00
Insurance Proceeds	-	1,645,581.39	-	1,645,581.39
Capital Leases	750,420.00	-	-	750,420.00
Transfers In	-	433,811.25	3,974,813.33	4,408,624.58
Transfers Out	(433,811.25)	(3,974,813.33)	-	(4,408,624.58)
Total Other Financing Sources (Uses)	316,608.75	1,904,579.31	3,974,813.33	6,196,001.39
Net Change in Fund Balances	1,492,466.29	2,346,152.84	-	3,838,619.13
Fund Balances - Beginning	13,590,019.58	3,955,864.06	-	17,545,883.64
Fund Balances - Ending	$ 15,082,485.87	$ 6,302,016.90	$ -	$ 21,384,502.77

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

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ 3,838,619.13
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 4,774,760.47	
Depreciation expense	(2,969,257.64)	1,805,502.83
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		(522,515.88)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		84,870.60
Insurance proceeds that are not available for current period expenditures are deferred in the funds.		1,171,152.04
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
General obligation bonds issued	$ (3,800,000.00)	
Capital leases issued	(750,420.00)	
Bond principal retirements	3,535,000.00	
Capital lease payments	291,937.19	
Energy efficiency lease payments	72,423.97	(651,058.84)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	$ (1,625,824.61)	
OPEB expense	651,469.00	(974,355.61)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest on issuance of bonds	$ 31,980.50	
Amortization of bond premium	20,074.41	52,054.91
Change in net position of governmental activities (Exhibit "B")		$ 4,804,269.18

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

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	$ 51,623.99	$ 185,613.71
Investments	25,440.10	-
Receivables, Net		
Other	21.98	-
Total Assets	$ 77,086.07	$ 185,613.71
LIABILITIES		
Funds Held for Others		$ 185,613.71
NET POSITION		
Held in Trust for Private Purposes	$ 77,086.07	

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

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

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Contributions	
Donors	$ 10,000.00
Investment Earnings	
Interest	25.43
Total Additions	10,025.43
DEDUCTIONS	
Scholarships	8,250.00
Change in Net Position	1,775.43
Net Position - Beginning	75,310.64
Net Position - Ending	$ 77,086.07

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE STATEMENTS:

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS:

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund types:

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

BASIS OF ACCOUNTING

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

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

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

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

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

NEW ACCOUNTING PRONOUNCEMENTS

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

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

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

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

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

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

RECEIVABLES

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

INVENTORIES

Food Inventories

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

CAPITAL ASSETS

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

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

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

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

		Capitalization Policy	Estimated Useful Life
Land	$	50,000.00	N/A
Land Improvements	$	25,000.00	15 years
Buildings and Improvements	$	50,000.00	60 years
Building Improvements	$	25,000.00	15 years
Equipment	$	25,000.00	5 to 12 years

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

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

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

PENSIONS

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

FUND BALANCES

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

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

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

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

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

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

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

USE OF ESTIMATES

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

PROPERTY TAXES

The Murray County Board of Commissioners adopted the property tax levy for the 2019 tax digest year (calendar year) on October 1, 2019 (levy date) based on property values as of January 1, 2019. Taxes were due on December 1, 2019 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2019 tax digest are reported as revenue in the governmental funds for fiscal year 2020. The Murray County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2020, for maintenance and operations amounted to $12,518,276.44.

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

School Operations	15.5 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $1,668,008.91 during fiscal year ended June 30, 2020.

SALES TAXES

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $4,552,653.84 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

The Superintendent is authorized by the Board to approve adjustments of no more than the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds $25,000.00 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

COLLATERALIZATION OF DEPOSITS

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

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

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

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

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

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

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

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

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

CATEGORIZATION OF DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2020, the School District had deposits with a carrying amount of $15,823,211.22, and a bank balance of $17,031,836.96. The bank balances insured by Federal depository insurance were $869,674.05.

At June 30, 2020, $16,162,162.91 of the School District's bank balances was exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

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

Cash and cash equivalents		
Statement of Net Position	$	23,682,221.75
Statement of Fiduciary Net Position		237,237.70
Total cash and cash equivalents		23,919,459.45
Add:		
Deposits with original maturity of three months or more reported as investments		330,009.54
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		8,426,257.77
Total carrying value of deposits - June 30, 2020	$	15,823,211.22

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported cash equivalents of $8,426,257.77 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2020 was 38 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the *State of Georgia* Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html.

