

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2021

Warren County Board of Education

Warrenton, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor
Kristina A. Turner | Deputy State Auditor

DOAA
Georgia Department of Audits & Accounts

Warren County Board of Education

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Warren County Board of Education

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Section I

Financial

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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
Mr. Christopher Harris, Superintendent and Members of the
Warren County Board of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Warren County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The School District restated beginning balances for the effect of GASB Statement No. 84. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2022 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

September 7, 2022

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The discussion and analysis of the Warren County Board of Education's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers are encouraged to review the basic financial statements, and the accompanying notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position increased $1.7 million, with consideration of the restatement, which represents an increase of 36.0 percent from 2020. The majority of the increase was the result of an increase in state funding for capital projects.

- General revenues accounted for $4.7 million. This represents 40.4 percent of all revenues. Program specific revenues in the form of grants and contributions, and charges for services, accounted for $6.9 million or 59.6 percent of total revenues.

- The School District had $9.8 million in expenses related to governmental activities. Program specific grants and contributions, and charges for services of $6.9 million did not cover these expenses. General revenues, primarily property taxes and sales taxes, of $4.7 million provided additional revenue for these programs.

- Among major funds, the general fund had $10.1 million in revenues and $8.9 million in expenditures. The fund balance for the general fund increased by $1.2 million.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements: the government-wide and fund financial statements.

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, are designed to illustrate the School District as an aggregate of its financial activities and present a longer-term view of its finances.

The next level of detail is provided by the fund financial statements. These statements reflect the short-term finances as well as the balances available for future needs. For the Warren County Board of Education, the general fund, capital projects fund and the debt service fund are the most significant funds.

REPORTING THE SCHOOL DISTRICT AS A WHOLE (GOVERNMENT-WIDE)

The Statement of Net Position and the Statement of Activities

While this document includes a number of funds used by the School District to provide programs and activities, a view of the School District as a whole requires look at all financial transactions to ask the question "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether, 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 a result of many factors, some financial, some not. Nonfinancial factors include statewide and local political decisions, facility conditions, required educational programs, and other factors.

The Statement of Net Position and the Statement of Activities is normally divided into two distinct types of activities, governmental and business type activities. All of the School District's activities are reflected as governmental activities. This includes instruction, pupil services, improvement of instructional services, educational media services, general administration, school administration, business administration, maintenance and operation of plant, student transportation services, central support services, other support services, food services, and interest on long-term debt.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS (FUND FINANCIALS)

The fund financial statements provide detailed information about the School District's major funds. The School District's major governmental funds are the general fund, capital projects fund, and the debt service fund.

Governmental Funds - All 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 an accounting method called modified accrual accounting, which measures cash and financial assets that can readily be converted to cash. The governmental fund statements offer a short-term view of the School District's financial activities.

A reconciliation of net changes in governmental fund balances to the governmental activities changes in net position illustrate the relationships (or differences) between the governmental activities reported in the Statement of Net Position and the Statement of Activities to the governmental funds presented in the fund financial statements.

THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2021 compared to fiscal year 2020.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020 (1)
Assets		
Current and Other Assets	$ 6,282,863	$ 4,519,627
Capital Assets, Net	15,627,308	15,584,943
Total Assets	21,910,171	20,104,570
Deferred Outflows of Resources	3,423,172	2,450,113
Liabilities		
Current and Other Liabilities	1,007,428	1,243,930
Long-Term Liabilities	1,930,000	2,300,000
Net Pension Liability	7,741,478	7,090,302
OPEB Liability	6,475,207	5,526,270
Total Liabilities	17,154,113	16,160,502
Deferred Inflows of Resources	1,580,339	1,592,646
Net Position		
Net Investment in Capital Assets	14,911,809	14,367,759
Restricted	1,946,028	1,249,244
Unrestricted (Deficit)	(10,258,946)	(10,815,468)
Total Net Position	$ 6,598,891	$ 4,801,535

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

As shown on Table 2, total net position increased $1.7 million in fiscal year 2021. The majority of the increase was the result of an increase in property tax, capital grants, and federal funding.

Table 2 shows the changes in net position for fiscal year 2021 compared to the changes in net position for fiscal year 2020.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020 (1)
Revenues		
Program Revenues:		
Charges for Services	$ 6,446	$ 18,904
Operating Grants and Contributions	5,743,874	5,961,455
Capital Grants and Contributions	1,135,673	-
Total Program Revenues	6,885,993	5,980,359
General Revenues:		
Taxes		
Property Taxes	3,818,734	3,849,837
Sales Taxes	649,022	614,658
Investment Earnings	20,764	20,292
Miscellaneous	181,674	316,173
Total General Revenues	4,670,194	4,800,960
Total Revenues	11,556,187	10,781,319
Program Expenses:		
Instruction	5,562,377	5,829,083
Support Services		
Pupil Services	293,567	333,739
Improvement of Instructional Services	394,852	269,793
Educational Media Services	116,935	121,193
General Administration	513,194	472,485
School Administration	788,464	779,393
Business Administration	299,812	300,264
Maintenance and Operation of Plant	727,552	922,928
Student Transportation Services	583,970	659,722
Central Support Services	5,668	18,028
Other Support Services	92,937	151,290
Operations of Non-Instructional Services		
Food Services	380,476	532,152
Interest on Long-Term Debt	49,506	62,881
Total Expenses	9,809,310	10,452,951
Increase in Net Position	$ 1,746,877	$ 328,368

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position. See Note 14 in the Notes to the Basic Financial Statements for additional information.

The School District is dependent upon operating grants and property taxes to support governmental activities. Instruction comprises 56.7 percent, support services 38.9 percent, operations of noninstructional services operations 3.9 percent, and interest 0.5 percent of government program expenses.

