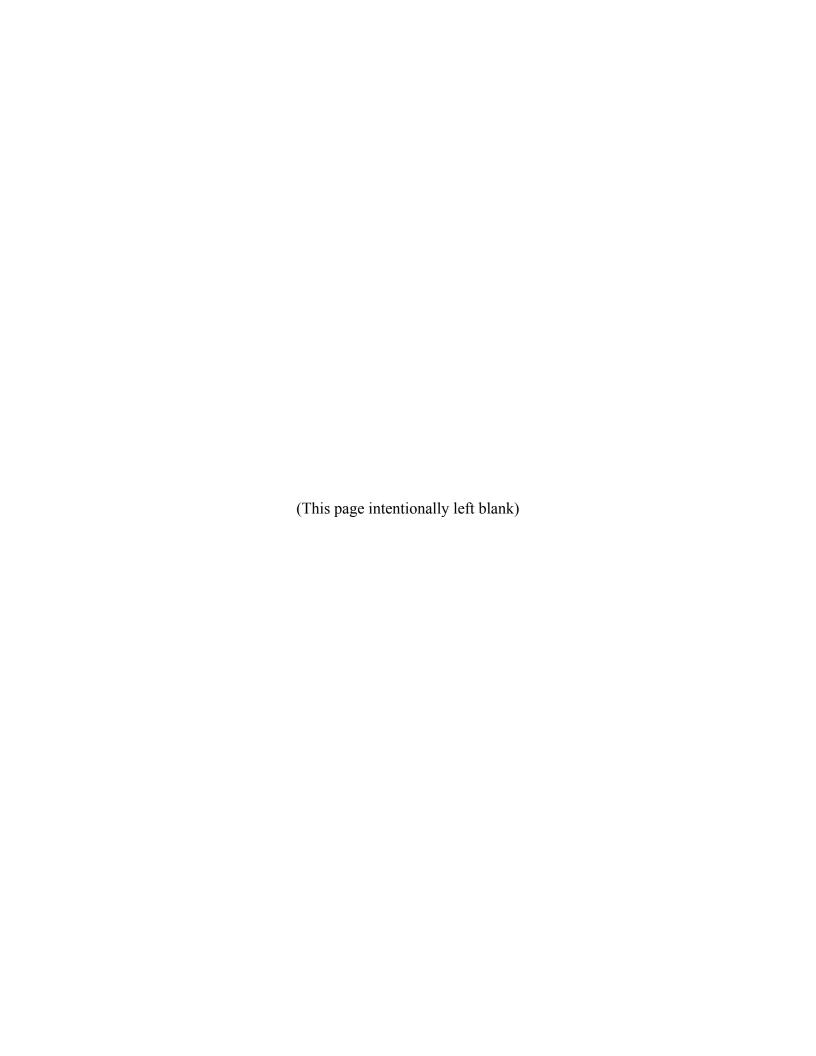
COLUMBIA COUNTY BOARD OF EDUCATION EVANS, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
June 30, 2019

(Including Independent Auditors' Reports)



COLUMBIA COUNTY BOARD OF EDUCATION TABLE OF CONTENTS

	SECTION I	age age
	FINANCIAL	
INII	DEPENDENT AUDITORS' REPORT	: :::
IINI		1 - 111
	REQUIRED SUPPLEMENTARY INFORMATION	
MA	ANAGEMENT'S DISCUSSION AND ANALYSISiv	- xiv
EX	KHIBITS	
	BASIC FINANCIAL STATEMENTS	
A	GOVERNMENT-WIDE FINANCIAL STATEMENTS STATEMENT OF NET POSITION	1
В	STATEMENT OF ACTIVITIES	2
C	FUND FINANCIAL STATEMENTS BALANCE SHEET GOVERNMENTAL FUNDS	3
D	RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	4
Е	STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS	5
F	RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	6
G	STATEMENT OF NET POSITION PROPRIETARY FUNDS	7
Н	STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS	8
Ι	STATEMENT OF CASH FLOWS PROPRIETARY FUNDS	9
J	STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS	10
K	NOTES TO THE BASIC FINANCIAL STATEMENTS1	1-38