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2019	Increases	Decreases	Adjustments/ Transfers	Balances June 30, 2020
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	$ 4,149,570.00	$ -	$ -	$ 0.25	$ 4,149,570.25
Construction in Progress	1,871,797.00	2,962,512.56	-	(2,470,203.19)	2,364,106.37
Total Capital Assets Not Being Depreciated	6,021,367.00	2,962,512.56	-	(2,470,202.94)	6,513,676.62
Capital Assets Being Depreciated					
Buildings and Improvements	119,289,895.00	303,132.32	1,732,373.00	(0.50)	117,860,653.82
Equipment	13,362,714.00	913,730.00	1,132,079.26	(0.78)	13,144,363.96
Land Improvements	7,611,142.00	595,385.59	-	2,470,203.36	10,676,730.95
Less Accumulated Depreciation for:					
Buildings and Improvements	27,186,179.00	1,989,296.43	1,209,857.98	-	27,965,617.45
Equipment	12,329,279.00	403,021.41	1,132,079.26	-	11,600,221.15
Land Improvements	4,523,270.00	576,939.80	-	-	5,100,209.80
Total Capital Assets, Being Depreciated, Net	96,225,023.00	(1,157,009.73)	522,515.02	2,470,202.08	97,015,700.33
Governmental Activities Capital Assets - Net	$ 102,246,390.00	$ 1,805,502.83	$ 522,515.02	$ (0.86)	$ 103,529,376.95

Current year depreciation expense by function is as follows:

Instruction		$ 2,273,998.45
Support Services		
Pupil Services	$ 33,114.98	
General Administration	32,297.65	
Maintenance and Operation of Plant	275,915.42	
Student Transportation Services	318,109.79	
Central Support Services	6,292.99	665,730.83
Food Services		29,528.36
		$ 2,969,257.64

NOTE 6: INTERFUND TRANSFERS

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

	Transfers From	
Transfers to	General Fund	Capital Projects Fund
Capital Projects Fund	$ 433,811.25	$ -
Debt Service Fund	-	3,974,813.33
Total	$ 433,811.25	$ 3,974,813.33

Transfers are used to move property tax revenues collected by the general fund to the capital projects fund as a supplemental funding source for capital construction projects, and to move sales taxes from the capital projects fund to the debt service fund for payment of bond debt.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
General Obligation (G.O.) Bonds	$ 10,230,000.00	$ 3,800,000.00	$ 3,535,000.00	$ 10,495,000.00	$ 3,615,000.00
Unamortized Bond Premiums	644,035.13	-	20,074.41	623,960.72	277,315.88
Capital Leases	134,897.13	750,420.00	291,937.19	593,379.94	143,285.51
Energy Efficient Lease	212,383.81	-	72,423.97	139,959.84	75,187.07
	$ 11,221,316.07	$ 4,550,420.00	$ 3,919,435.57	$ 11,852,300.50	$ 4,110,788.46

GENERAL OBLIGATION DEBT OUTSTANDING

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

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

During the current year, the School District issued general obligation bonds totaling $3,800,000.00 to cover expenditures relating to capital outlay projects.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2017	5.00%	4/20/2017	10/1/2022	$ 13,700,000.00	$ 6,695,000.00
General Government - Series 2019	1.55%	12/19/2019	10/1/2022	3,800,000.00	3,800,000.00
				$ 17,500,000.00	$ 10,495,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2021	$ 3,615,000.00	$ 328,977.50	$ 277,315.88
2022	3,705,000.00	197,123.75	277,315.88
2023	3,175,000.00	64,971.25	69,328.96
Total Principal and Interest	$ 10,495,000.00	$ 591,072.50	$ 623,960.72

CAPITAL LEASES

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

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

	Governmental Activities
Equipment	$ 750,420.00
Less: Accumulated Depreciation	75,042.00
	$ 675,378.00

During the current fiscal year, the School District entered into a lease agreement as lessee for financing the acquisition of eight buses at a cost of $750,420.00 with a down payment of $157,040.06. This lease qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