The Statement of Activities details the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for governmental activities comparing fiscal year 2021 with fiscal year 2020. It identifies the cost of these services supported by tax revenue and other general revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2021	Fiscal Year 2020 (1)	Fiscal Year 2021	Fiscal Year 2020 (1)
Instruction	$ 5,562,377	$ 5,829,083	$ 1,724,320	$ 2,194,561
Support Services:				
Pupil Services	293,567	333,739	(51,327)	190,903
Improvement of Instructional Services	394,852	269,793	253,207	193,892
Educational Media Services	116,935	121,193	(1,573)	34,767
General Administration	513,194	472,485	(154,185)	(52,097)
School Administration	788,464	779,393	178,735	218,553
Business Administration	299,812	300,264	238,016	298,522
Maintenance and Operation of Plant	727,552	922,928	510,868	649,185
Student Transportation Services	583,970	659,722	160,536	479,920
Central Support Services	5,668	18,028	(73,849)	-
Other Support Services	92,937	151,290	21,173	148,211
Operations of Non-Instructional Services:				
Food Services	380,476	532,152	67,892	53,295
Interest on Long-Term Debt	49,506	62,881	49,506	62,881
Total Expenses	$ 9,809,310	$ 10,452,951	$ 2,923,317	$ 4,472,593

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

Although program revenues make up a majority of the revenues, the School District is still dependent upon tax revenues for governmental activities.

THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of $10.8 million and expenditures of $9.6 million. The general fund reflected an increase of $1.2 million, the capital projects fund a decrease of $49 thousand, and the debt service fund an increase of $4 hundred.

The increase in general fund was due to the increase in property taxes, sales taxes, federal funding and conservative spending in the current year. The capital projects fund decrease was primarily due to current year expenses related to the HVAC construction project and purchase of buses. The debt service fund increase was primarily due to the slight increase in bond property taxes.

GENERAL FUND BUDGET HIGHLIGHTS

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the general fund. The general fund consists of the general operations, special revenue, and school nutrition program.

For the general fund, the final budgeted revenues and other financing sources of $10.2 million increased the original budgeted amount of $9.3 million by $964 thousand. This difference was mainly an increase of $327 thousand in federal revenues and increase of $403 thousand in state revenue due to the awarding and changes of federal and state allocations after the fiscal year budget had been approved. The actual revenue was less than the budgeted amount by $45 thousand. The majority of the variance between the final budget and actual revenue in 2021 is due to the net impact of receiving more property tax fund and less Elementary and Secondary School Emergency Relief (ESSER) funds than expected. In addition, school activity accounts were not budgeted.

The final budgeted expenditures and other financing uses of $10.1 million increased the original budget of $9.2 million by $938 thousand. The difference was due to various budget adjustments for state, federal, and local grants decided above. The actual expenditures were $1.1 million less than the final budgeted amount. The majority of the variance between the final budgeted expenditures and actual expenditures is due to school opening delays because of COVID-19, decrease in instructional staff, and the fact that student activity fund expenditures are not budgeted. Additionally, the decrease was due to Elementary and Secondary School Emergency Relief (ESSER) expenditures that were budgeted but not fully expended.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt

At June 30, 2021, the School District had general obligation bonds. Table 4 shows fiscal year 2021 balances compared with fiscal year 2020 balances.

Table 4
Debt at June 30

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
General Obligation Bonds	$ 1,930,000.00	$ 2,300,000.00

Capital Assets

At the end of fiscal year 2021, the School District had capital assets of $15.6 million, net of accumulated depreciation. Table 5 shows fiscal year 2021 balances compared with fiscal year 2020 balances.

Table 5
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
Land	$ 300,869	$ 300,869
Construction In Progress	-	1,197,064
Buildings and Building Improvements	13,220,624	12,093,745
Equipment	1,241,836	1,111,348
Land Improvements	863,977	881,913
Total	$ 15,627,306	$ 15,584,939

The majority of the increase in capital assets of $42 thousand was due to the net impact of the completion of the HVAC construction project and the purchase of two buses.

CURRENT FINANCIAL ISSUES AND CONCERNS

Warren County continues to monitor all sources of revenue and continually assesses its ability to fund standard operations and capital expansion. Through conservative budgeting and spending, increased class sizes, and operational efficiencies, the School District has continued to maintain its educational programs and financial stability.

The millage rate for the School District for fiscal year 2021 was slightly decreased to 18.361 mills for maintenance and operation. Sales tax collections continue to provide sufficient funding to meet the Education Special Purpose Local Option Sales Tax (ESPLOST) funded bond obligations.

The continuing shift of the financial burden for public schooling from the state to the local taxpayers presents major challenges for small rural systems such as ours and remains as the most significant financial concern for the School District. In addition, the cost of the non-certified state health cost remains one of the most serious concerns for the School District. Over the last thirteen years, the increase for these costs has sky-rocketed. As no state funding is appropriated for the non-certified employee, this burden becomes solely of the local taxpayers.

Warren County is looking forward to fiscal year 2023. We will continue to look closely into monitoring operating expenses and ensuring that personnel allotments are in line with student enrollment per school. Projected revenues, along with fund balance, continues to be sufficient to cover planned expenses.

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 reflect the School District's accountability for the monies it receives. For additional financial information, or with questions about this report, please contact Fran Hutcheson, Finance Director, Warren County Board of Education 115 Gibson Highway Warrenton, GA 30828 or email at fhutcheson@warren.k12.ga.us.