COLUMBIA COUNTY BOARD OF EDUCATION TABLE OF CONTENTS

SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION

1	SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL	
	GENERAL FUNDGENERAL FUND	30
2	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY.	40
3	SCHEDULE OF CONTRIBUTIONS (PENSIONS)	
4	SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	
5		
6	SCHEDULE OF CONTRIBUTIONS (OPEB) NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	44
	SUPPLEMENTARY INFORMATION	
7	SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	45-46
8	SCHEDULE OF STATE REVENUE	
9	SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS	48-49
	SECTION II	
	COMPLIANCE AND INTERNAL CONTROL REPORTS	
INDE	PENDENT AUDITORS' REPORT ON INTERNAL	
CONT	ΓROL OVER FINANCIAL REPORTING AND ON	
	PLIANCE AND OTHER MATTERS BASED ON AN	
	IT OF FINANCIAL STATEMENTS PERFORMED IN	
ACCO	ORDANCE WITH GOVERNMENT AUDITING STANDARDS	50-51
INDE	PENDENT AUDITORS' REPORT ON COMPLIANCE	
FOR 1	EACH MAJOR PROGRAM AND ON INTERNAL	
CONT	ΓROL OVER COMPLIANCE REQUIRED BY	
THE	UNIFORM GUIDANCE	52-53
	SECTION III	
	PRIOR YEAR FINDINGS AND QUESTIONED COSTS	
	MARY SCHEDULE OF PRIOR AUDIT	
FIND	INGS AND QUESTIONED COSTS	54
	SECTION IV	
	FINDINGS AND QUESTIONED COSTS	
SCHE	EDULE OF FINDINGS AND QUESTIONED COSTS	55

SECTION I

FINANCIAL



Michelle Bennett, CPA Bick L Evans CPA E.J. Maddocks, CPA Jav Sanders, CPA Wanda F. Scott, CPA Abram Serotta, CPA Joel R. Stewart, CPA Andrea Usry, CPA Paul Wade, CPA



INDEPENDENT AUDITORS' REPORT

To the Superintendent and Members of the Columbia County Board of Education Evans, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbia County Board of Education, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board'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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia County Board of Education, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, proportionate share of net pension liability, contributions (pensions), proportionate share of net OPEB liability and contributions (OPEB) on pages iv through xiv and pages 39 through 44 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, which 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 Columbia County Board of Education's basic financial statements. Schedules 8 and 9 are presented for purposes of additional analysis and are 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.

Schedules 8 and 9 and the schedule of expenditures of federal awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 8 and 9, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019 on our consideration of the Columbia County Board of Education'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 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 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 Columbia County Board of Education's internal control over financial reporting and compliance.

Serotta Moddocks Evans & Co., CPAs

Augusta, Georgia November 7, 2019

The discussion and analysis of Columbia 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, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2018-19 are as follows:

- The Columbia County voters passed the sixth one-percent sales tax for educational purposes (ESPLOST) for another five years (July 2022 June 2027) on March 22, 2019. The voters also approved the issuance of \$160 million general obligation bonds. The school district anticipates part of the bonds will be issued in 2020 but the remaining issuance of bonds will depend on future growth of the county.
- The School District has an aggressive building program using ESPLOST revenue, bond proceeds, and state funds to construct new schools or to replace existing schools in order to accommodate the growth in the county. The Superintendent has not finalized the future building program needs with the school board, but below are projected future projects:
 - Elementary school/replacement
 - High school facility (alternative/vocational)
 - o Additions to middle schools
 - o Renovations to two high schools
 - o Renovation of transportation, facilities, warehouse and technology complex
- Net position increased \$27.5 million, which was due to increase in state funding along with the growth in the digest. The total increase was due to governmental activities since the board has no business-type activities.
- General revenues accounted for \$126.3 million in revenue or 42% of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$173.4 million or 58% of total revenues of \$299.7 million.
- The School District had \$272.2 million in expenses related to governmental activities; only \$173.4 million of these expenses were offset by program specific charges, grants, or contributions. General revenue (primarily property and sales taxes) of \$126.3 million was adequate to provide for these programs.
- Among major funds, the general fund had \$270.5 million in revenues and \$265 million in expenditures. The general fund balance decreased from \$50.7 million to \$50.1 million. The Board reserved \$4.8 million for future years to offset short-falls in state revenue and moved \$6.1 million to the building program to build a new transportation/facilities/warehouse/building.

Overview of the Financial Statements

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

Table 1 summarizes the major features of the District's financial statements, including the portion of the district's activities they cover and the types of information they contain.

Table 1
Major Features of the Government-Wide and Fund Financial Statements

Figure I Major Features of the Government-Wide and Fund Financial Statements									
	Government-wide								
	Statements	Government Funds	Proprietary Funds	Fiduciary Funds					
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies					
Required financial statements	 Statement of net position Statement of activities 	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position					
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus					
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long- term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can					
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid					

Government-Wide Statements

The Statement of Net Position and Statement of Activities provide information about the District as a whole using accounting methods similar to industry. The increases and decreases in the District's net position are an indicator of whether the School District's financial position is improving or deteriorating. There are many factors that can affect the overall financial condition of the School District such as the District's property tax base, state and federal funding, and the condition of buildings and equipment.