Capital leases currently outstanding are as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Buses	2.318%	8/16/2019	8/16/2023	$ 750,420.00	$ 593,379.94

The following is a schedule of total capital lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ 143,285.51	$ 13,754.55
2022	146,606.87	10,433.19
2023	150,005.22	7,034.84
2024	153,482.34	3,557.72
Total Principal and Interest	$ 593,379.94	$ 34,780.30

OBLIGATIONS UNDER FINANCED PURCHASES

An energy efficiency lease agreement dated October 11, 2011 was executed by and between the School District, the lessee, and Grant Capital Management, Inc., the lessor. The agreement authorized the borrowing of $670,502.14 for the purchase of energy efficiency equipment, machinery, supplies, building modifications and other energy saving items. Payments of the lease shall be made from the School District's general fund.

The School District's outstanding obligations from an energy efficiency lease agreement related to the governmental activities of $139,959.84 contain a provision that in an event of default, the lessor has the option of declaring outstanding amount immediately due and payable or they may take possession of project equipment, machinery or supplies.

The following assets were acquired through an energy efficient lease and are reflected in the capital asset note at fiscal year end:

	Governmental Activities
Equipment	$ 616,497.00
Less: Accumulated Depreciation	508,610.03
	$ 107,886.97

Debt currently outstanding is as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Mechanical Lease II	3.75%	11/11/2011	4/11/2022	$ 670,502.14	$ 139,959.84

The following is a schedule of energy efficiency lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2021	$ 75,187.07	$ 3,964.93
2022	64,772.77	1,187.23
Total Principal and Interest	$ 139,959.84	$ 5,152.16

NOTE 8: RISK MANAGEMENT

INSURANCE

Commercial Insurance

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

WORKERS' COMPENSATION

Georgia Education Workers' Compensation Trust

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

UNEMPLOYMENT COMPENSATION

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2019	$ -	$ 4,620.00	$ 4,620.00	$ -
2020	$ -	$ 1,480.00	$ 1,480.00	$ -

SURETY BOND

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

Position Covered	Amount
Superintendent	$ 25,000.00
Driver's Education Instructor	$ 20,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories		$ 167,752.14
Restricted		
Continuation of Federal Programs	$ 1,398,307.99	
Capital Projects	2,490,191.90	
Debt Service	3,811,825.00	7,700,324.89
Assigned		
School Activity Accounts		679,028.01
Unassigned		12,837,397.73
Fund Balance, June 30, 2020		$ 21,384,502.77

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

NOTE 10: SIGNIFICANT COMMITMENTS

COMMITMENTS UNDER CONSTRUCTION CONTRACTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2020.

Project	Unearned Executed Contracts (1)	Payments through June 30, 2020 (2)	Funding Available From State (1)
Gladden Middle School	$ 7,115,693.32	$ 2,194,968.19	$ 394,804.80

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

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

FEDERAL GRANTS

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

LITIGATION

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GEORGIA SCHOOL PERSONNEL POST-EMPLOYMENT HEALTH BENEFIT FUND

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $1,241,384.00 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2020, the School District reported a liability of $46,154,189.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2019. At June 30, 2019, the School District's proportion was 0.376089%, which was an increase of 0.000759% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $589,915.00. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,021,095.00
Changes of assumptions	1,602,845.00	6,506,283.00
Net difference between projected and actual earnings on OPEB plan investments	100,510.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	97,145.00	2,024,014.00
School District contributions subsequent to the measurement date	1,241,384.00	-
Total	$ 3,041,884.00	$ 13,551,392.00

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

Year Ended June 30:	OPEB
2021	$ (2,712,649.00)
2022	$ (2,712,649.00)
2023	$ (2,716,513.00)
2024	$ (2,278,040.00)
2025	$ (1,118,142.00)
Thereafter	$ (212,899.00)

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

OPEB:

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

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

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

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

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

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

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

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

*Net of Inflation

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

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

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
School District's proportionate share of the Net OPEB Liability	$ 53,646,402.00	$ 46,154,189.00	$ 40,059,611.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB Liability	$ 38,880,014.00	$ 46,154,189.00	$ 55,392,943.00

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

NOTE 13: RETIREMENT PLANS

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

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll, of which 21.09% of payroll was required from the School District and 0.05% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $7,669,598.39 and $19,486.44 from the School District and the State, respectively.