Warren County Board of Education

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WARREN COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT "A"

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	$	4,170,675.45
Investments		20,000.00
Accounts Receivable, Net		
Interest		18.27
Taxes		432,617.10
State Government		1,458,708.30
Federal Government		188,022.08
Other		111.04
Inventories		12,710.68
Capital Assets, Non-Depreciable		300,869.34
Capital Assets, Depreciable (Net of Accumulated Depreciation)		15,326,438.21
Total Assets		21,910,170.47
DEFERRED OUTFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		2,107,789.99
Related to OPEB Plan		1,315,382.00
Total Deferred Outflows of Resources		3,423,171.99
LIABILITIES		
Accounts Payable		98,847.35
Salaries and Benefits Payable		775,684.47
Payroll Withholdings Payable		106,468.76
Interest Payable		17,453.51
Deposits and Unearned Revenues		8,973.41
Net Pension Liability		7,741,478.00
Net OPEB Liability		6,475,207.00
Long-Term Liabilities		
Due Within One Year		415,000.00
Due in More Than One Year		1,515,000.00
Total Liabilities		17,154,112.50
DEFERRED INFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		163,344.00
Related to OPEB Plan		1,416,995.00
Total Deferred Inflows of Resources		1,580,339.00
NET POSITION		
Net Investment in Capital Assets		14,911,808.86
Restricted for		
Bus Replacement		77,220.00
Continuation of Federal Programs		126,943.72
Debt Service		421,679.74
Capital Projects		1,320,184.93
Unrestricted (Deficit)		(10,258,946.29)
Total Net Position	$	6,598,890.96

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

WARREN COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

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	$ 5,562,376.57	$ -	$ 3,321,251.69	$ 516,804.33	$ (1,724,320.55)
Support Services					
Pupil Services	293,567.39	-	128,772.61	216,121.54	51,326.76
Improvement of Instructional Services	394,852.10	-	141,645.30	-	(253,206.80)
Educational Media Services	116,934.81	-	90,192.16	28,316.25	1,573.60
General Administration	513,193.96	-	515,186.26	152,193.11	154,185.41
School Administration	788,463.82	-	609,729.20	-	(178,734.62)
Business Administration	299,812.28	-	61,796.32	-	(238,015.96)
Maintenance and Operation of Plant	727,552.37	-	204,378.18	12,306.44	(510,867.75)
Student Transportation Services	583,969.70	-	268,994.04	154,440.00	(160,535.66)
Central Support Services	5,667.57	-	79,516.44	-	73,848.87
Other Support Services	92,937.32	-	71,764.48	-	(21,172.84)
Operations of Non-Instructional Services					
Food Services	380,476.00	6,445.50	250,647.60	55,491.33	(67,891.57)
Interest on Long-Term Debt	49,505.67	-	-	-	(49,505.67)
Total Governmental Activities	$ 9,809,309.56	$ 6,445.50	$ 5,743,874.28	$ 1,135,673.00	(2,923,316.78)

General Revenues	
Taxes	
Property Taxes	
For Maintenance and Operations	3,760,888.24
For Debt Services	(1,884.01)
Railroad Cars	57,225.18
Other Taxes	2,504.49
Sales Taxes	
Special Purpose Local Option Sales Tax	
For Capital Projects	623,714.03
Other Sales Tax	25,307.89
Investment Earnings	20,763.68
Miscellaneous	181,674.30
Total General Revenues	4,670,193.80
Change in Net Position	1,746,877.02
Net Position - Beginning of Year (Restated)	4,852,013.94
Net Position - End of Year	$ 6,598,890.96

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

WARREN COUNTY BOARD OF EDUCATION

EXHIBIT "C"

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 3,446,534.06	$ 719,062.17	$ 5,079.22	$ 4,170,675.45
Investments	20,000.00	-	-	20,000.00
Accounts Receivable, Net				
Interest	-	18.27	-	18.27
Taxes	377,669.94	53,916.74	1,030.42	432,617.10
State Government	477,475.30	981,233.00	-	1,458,708.30
Federal Government	188,022.08	-	-	188,022.08
Other	111.04	-	-	111.04
Inventories	12,710.68	-	-	12,710.68
Total Assets	$ 4,522,523.10	$ 1,754,230.18	$ 6,109.64	$ 6,282,862.92
LIABILITIES				
Accounts Payable	$ 98,847.35	$ -	$ -	$ 98,847.35
Salaries and Benefits Payable	775,684.47	-	-	775,684.47
Payroll Withholdings Payable	106,468.76	-	-	106,468.76
Deposits and Unearned Revenues	8,973.41	-	-	8,973.41
Total Liabilities	989,973.99	-	-	989,973.99
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	229,869.98	-	1,021.64	230,891.62
Unavailable Revenue - Georgia State Financing and Investment Commission	-	981,233.00	-	981,233.00
Total Deferred Inflows of Resources	229,869.98	981,233.00	1,021.64	1,212,124.62
FUND BALANCES				
Nonspendable	12,710.68	-	-	12,710.68
Restricted	191,453.04	772,997.18	5,088.00	969,538.22
Assigned	93,049.67	-	-	93,049.67
Unassigned	3,005,465.74	-	-	3,005,465.74
Total Fund Balances	3,302,679.13	772,997.18	5,088.00	4,080,764.31
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,522,523.10	$ 1,754,230.18	$ 6,109.64	$ 6,282,862.92

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

WARREN COUNTY BOARD OF EDUCATION

EXHIBIT "D"

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION

JUNE 30, 2021

Total fund balances - governmental funds (Exhibit "C")			$ 4,080,764.31
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	$	300,869.34	
Buildings and improvements		15,848,075.56	
Equipment		2,839,712.66	
Land improvements		1,043,774.00	
Accumulated depreciation		(4,405,124.01)	15,627,307.55
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension liability	$	(7,741,478.00)	
Net OPEB liability		(6,475,207.00)	(14,216,685.00)
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	$	1,944,445.99	
Related to OPEB		(101,613.00)	1,842,832.99
Taxes that are not available to pay for current period expenditures are deferred in the funds.			230,891.62
Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.			981,233.00
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	$	(1,930,000.00)	
Accrued interest payable		(17,453.51)	(1,947,453.51)
Net position of governmental activities (Exhibit "A")			$ 6,598,890.96

WARREN COUNTY BOARD OF EDUCATION

EXHIBIT "E"