The Statement of Activities reflects the governmental activities of the School District by programs and services and distinguishes the revenue sources for these activities. The statement also helps identify how much local revenue is required to support the School District's activities.

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. Funds are accounting devices the district uses to keep track of general operations, federal and state grants, building programs, debt payments, and worker's compensation claims.

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

Proprietary Funds: Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The School District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The School District uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for other programs and activities. The School District's only internal fund is the worker's compensation fund.

Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and some of the student activity funds. The student activity funds are local school accounts the principal uses to collect funds for fieldtrips, school fundraisers, athletic events, and school clubs. The school clubs and fieldtrips are considered to be agency funds. The School District excludes these activities from the district-wide statements because it cannot use these assets to finance its operations.

The School District as a Whole

The perspective of the Statement of Net Position is of the School District as a whole. Table 2 provides a summary of the School District's net position for 2019 compared to 2018.

Table 2
Net Position

	Governmenta	al Activities
	Fiscal Year 2019	Fiscal Year 2018
Assets Current and Other Assets	\$ 97,622,613	\$ 93,003,080
Capital Assets, Net	349,804,973	338,875,906
Total Assets	447,427,586	431,878,986
Deferred Outflows of Resources	61,720,738	49,078,715
Liabilities Comment and Other Liabilities	26 990 722	29 (42 505
Current and Other Liabilities Long-Term Liabilities	36,889,732 417,469,540	28,642,505 446,678,771
Total Liabilities	454,359,272	475,321,276
Deferred Inflows of Resources	38,125,804	16,507,402
Net Assets		
Net Investment in Capital Assets	294,301,904	277,442,288
Restricted	25,062,246	20,907,670
Unrestricted	(302,700,902)	(309,220,935)
Total Net Position	\$ 16,663,248	\$ (10,870,977)

Total assets of governmental activities increased by \$15,548,600 as cash decreased by \$2,950,449, cash equivalents increased by \$6,228,813, receivables increased by \$1,386,353, and capital assets increased by \$10,929,067. The deferred outflows increased by \$12,642,023 and inflows increased by \$21,618,402 from the prior year due to GASB No. 75 requiring the recognizing OPEB (retiree health insurance benefits). The long-term liabilities decreased by \$29,209,231. This was due to the decrease in the OPEB liability of \$16,288,651 and the reduction of bond debt of \$13,150,000. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$6,520,033.

Table 3 shows the changes in net position for fiscal year 2019 compared to 2018.