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $101,481.50.

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

At June 30, 2020, the School District reported a liability of $61,082,301.00 for its proportionate share of the net pension liability for TRS.

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

School District's proportionate share of the net pension liability	$	61,082,301.00
State of Georgia's proportionate share of the net pension liability associated with the School District		170,516.00
Total	$	61,252,817.00

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

At June 30, 2019, the School District's TRS proportion was 0.284068%, which was a decrease of 0.003417% from its proportion measured as of June 30, 2018.

At June 30, 2020, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $558,324.00.

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

For the year ended June 30, 2020, the School District recognized pension expense of $9,300,757.00 for TRS and $172,180.00 for PSERS and revenue of $382.00 for TRS and $172,180.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,442,910.00	$ 18,109.00
Changes of assumptions	5,861,644.00	-
Net difference between projected and actual earnings on pension plan investments	-	1,454,556.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	2,161,875.00
School District contributions subsequent to the measurement date	7,669,598.39	-
Total	$ 16,974,152.39	$ 3,634,540.00

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

Year Ended June 30:	TRS
2021	$ 2,342,296.00
2022	$ (200,989.00)
2023	$ 1,652,444.00
2024	$ 1,876,263.00

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

Teachers Retirement System:

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

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

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

Public School Employees Retirement System:

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

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

of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

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

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

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

* Rates shown are net of assumed rate of inflation.

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

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

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 99,154,452.00	$ 61,082,301.00	$ 29,773,465.00

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

DEFINED CONTRIBUTION PLAN

The School District has a supplemental plan established under Internal Revenue 403(b).

The School District contributes 3% of each individual full-time employee's salary. An employee becomes fully vested in the Plan with two years of service. Funds accumulated in the employer paid accounts are only available to the employee upon termination and two years of service to the School District. If an employee terminates employment prior to achieving two years of service, funds paid on behalf of the non-vested employee are credited back to the School District. Lincoln Financial Group is the current vendor for the plan.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2020	100%	$ 1,145,988.07
2019	100%	$ 1,086,390.00
2018	100%	$ 1,080,694.00

NOTE 14: TAX ABATEMENTS

Murray County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Murray County.

For the fiscal year ended June 30, 2020, Murray County abated property taxes due to the School District that were levied on October 1, 2019 and due on December 1, 2019 totaling $284,102.70. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 71.17 percent property tax abatement to Oglethorpe Power Corp. The abatement amounted to $202,185.24.
- A 19.88 percent property tax abatement to Scannell Properties #376 LLC. The abatement amounted to $56,484.00.

NOTE 15: EXTRAORDINARY ITEM

During the current year, the School District has recognized that the carrying value of the following assets qualified as impaired due to tornado damage to buildings on April 12, 2020.

Classification (Instruction, Support Services, etc.)	Asset Qualifying As Impaired	Historical Cost	Less Accumulated Depreciation	Carrying Value
Instruction	Bagley Middle School	$ 111,200.00	$ 33,082.00	$ 78,118.00
Instruction	North West Elementary School	1,462,194.00	1,125,319.00	336,875.00
Total Governmental Activities		$ 1,573,394.00	$ 1,158,401.00	$ 414,993.00

During the current year, a tornado touched down on April 12, 2020 in Murray County. Damage occurred on several buildings owned by the School District, which are shown above as impaired assets, and on various IT equipment and a sign which are not capitalized items. The School District received insurance proceeds of $165,617.42 for items that were not capitalized; this is net of the deductible of $25,000.00. The School District also received insurance proceeds of $206,499.27 for tornado damage at Bagley Middle School and $1,544,616.74 for tornado damage at North West Elementary School. Additionally, the School District recognized insurance proceeds for a future settlement amount.

More information related to the insurance settlement can be found in the Subsequent Event note disclosure. Insurance proceeds of $2,816,733.43 were netted with the amount of the impaired assets ($414,993), yielding a gain on impairment of $2,401,740.43, which is reported as an extraordinary item on the Statement of Activities.