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 4,002,790.62	$ -	$ 404.85	$ 4,003,195.47
Sales Taxes	25,307.60	623,714.03	0.29	649,021.92
State Funds	4,468,534.13	-	-	4,468,534.13
Federal Funds	1,436,752.15	-	-	1,436,752.15
Charges for Services	6,445.50	-	-	6,445.50
Investment Earnings	20,318.02	445.66	-	20,763.68
Miscellaneous	181,674.30	-	-	181,674.30
Total Revenues	10,141,822.32	624,159.69	405.14	10,766,387.15
EXPENDITURES				
Current				
Instruction	4,919,086.18	62,309.87	-	4,981,396.05
Support Services				
Pupil Services	270,068.89	-	-	270,068.89
Improvement of Instructional Services	378,673.09	-	-	378,673.09
Educational Media Services	97,504.88	-	-	97,504.88
General Administration	479,877.95	1,113.60	-	480,991.55
School Administration	739,545.52	-	-	739,545.52
Business Administration	295,727.09	-	-	295,727.09
Maintenance and Operation of Plant	711,373.30	-	-	711,373.30
Student Transportation Services	600,457.53	143,780.00	-	744,237.53
Central Support Services	92,179.71	-	-	92,179.71
Food Services Operation	359,611.05	-	-	359,611.05
Capital Outlay	-	43,084.61	-	43,084.61
Debt Services				
Principal	-	-	370,000.00	370,000.00
Interest	-	-	52,743.50	52,743.50
Total Expenditures	8,944,105.19	250,288.08	422,743.50	9,617,136.77
Revenues over (under) Expenditures	1,197,717.13	373,871.61	(422,338.36)	1,149,250.38
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	422,743.50	422,743.50
Transfers Out	-	(422,743.50)	-	(422,743.50)
Total Other Financing Sources (Uses)	-	(422,743.50)	422,743.50	-
Net Change in Fund Balances	1,197,717.13	(48,871.89)	405.14	1,149,250.38
Fund Balances - Beginning (Restated)	2,104,962.00	821,869.07	4,682.86	2,931,513.93
Fund Balances - Ending	$ 3,302,679.13	$ 772,997.18	$ 5,088.00	$ 4,080,764.31

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

WARREN 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, 2021

Net change in fund balances total governmental funds (Exhibit "E")		$ 1,149,250.38
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	$ 299,797.70	
Depreciation expense	(257,433.11)	42,364.59
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(184,461.57)
Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.		981,233.00
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.		
Bond principal retirements		370,000.00
District pension/OPEB 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	$ (523,273.21)	
OPEB expense	(91,474.00)	(614,747.21)
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		3,237.83
Change in net position of governmental activities (Exhibit "B")		$ 1,746,877.02

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Warren 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. 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 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. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

- 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 grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property) legally restricted for the payment of general long-term principal and interest.

Basis Of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide 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. Non-exchange 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 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

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

New Accounting Pronouncements

In fiscal year 2021, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The cumulative effect of the GASB Statement No. 84 is described in the restatement note.

In fiscal year 2021, the School District 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-in, first-out basis). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000.00	20 to 90 years
Buildings and Improvements	$ 5,000.00	50 to 90 years
Equipment	$ 5,000.00	5 to 50 years
Intangible Assets	$ 100,000.00	10 to 20 years

Deferred Outflows/Inflows of Resources

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

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

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.

Post-Employment 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 Post-Employment 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 Warren County Board of Commissioners adopted the property tax levy for the 2020 tax digest year (calendar year) on September 21, 2020 (levy date) based on property values as of January 1, 2020. Taxes were due on December 20, 2020 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2020 tax digest are reported as revenue in the governmental funds for fiscal year 2021. The Warren County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2021, for maintenance and operations amounted to $3,622,934.43 and for school bonds amounted to $404.85.

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	18.361 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $320,126.52 during fiscal year ended June 30, 2021.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $623,714.03 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 fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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

NOTE 4: DEPOSITS 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, 2021, the School District had deposits with a carrying amount of $3,518,693.30, and a bank balance of $3,768,051.29. The bank balances insured by Federal depository insurance were $325,250.06 and the remaining balance of $3,442,801.23 was exposed to custodial credit risk and 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	$	4,170,675.45
Add:		
Deposits with original maturity of three months or more reported as investments		20,000.00
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		671,982.15
Total carrying value of deposits - June 30, 2021	$	3,518,693.30

Categorization of Cash Equivalents

The School District reported cash equivalents of $671,982.15 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, 2021 was 36 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 Annual Comprehensive Financial Report, which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

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, 2020	Increases	Decreases	Transfers	Balances June 30, 2021
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	$ 300,869.34	$ -	$ -	$ -	$ 300,869.34
Construction in Progress	1,197,064.10	78,797.70	-	(1,275,861.80)	-
Total Capital Assets					
Not Being Depreciated	1,497,933.44	78,797.70	-	(1,275,861.80)	300,869.34
Capital Assets					
Being Depreciated					
Buildings and Improvements	14,572,213.76	-	-	1,275,861.80	15,848,075.56
Equipment	2,646,320.66	221,000.00	27,608.00	-	2,839,712.66
Land Improvements	1,043,774.00	-	-	-	1,043,774.00
Less Accumulated Depreciation:					
Buildings and Improvements	2,478,464.92	148,986.34	-	-	2,627,451.26
Equipment	1,534,972.71	90,511.50	27,608.00	-	1,597,876.21
Land Improvements	161,861.27	17,935.27	-	-	179,796.54
Total Capital Assets,					
Being Depreciated, Net	14,087,009.52	(36,433.11)	-	1,275,861.80	15,326,438.21
Governmental Activities					
Capital Assets - Net	$ 15,584,942.96	$ 42,364.59	$ -	$ -	$ 15,627,307.55

Current year depreciation expense by function is as follows:

Instruction		$ 146,977.90
Support Services		
Educational Media Services	$ 5,667.60	
General Administration	30,462.00	
Maintenance and Operation of Plant	2,463.19	
Student Transportation Services	60,755.62	99,348.41
Food Services		11,106.80
		$ 257,433.11

NOTE 6: INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to	Transfers From Capital Projects Fund
Debt Service Fund	$ 422,743.50

Transfers are used to move Education Special Purpose Local Option Sales Tax (ESPLOST) revenues collected by the capital projects fund to the debt service fund to pay current bond principal and interest.

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, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation (G.O.) Bonds	$ 2,300,000.00	$ -	$ 370,000.00	$ 1,930,000.00	$ 415,000.00

General Obligation Debt Outstanding

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

The School District's outstanding bonds from direct placement related to governmental activities of $1,930,000.00 contain a provision that in an event the entity is unable to make the principal and interest payments using the proceeds of the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District for school bond purposes. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriation entitled to the School District to be withheld for the payment of principal and interest.

Of the total amount originally authorized, $850,000.00 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2019	2.42% - 2.6%	4/10/2019	8/1/2025	$ 2,300,000.00	$ 1,930,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt Principal	Interest
2022	$ 415,000.00	$ 43,224.25
2023	425,000.00	32,997.00
2024	440,000.00	22,356.00
2025	450,000.00	11,050.00
2026	200,000.00	2,600.00
Total Principal and Interest	$ 1,930,000.00	$ 112,227.25

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 110% 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
2020	$ -	$ -	$ -	$ -
2021	$ -	$ 1,687.20	$ 1,681.00	$ 6.20

Surety Bond

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

Position Covered	Amount
Superintendent	$ 100,000.00
Principals (each)	$ 10,000.00
Security Officer	$ 8,000.00
Driver Education	$ 10,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2021:

Nonspendable		
Inventories		$ 12,710.68
Restricted		
Continuation of Federal Programs	$ 114,233.04	
Bus Replacement	77,220.00	
Capital Projects	338,951.93	
Debt Service	439,133.25	969,538.22
Assigned		
School Activity Accounts		93,049.67
Unassigned		3,005,465.74
Fund Balance, June 30, 2021		$ 4,080,764.31

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 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.

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit post-employment 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 $155,256.00 for the year ended June 30, 2021. 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, 2021, the School District reported a liability of $6,475,207.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based

on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 0.044086%, which was a decrease of 0.000945% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of $246,730.00. At June 30, 2021, 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	$ -	$ 706,892.00
Changes of assumptions	1,070,855.00	576,154.00
Net difference between projected and actual earnings on OPEB plan investments	16,877.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	72,394.00	133,949.00
School District contributions subsequent to the measurement date	155,256.00	-
Total	$ 1,315,382.00	$ 1,416,995.00

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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2022	$ (139,181.00)
2023	$ (139,634.00)
2024	$ (101,186.00)
2025	$ 3,994.00
2026	$ 86,921.00
2027	$ 32,217.00

Actuarial Assumptions: The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

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

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 Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 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. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future morality improvement in the tables used by the plan.

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

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

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. 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%	0.50%
Equities	70.00%	9.20%
Total	100.00%	

*Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the 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 2118.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the collective net OPEB liability of the participating employers calculated using the discount rate of 2.22%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.22%) or 1-percentage-point higher (3.22%) than the current discount rate:

	1% Decrease (1.22%)	Current Discount Rate (2.22%)	1% Increase (3.22%)
School District's proportionate share of the Net OPEB liability	$ 7,607,300.00	$ 6,475,207.00	$ 5,569,849.00

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 collective net OPEB liability of the participating employers would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	$ 5,391,260.00	$ 6,475,207.00	$ 7,878,602.00

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report, which is publicly available at https://sao.georgia.gov/statewide-reporting/acfr.

NOTE 12: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 19.06%. For the current fiscal year, employer contributions to the pension plan were $757,541.99.

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 $15.50, 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 $19,049.00.

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

At June 30, 2021, the School District reported a liability of $7,741,478.00 for its proportionate share of the net pension liability for TRS.

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

At June 30, 2020, the School District's TRS proportion was 0.031958%, which was a decrease of 0.001016% from its proportion measured as of June 30, 2019.

At June 30, 2021, 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 $101,610.00.

The PSERS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of $1,272,446.00 for TRS and $20,447.00 for PSERS and revenue of ($8,370.00) for TRS and $20,447.00 for PSERS. The revenue is support provided by the State of Georgia.

At June 30, 2021, 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	$ 337,144.00	$ -
Changes of assumptions	797,381.00	-
Net difference between projected and actual earnings on pension plan investments	186,455.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	29,268.00	163,344.00
School District contributions subsequent to the measurement date	757,541.99	-
Total	$ 2,107,789.99	$ 163,344.00

The 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 pension liability in the year ended June 30, 2022. 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
2022	$ 247,424.00
2023	$ 395,631.00
2024	$ 394,255.00
2025	$ 149,594.00

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

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

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, 2019 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 asset 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 the 2.75% assumed rate of inflation with the exception of TRS, which assumed a rate of 2.50% 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 plans' fiduciary net position were 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	$ 12,276,137.00	$ 7,741,478.00	$ 4,024,359.00

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 http://www.ers.ga.gov/financials.

NOTE 13: TAX ABATEMENTS

Warren 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 Warren County.

For the fiscal year ended June 30, 2021, Warren County abated property taxes due to the School District that were levied on September 21, 2020 and due on December 20, 2020 totaling $199,183.46. This amount abated resulted from a 7-year individual tax abatement agreement and a 12-year individual tax abatement agreement with two manufacturing plants.