NOTE 16: SUBSEQUENT EVENTS

In the subsequent fiscal year, the School District requested an additional insurance settlement for expenses related to the April 12, 2020 tornado damages totaling approximately $1,000,000.00. The School District is currently in negations but not settlement has been reached as of the report date. Currently, the insurance carrier has offered a global settlement in the amount of $900,000.00. This settlement offer is reported as an extraordinary item on the Statement of Activities and as unavailable revenue on the Governmental Funds Balance Sheet.

(This page left intentionally blank)

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.284068%	$ 61,082,301.00	$ 170,516.00	$ 61,252,817.00	$ 34,640,636.00	176.33%	78.56%
2019	0.287485%	$ 53,363,374.00	$ 215,506.00	$ 53,578,880.00	$ 34,381,511.00	155.21%	80.27%
2018	0.290820%	$ 54,049,793.00	$ 346,430.00	$ 54,396,223.00	$ 33,631,473.00	160.71%	79.33%
2017	0.304700%	$ 62,863,007.00	$ 268,204.00	$ 63,131,211.00	$ 33,569,847.00	187.26%	76.06%
2016	0.312394%	$ 47,558,884.00	$ 232,166.00	$ 47,791,050.00	$ 33,135,922.00	143.53%	81.44%
2015	0.318379%	$ 40,222,987.00	$ 197,085.00	$ 40,420,072.00	$ 32,644,102.00	123.22%	84.03%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2020	$ 7,669,598.39	$ 7,669,598.39	$ -	$ 36,373,267.09	21.09%
2019	$ 7,239,893.00	$ 7,239,893.00	$ -	$ 34,640,636.00	20.90%
2018	$ 5,779,532.00	$ 5,779,532.00	$ -	$ 34,381,511.00	16.81%
2017	$ 4,772,349.00	$ 4,772,349.00	$ -	$ 33,631,473.00	14.19%
2016	$ 4,770,070.00	$ 4,770,070.00	$ -	$ 33,569,847.00	14.21%
2015	$ 4,336,309.00	$ 4,336,309.00	$ -	$ 33,135,922.00	13.09%
2014 (1)	$ 4,008,700.00	$ 4,008,700.00	$ -	$ 32,644,102.00	12.28%
2013 (1)	$ 3,723,252.00	$ 3,723,252.00	$ -	$ 32,631,458.00	11.41%
2012 (1)	$ 3,393,836.00	$ 3,393,836.00	$ -	$ 33,011,802.00	10.28%
2011 (1)	$ 3,622,721.00	$ 3,622,721.00	$ -	$ 35,240,525.00	10.28%

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

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

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.00%	$ -	$ 558,324.00	$ 558,324.00	$ 1,456,006.51	N/A	85.02%
2019	0.00%	$ -	$ 538,014.00	$ 538,014.00	$ 1,558,741.00	N/A	85.26%
2018	0.00%	$ -	$ 502,367.00	$ 502,367.00	$ 1,465,184.00	N/A	85.69%
2017	0.00%	$ -	$ 697,490.00	$ 697,490.00	$ 1,440,880.00	N/A	81.00%
2016	0.00%	$ -	$ 506,278.00	$ 506,278.00	$ 1,504,138.00	N/A	87.00%
2015	0.00%	$ -	$ 476,257.00	$ 476,257.00	$ 1,614,770.00	N/A	88.29%

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

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

Year Ended	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.376089%	$ 46,154,189.00	$ -	$ 46,154,189.00	$ 32,092,772.00	143.81%	4.63%
2019	0.375330%	$ 47,703,291.00	$ -	$ 47,703,291.00	$ 31,529,799.00	151.30%	2.93%
2018	0.384345%	$ 54,000,318.00	$ -	$ 54,000,318.00	$ 30,756,520.00	175.57%	1.61%

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

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

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2020	$ 1,241,384.00	$ 1,241,384.00	$ -	$ 36,885,221.13	3.37%
2019	$ 2,025,504.00	$ 2,025,504.00	$ -	$ 32,092,772.00	6.31%
2018	$ 1,945,303.00	$ 1,945,303.00	$ -	$ 31,529,799.00	6.17%