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

For fiscal year 2021, the School District made prior period adjustments due to the adoption of GASB Statement No. 84, as described in "New Accounting Pronouncements," which requires the restatement of the June 30, 2020 net position in governmental activities and fund balance in the general fund and fiduciary funds. These changes are in accordance with generally accepted accounting principles.

Net Position, July 1, 2020 as previously reported	$	4,801,535.03
Prior Period Adjustment - Implementation of GASB No. 84:		
School Activity Account Reclassification		30,274.75
Scholarship Account Reclassification		20,204.16
Net Position, July 1, 2020 as restated		4,852,013.94
Fund Balance (General Fund), July 1, 2020, as previously reported	$	2,054,483.09
Prior Period Adjustment - Implementation of GASB No. 84:		
School Activity Account Reclassification		30,274.75
Scholarship Account Reclassification		20,204.16
Fund Balance (General Fund), July 1, 2020, as restated	$	2,104,962.00
Net Position (Fiduciary Funds), July 1, 2020 as previously reported	$	20,204.16
Prior Period Adjustment - Implementation of GASB No. 84:		
Scholarship Account Reclassification		(20,204.16)
Net Position (Custodial Funds), July 1, 2020 as restated	$	-

Funds Held for Others of $30,274.75, previously presented in Fiduciary Funds, was reclassified to Net Position and Fund Balance (General Fund).

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WARREN 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	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.031958%	$ 7,741,478.00	$ -	$ 7,741,478.00	$ 4,120,270.60	187.89%	77.01%
2020	0.032974%	$ 7,090,302.00	$ -	$ 7,090,302.00	$ 4,049,159.57	175.11%	78.56%
2019	0.033101%	$ 6,144,255.00	$ -	$ 6,144,255.00	$ 3,802,536.47	161.58%	80.27%
2018	0.032812%	$ 6,098,211.00	$ -	$ 6,098,211.00	$ 3,770,530.42	161.73%	79.33%
2017	0.032653%	$ 6,736,678.00	$ 38,168.00	$ 6,774,846.00	$ 3,601,972.65	187.03%	76.06%
2016	0.032294%	$ 4,916,441.00	$ 37,908.00	$ 4,954,349.00	$ 3,435,114.77	143.12%	81.44%
2015	0.032580%	$ 4,116,053.00	$ 32,469.00	$ 4,148,522.00	$ 3,328,544.95	123.66%	84.03%

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

WARREN COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	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
2021	$ 757,541.99	$ 757,541.99	$ -	$ 3,974,512.04	19.06%
2020	$ 871,025.20	$ 871,025.20	$ -	$ 4,120,270.60	21.14%
2019	$ 841,049.35	$ 841,049.35	$ -	$ 4,049,159.57	20.77%
2018	$ 639,206.35	$ 639,206.35	$ -	$ 3,802,536.47	16.81%
2017	$ 538,054.71	$ 538,054.71	$ -	$ 3,770,530.42	14.27%
2016	$ 511,111.70	$ 511,111.70	$ -	$ 3,601,972.65	14.19%
2015	$ 448,833.69	$ 448,833.69	$ -	$ 3,435,114.77	13.07%

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

WARREN 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	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.00%	$ -	$ 101,610.00	$ 101,610.00	$ 237,526.55	N/A	84.45%
2020	0.00%	$ -	$ 109,756.00	$ 109,756.00	$ 240,946.49	N/A	85.02%
2019	0.00%	$ -	$ 99,465.00	$ 99,465.00	$ 269,860.67	N/A	85.26%
2018	0.00%	$ -	$ 81,686.00	$ 81,686.00	$ 222,802.38	N/A	85.69%
2017	0.00%	$ -	$ 102,730.00	$ 102,730.00	$ 179,903.80	N/A	81.00%
2016	0.00%	$ -	$ 69,353.00	$ 69,353.00	$ 202,713.38	N/A	87.00%
2015	0.00%	$ -	$ 77,879.00	$ 77,879.00	$ 292,832.46	N/A	88.29%

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

WARREN 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	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.044086%	$ 6,475,207.00	$ -	$ 6,475,207.00	$ 5,130,042.21	126.22%	3.99%
2020	0.045031%	$ 5,526,270.00	$ -	$ 5,526,270.00	$ 5,086,830.42	108.64%	4.63%
2019	0.044543%	$ 5,661,279.00	$ -	$ 5,661,279.00	$ 4,798,844.36	117.97%	2.93%
2018	0.044282%	$ 6,221,603.00	$ -	$ 6,221,603.00	$ 4,507,954.55	138.01%	1.61%

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

WARREN COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND

For the Year Ended June 30	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
2021	$ 155,256.00	$ 155,256.00	$ -	$ 5,047,870.48	3.08%
2020	$ 149,090.00	$ 149,090.00	$ -	$ 5,130,042.21	2.91%
2019	$ 242,522.00	$ 242,522.00	$ -	$ 5,086,830.42	4.77%
2018	$ 230,860.00	$ 230,860.00	$ -	$ 4,798,844.36	4.81%
2017	$ 230,888.00	$ 230,888.00	$ -	$ 4,507,954.55	5.12%

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%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teacher Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Public School Employees Retirement System

Changes of benefit terms: The member contribution rate was increased from $4.00 to $10.00 per month for members joining the System on or after July 1, 2012. The monthly benefit accrual rate was increased from $14.75 to $15.00 per year of credible service effective July 1, 2017. The monthly benefit accrual was increased from $15.00 to $15.25 per year of credible service effective July 1, 2018. The monthly benefit accrual was increased from $15.25 to $15.50 per year of credible service effective July 1, 2019. A 2% cost-of-living adjustment (COLA) was granted to certain retirees and beneficiaries effective July 2016, another July 2017, and another July 2018. Two 1.5% COLAs were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

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. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

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 June 30, 2019 decremental valuation were changed to reflect the Teachers Retirement Systems experience study.

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, to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

WARREN COUNTY BOARD OF EDUCATION

SCHEDULE "7"

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 3,623,324.28	$ 3,704,576.28	$ 4,002,790.62	$ 298,214.34
Sales Taxes	12,701.00	70,000.00	25,307.60	(44,692.40)
State Funds	3,940,340.50	4,342,794.42	4,468,534.13	125,739.71
Federal Funds	1,658,512.63	1,985,074.03	1,436,752.15	(548,321.88)
Charges for Services	23,838.30	23,838.30	6,445.50	(17,392.80)
Investment Earnings	130.37	15,130.37	20,318.02	5,187.65
Miscellaneous	20,000.00	45,000.00	181,674.30	136,674.30
Total Revenues	9,278,847.08	10,186,413.40	10,141,822.32	(44,591.08)
EXPENDITURES				
Current				
Instruction	5,294,497.36	5,324,257.72	4,919,086.18	405,171.54
Support Services				
Pupil Services	245,263.56	335,535.03	270,068.89	65,466.14
Improvement of Instructional Services	315,293.10	438,784.98	378,673.09	60,111.89
Educational Media Services	99,610.90	104,124.90	97,504.88	6,620.02
General Administration	480,360.48	517,997.45	479,877.95	38,119.50
School Administration	574,954.72	663,247.13	739,545.52	(76,298.39)
Business Administration	301,727.43	364,539.89	295,727.09	68,812.80
Maintenance and Operation of Plant	619,630.33	770,782.70	711,373.30	59,409.40
Student Transportation Services	571,520.61	823,891.57	600,457.53	223,434.04
Other Support Services	95,588.77	103,666.93	92,179.71	11,487.22
Food Services Operation	558,888.12	592,300.97	359,611.05	232,689.92
Total Expenditures	9,157,335.38	10,039,129.27	8,944,105.19	1,095,024.08
Excess of Revenues over (under) Expenditures	121,511.70	147,284.13	1,197,717.13	1,050,433.00
OTHER FINANCING SOURCES(USES)				
Other Sources	12,256.00	12,256.00	-	(12,256.00)
Operating Transfers From Other Funds	-	56,028.29	-	(56,028.29)
Operating Transfers To Other Funds	-	(56,028.29)	-	56,028.29
Total Other Financing Sources (Uses)	12,256.00	12,256.00	-	(12,256.00)
Net Change in Fund Balances	133,767.70	159,540.13	1,197,717.13	1,038,177.00
Fund Balances - Beginning (Restated)	2,257,654.67	2,257,654.67	2,104,962.00	(152,692.67)
Adjustments	-	(5,639.10)	-	5,639.10
Fund Balances - Ending	$ 2,391,422.37	$ 2,411,555.70	$ 3,302,679.13	$ 891,123.43

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 $101,047.48 and $93,089.01, 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.

WARREN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING 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	215GA324N1199	$ 87,050.68
National School Lunch Program	10.555	215GA324N1199	224,409.94
U.S. Department of Agriculture			311,460.62
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	366,469.89
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	715.00
Total Education Stabilization Fund			367,184.89
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A200073	15,092.00
Grants to States	84.027A	H027A210073	159,774.08
Preschool Grants	84.173A	H173A200081	9,428.00
Preschool Grants	84.173A	H173A210081	28,868.32
Total Special Education Cluster			213,162.40
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	12,386.15
Rural Education	84.358B	S365B190010	1,468.00
Rural Education	84.358B	S365B200010	12,109.00
Student Support and Academic Enrichment Program	84.424A	S424A200011	33,681.00
Supporting Effective Instruction State Grants	84.367A	S367A190001	4,035.00
Supporting Effective Instruction State Grants	84.367A	S367A200001	41,306.30
Title I Grants to Local Educational Agencies	84.010A	S010A190010	83,878.00
Title I Grants to Local Educational Agencies	84.010A	S010A200010	404,711.33
Total Other Programs			593,574.78
Total U. S. Department of Education			1,173,922.07
Health and Human Services, U. S. Department of			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	2110GACCC5	2,029.00
Total Expenditures of Federal Awards			$ 1,487,411.69

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 Warren County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Donated Personal Protective Equipment

In response to the COVID-19 pandemic, the federal government donated personal protective equipment (PPE) to Georgia Emergency Management and Homeland Security Agency (GEMA/HS). GEMA/HS, then, donated PPE with an estimated fair market value of $2,790.00 to the Warren County Board of Education. This amount is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit. Therefore, this amount is unaudited.

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 79,139.60
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	152,040.00
Kindergarten Program - Early Intervention Program	76,386.00
Primary Grades (1-3) Program	420,862.00
Primary Grades - Early Intervention (1-3) Program	107,695.00
Upper Elementary Grades (4-5) Program	147,478.00
Upper Elementary Grades - Early Intervention (4-5) Program	147,608.00
Middle School (6-8) Program	420,385.00
High School General Education (9-12) Program	303,037.00
Vocational Laboratory (9-12) Program	80,059.00
Students with Disabilities	993,987.00
Gifted Student - Category VI	8,995.00
Remedial Education Program	1,348.00
Alternative Education Program	24,310.00
Media Center Program	68,403.00
20 Days Additional Instruction	19,791.00
Staff and Professional Development	13,848.00
Principal Staff and Professional Development	805.00
Indirect Cost	
Central Administration	281,857.00
School Administration	282,512.00
Facility Maintenance and Operations	148,542.00
Amended Formula Adjustment	(98,110.00)
Charter System Adjustment	65,126.00
Categorical Grants	
Pupil Transportation	
Regular	181,427.00
Bus Replacement	77,220.00
Nursing Services	45,000.00
Sparsity	260,557.00
Other State Programs	
Farm to Table	2,043.00
Food Services	12,134.00
GEMA Donations to LEAs	11,429.47
Hygiene Products	404.00
Math and Science Supplements	8,252.16
Preschool Disability Services	20,869.90
Pupil Transportation - State Bonds	77,220.00
Vocational Education	6,825.00
Office of the State Treasurer	
Public School Employees Retirement	19,049.00
	$ 4,468,534.13

See notes to the basic financial statements.