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

Teachers Retirement System

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

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

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

Public School Employees Retirement System

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

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

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

School OPEB Fund

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

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

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

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

SCHEDULE "7"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 15,150,000.00	$ 15,150,000.00	$ 14,416,021.17	$ (733,978.83)
Sales Taxes	250,000.00	250,000.00	272,154.41	22,154.41
State Funds	48,325,479.20	48,329,482.83	48,482,482.82	152,999.99
Federal Funds	8,104,199.00	8,104,199.00	9,522,616.44	1,418,417.44
Charges for Services	678,005.00	678,005.00	796,387.52	118,382.52
Investment Earnings	2,500.00	2,500.00	7,723.31	5,223.31
Miscellaneous	544,500.00	544,500.00	1,665,450.44	1,120,950.44
Total Revenues	73,054,683.20	73,058,686.83	75,162,836.11	2,104,149.28
EXPENDITURES				
Current				
Instruction	47,673,855.46	47,652,079.71	46,444,233.12	1,207,846.59
Support Services				
Pupil Services	2,201,112.89	2,422,954.89	2,841,357.17	(418,402.28)
Improvement of Instructional Services	1,211,964.53	2,809,070.13	2,551,000.47	258,069.66
Educational Media Services	1,085,424.20	1,085,424.20	1,067,954.31	17,469.89
General Administration	608,271.11	731,603.11	628,512.19	103,090.92
School Administration	4,049,500.40	4,049,500.40	4,268,249.19	(218,748.79)
Business Administration	481,779.47	481,779.47	380,553.01	101,226.46
Maintenance and Operation of Plant	5,874,085.94	5,716,178.94	5,046,440.98	669,737.96
Student Transportation Services	3,467,956.47	3,694,731.47	3,687,626.22	7,105.25
Central Support Services	1,717,322.02	1,717,322.02	1,680,943.14	36,378.88
Other Support Services	44,600.00	44,600.00	44,597.52	2.48
Community Services	-	-	260,711.93	(260,711.93)
Food Services Operation	5,311,593.00	5,336,593.00	4,554,771.85	781,821.15
Capital Outlay	-	157,907.00	155,916.58	1,990.42
Debt Service	-	-	374,110.89	(374,110.89)
Total Expenditures	73,727,465.49	75,899,744.34	73,986,978.57	1,912,765.77
Excess of Revenues over (under) Expenditures	(672,782.29)	(2,841,057.51)	1,175,857.54	4,016,915.05
OTHER FINANCING SOURCES (USES)				
Other Sources	40,000.00	142,024.69	750,420.00	608,395.31
Other Uses	(220,000.00)	(531,437.39)	(433,811.25)	97,626.14
Total Other Financing Sources (Uses)	(180,000.00)	(389,412.70)	316,608.75	706,021.45
Net Change in Fund Balances	(852,782.29)	(3,230,470.21)	1,492,466.29	4,722,936.50
Fund Balances - Beginning	13,519,440.15	13,519,440.15	13,590,019.58	70,579.43
Adjustments	(2,131.69)	3,017.50	-	(3,017.50)
Fund Balances - Ending	$ 12,664,526.17	$ 10,291,987.44	$ 15,082,485.87	$ 4,790,498.43

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are $1,061,447.76 and $996,735.97, respectively.

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

See notes to the basic financial statements.

MURRAY COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	205GA324N1099	$ 1,075,102.87
National School Lunch Program	10.555	205GA324N1099	3,316,329.97
Total U. S. Department of Agriculture			4,391,432.84
Education, U. S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A180073	66,891.00
Grants to States	84.027	H027A190073	1,446,589.41
Preschool Grants	84.173	H173A180081	11,545.00
Preschool Grants	84.173	H173A190081	11,695.51
Total Special Education Cluster			1,536,720.92
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048	V048A190010	89,538.00
Education for Homeless Children and Youth	84.196	S196A190011	41,704.98
Education Stabilization Fund	84.425D	S425D200012	1,444,860.00
English Language Acquisition State Grants	84.365	S365A190010	83,060.47
Migrant Education - State Grant Program	84.011	S011A180011	5,700.00
Migrant Education - State Grant Program	84.011	S011A190011	36,360.48
Student Support and Academic Enrichment Program	84.424A	S424A180011	18,468.00
Student Support and Academic Enrichment Program	84.424A	S424A190011	107,142.58
Supporting Effective Instruction State Grants	84.367	S367A180001	45,346.00
Supporting Effective Instruction State Grants	84.367	S367A190001	256,611.16
Title I Grants to Local Educational Agencies	84.010	S010A180010	174,179.00
Title I Grants to Local Educational Agencies	84.010	S010A190010	1,953,246.15
Total Other Programs			4,256,216.82
Total U. S. Department of Education			5,792,937.74
Total Expenditures of Federal Awards			$ 10,184,370.58