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WARREN COUNTY BOARD OF EDUCATION

SCHEDULE "10"

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS

YEAR ENDED JUNE 30, 2021

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
2014-2019 SPLOST			
(i) For the purposes of retiring the remaining principal and interest on the School District's previously issued Series 2005 Bonds and, to extent Special 1% Tax proceeds are available after the payment of the principal of and interest on the series 2005 Bonds.	$ 3,000,000.00	$ 3,631,138.17	Completed
(ii) Funding the cost of constructing new School District facilities, and rehabilitating, repairing, renovating, extending, equipping, and improving existing School District.	-	804,422.96	Completed
Subtotal 2014 - 2019 Projects	3,000,000.00	4,435,561.13	
2019-2024 SPLOST			
(i) Acquiring, constructing, repairing, improving, renovating, adding to, extending, upgrading, furnishing, and equipping school buildings and support facilities and infrastructure in Warren County School District useful or desirable in connection therewith, including acquiring any necessary property therefore, both real and personal;	1,000,000.00	2,000,000.00	10/1/2024
(ii) Acquiring buses, vehicles, and/or transporation equipment;	550,000.00	1,000,000.00	10/1/2024
(iii) Repairing and/or replacing HVAC and related equipment;	900,000.00	1,300,000.00	10/1/2024
(iv) Repairing and replacing asphalt at the main campus and the career academy;	400,000.00	400,000.00	10/1/2024
(v) Modifying existing facilities including new walls, doors, and/or vents;	20,000.00	180,000.00	10/1/2024
(vi) Constructing a storage shed for the main campus;	5,000.00	11,000.00	10/1/2024
(vii) Repairing the press box and adding heating and air conditioning thereto;	5,000.00	5,000.00	10/1/2024
(viii) Aquiring and/or constructing improvements for traffic safety;	-	-	10/1/2024
(ix) Acquiring equipment for physical education and the athletic and custodial departments;	20,000.00	50,000.00	10/1/2024
(x) Acquiring technology, computer, safety, security, and/or fire protection equipment (collectively, the "Projects"); and	200,000.00	400,000.00	10/1/2024
(xi) Paying expenses incident to issuing bonds.	50,000.00	51,031.19	Completed
Subtotal 2019 - 2024 Projects	3,150,000.00	5,397,031.19	
Total	$ 6,150,000.00	$ 9,832,592.32	

WARREN COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2021

SCHEDULE "10"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)(4)	AMOUNT EXPENDED IN PRIOR YEARS (3)(4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
2014-2019 SPLOST				
(i) For the purposes of retiring the remaining principal and interest on the School District's previously issued Series 2005 Bonds and, to extent Special 1% Tax proceeds are available after the payment of the principal of and interest on the series 2005 Bonds.	$ -	$ 3,631,138.17	$ 3,631,138.17	$ -
(ii) Funding the cost of constructing new School District facilities, and rehabilitating, repairing, renovating, extending, equipping, and improving existing School District.	-	804,422.96	804,422.96	-
Subtotal 2014 - 2019 Projects	-	4,435,561.13	4,435,561.13	-
2019-2024 SPLOST				
(i) Acquiring, constructing, repairing, improving, renovating, adding to, extending, upgrading, furnishing, and equipping school buildings and support facilities and infrastructure in Warren County School District useful or desirable in connection therewith, including acquiring any necessary property therefore, both real and personal;	1,113.60	401,469.49	-	-
(ii) Acquiring buses, vehicles, and/or transporation equipment;	143,780.00	639,716.81	-	-
(iii) Repairing and/or replacing HVAC and related equipment;	43,084.61	1,181,978.21	-	-
(iv) Repairing and replacing asphalt at the main campus and the career academy;	-	-	-	-
(v) Modifying existing facilities including new walls, doors, and/or vents;	-	175,199.48	-	-
(vi) Constructing a storage shed for the main campus;	-	3,171.80	-	-
(vii) Repairing the press box and adding heating and air conditioning thereto;	-	-	-	-
(viii) Aquiring and/or constructing improvements for traffic safety;	-	-	-	-
(ix) Acquiring equipment for physical education and the athletic and custodial departments;	-	49,447.50	-	-
(x) Acquiring technology, computer, safety, security, and/or fire protection equipment (collectively, the "Projects"); and	62,309.87	281,271.46	-	-
(xi) (xi) Paying expenses incident to issuing bonds.	-	51,031.19	51,031.19	-
Subtotal 2019 - 2024 Projects	250,288.08	2,783,285.94	51,031.19	-
	$ 250,288.08	$ 7,218,847.07	$ 4,486,592.32	$ -

(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 Warren 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 as follows:

	SERIES 2019
Prior Years	$ 46,253.24
Current Year	52,743.50
	$ 98,996.74

See notes to the basic financial statements.

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Section II

Compliance and Internal Control Reports

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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
Mr. Christopher Harris, Superintendent and Members of the
Warren County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Warren County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 7, 2022. We conducted our audit 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.

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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

September 7, 2022

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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
Mr. Christopher Harris, Superintendent and Members of the
Warren County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Warren County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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

September 7, 2022

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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WARREN COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2020-001 **Internal Controls over Financial Reporting**

Finding Status: Previously Reported Corrective Action Implemented

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section IV

Findings and Questioned Costs

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WARREN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Governmental Activities and Each Major Fund — Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? — No
- Significant deficiency(ies) identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

Internal Control over major programs:
- Material weakness(es) identified? — No
- Significant deficiency(ies) 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:

Assistance Listing Number	Assistance Listing Program or Cluster Title
10.553, 10.555	Child Nutrition Cluster
84.425	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

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.