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 1,347,273.10
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	2,000,966.00
Kindergarten Program - Early Intervention Program	620,490.00
Primary Grades (1-3) Program	4,506,390.00
Primary Grades - Early Intervention (1-3) Program	1,796,177.00
Upper Elementary Grades (4-5) Program	2,791,982.00
Upper Elementary Grades - Early Intervention (4-5) Program	778,601.00
Middle School (6-8) Program	5,764,740.00
High School General Education (9-12) Program	4,476,815.00
Vocational Laboratory (9-12) Program	1,591,781.00
Students with Disabilities	5,592,902.00
Gifted Student - Category VI	1,883,662.00
Remedial Education Program	463,686.00
Alternative Education Program	393,740.00
English Speakers of Other Languages (ESOL)	1,288,635.00
Media Center Program	888,221.00
20 Days Additional Instruction	273,944.00
Staff and Professional Development	154,228.00
Principal Staff and Professional Development	3,245.00
Indirect Cost	
Central Administration	1,381,113.00
School Administration	1,902,213.00
Facility Maintenance and Operations	1,889,695.00
Amended Formula Adjustment	(616,837.00)
Categorical Grants	
Pupil Transportation	
Regular	685,304.00
Nursing Services	150,366.00
Education Equalization Funding Grant	5,264,072.00
Other State Programs	
Food Services	122,834.00
Hygiene Products in Georgia Schools	7,826.00
Math and Science Supplements	72,860.33
Preschool Disability Services	108,017.00
Pupil Transportation - State Bonds	154,400.00
School Safety Grant	10,432.36
School Security Grant	326,652.46
Teachers Retirement	19,486.44
Vocational Education	237,952.00
Office of the State Treasurer	
Public School Employees Retirement	101,481.50
CONTRACT	
Human Resources, Georgia Department of	
Family Connection	47,136.63
	$ 48,482,482.82

See notes to the basic financial statements.

(This page left intentionally blank)

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

SCHEDULE "10"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)(4)	AMOUNT EXPENDED IN PRIOR YEARS (3)(4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED	ESTIMATED COMPLETION DATE
Constructing and equipping a new facility at Spring Place Elementary School, renovations and improvements to Murray County High School including athletic facilities, renovations and improvements to Gladden Middle School, technology upgrades and equipment and system-wide renovations and improvements, adding to, remodeling, renovating, improving, and equipping existing educational buildings.	$ 20,125,000.00	$ 20,125,000.00	$ 3,642,109.01	$ 15,331,376.64	$ -	$ -	6/30/2022

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

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

(3) The voters of Murray 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) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding for the above projects as follows:

Prior Years	$ 1,247,097.22
Current Year	439,813.33
Total	$ 1,686,910.55

See notes to the basic financial statements.

(This page left intentionally blank)

SECTION II

COMPLIANCE AND INTERNAL CONTROL REPORTS

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Murray County Board of Education (School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

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

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

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

(This page left intentionally blank)

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 18, 2021

(This page left intentionally blank)

DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

(This page left intentionally blank)

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 18, 2021

(This page left intentionally blank)

SECTION III

AUDITEE'S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

(This page left intentionally blank)

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(This page left intentionally blank)

SECTION IV

FINDINGS AND QUESTIONED COSTS

(This page left intentionally blank)

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:
- Material weakness identified? No
- Significant deficiency identified? None Reported

Noncompliance material to financial statements noted: No

Federal Awards

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster
84.425D	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? No

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.