Table 3
Change in Net Position

Feet evenues Revenues Program Revenues: Charges for Services \$ 12,662,648 \$ 11,594,276 9,065,365 Operating Grants and Contributions 6,667,375 3,490,884 9,078,04 Capital Grants and Contributions 6,667,375 3,490,884 9,078,05 Total Program Revenues 73,400,271 160,789,583 9,780,05 Concarl Revenues Tax For pagman Revenues 24,180,688 89,720,205 4,976,61 5,45% Sales Taxes 25,380,975 24,976,61 5,45% 5,75% 5,77		Go vernmental Activities				
Program Revenues: Charges for Services \$ 12,656,248 \$ 11,594,276 9,66% Operating Grants and Contributions 154,086,848 145,704,538 5,75% Capital Grants and Contributions 6,667,775 3,490,884 90,99% Total Program Revenues 173,410,271 160,789,698 7,85% General Revenues:		Fiscal Year 2019	Fiscal Year 2018	% Change		
Charges for Services S 12,656,248 S 11,594,276 9,16%	Revenues					
Departing Grants and Contributions	Program Revenues:					
Capital Grants and Contributions	Charges for Services	\$ 12,656,248	\$ 11,594,276	9.16%		
Total Program Revenues 173,410,271 160,789,698 7,85%	Operating Grants and Contributions	154,086,848	145,704,538	5.75%		
Control Revenues:	Capital Grants and Contributions	6,667,175	3,490,884	90.99%		
Property Taxes 94,80,688 89,720,205 4,97% 5aks Taxes 25,516,975 24,197,661 5,45% 676 676,975 6	Total Program Revenues	173,410,271	160,789,698	7.85%		
Property Taxes 94,80,688 89,720,205 4.97% Sales Taxes 25,516,975 24,197,661 5.45% Grants and Contributions not Restricted to Specific Programs 4,319,142 2,364,011 82,70% Investment Earnings 1,765,780 1,021,972 72,78% Miscellaneous 534,049 778,402 -3139% Loss on Depreciationable Assets 209,726,905 278,871,949 7.48% Total Revenues 299,726,905 278,871,949 7.48% Program Expenses 880,720,710 -0.83% Support Services 179,215,623 80,720,710 -0.83% Support Services 9,332,177 9,08,777 2.45% Pupil Services 9,332,177 9,08,777 2.45% Improvement of Instructional Services 9,332,177 9,08,777 2.45% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% <t< td=""><td>General Revenues:</td><td></td><td></td><td></td></t<>	General Revenues:					
Sakes Taxes 25,516,975 24,197,661 5.45% Grants and Contributions not Restricted to Specific Programs 4,319,142 2,364,011 82,70% Investment Earnings 1,765,780 1,021,972 72,78% Miscellaneous 534,049 778,402 -3139% Loss on Depreciationable Assets Total General Revenues 299,726,905 278,871,949 7,48% Program Expenses Instruction 179,215,623 180,720,710 -0.83% Support Services Pupil Services 6,255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,008,777 2,45% Educational Media Services 4,500,972 4,645,210 -3,11% General Administration 922,580 942,202 -2,66% School Administration 1,7643,447 17,548,021 0,54% Business Administration 1,797,077 1,677,655 7,13% Maintenance and Operation of P lant 20,22,801 8,66,267 1,235% Student Transportation Servi	Taxes					
Grants and Contributions not Restricted to Specific Programs 4.319,142 2.364,011 82.70% investment Earnings 1.765,780 1.02 1.972 7.2.78% investment Earnings 1.765,780 1.02 1.972 7.2.78% investment Earnings 1.765,780 1.02 1.972 7.2.78% investment Earnings 1.784,02 3.139% investment Earnings 3.31,049 7.78,402 3.139% investment Earnings 3.139% investment Earnings 1.880,2251 6.97% investment Earnings 6.275,060 278,871,949 7.48% investment Earnings 7.2.88% investment Earnings 7.2.88% investment Earnings 7.2.88% investment Earnings 1.2.88,719,949 7.2.88% investment Earnings 7.2.88% investment Earnings 2.9.97,26,905 278,871,949 7.48% investment Earnings 2.9.98,909 2.9.98,871,949 2.9.88,909 <t< td=""><td>P ro perty Taxes</td><td>94,180,688</td><td>89,720,205</td><td>4.97%</td></t<>	P ro perty Taxes	94,180,688	89,720,205	4.97%		
to Specific Programs 4,319,142 2,364,011 82.70% Investment Earnings 1,765,780 1,021,972 72.78% Miscellaneous 534,049 778,402 -3139% Loss on Depreciationable Assets Total General Revenues Total Revenues 126,316,634 118,082,251 6.97% Program Expenses Instruction 179,215,623 180,720,710 -0.83% Support Services Pupil Services 6,255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,08,777 2,45% Educational Media Services 4,500,972 4,645,210 -3,11% General Administration 17,643,447 17,548,201 -5,48% Business Administration 1,797,207 1,677,655 7,13% Maintenance and Operation of P lant 20,292,101 8,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0,75% Central Support Services 5,417 (202) -2540,09% Operations of Non	Sales Taxes	25,516,975	24,197,661	5.45%		
Investment Earnings 1,765,780 1021,972 72.78% Miscellaneous 534,049 778,402 -3139% Loss on Depreciationable Assets Total General Revenues 126,316,634 118,082,251 6.97% Total Revenues 299,726,905 278,871,949 7.48% Program Expenses Instruction 179,215,623 180,720,70 -0.83% Support Services Pupil Services 6,255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,108,777 2,45% Educational Media Services 4,500,972 4,645,210 -3.11% General Administration 922,580 942,020 -2.06% School Administration 179,643,447 17,548,021 0.54% Bus iness Administration 179,227 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 18,759,019 18,056,608 0.75% Central Support Services 5,417 <t< td=""><td>Grants and Contributions not Restricted</td><td></td><td></td><td></td></t<>	Grants and Contributions not Restricted					
Mis cellaneous 534,049 778,402 -3139% Loss on Depreciationable Assets 126,316,634 118,082,251 6.97% Total General Revenues 299,726,905 278,871,949 7.48% Program Expenses Instruction 179,215,623 180,720,710 -0.83% Support Services Pupil Services 6,255,908 5,879,346 6.40% Improvement of Instructional Services 9,332,177 9,108,777 2.45% Educational Media Services 4,500,972 4,645,240 -3.11% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7,13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 5,417 (222) -2540,09% Operations of Non-Instructional Services 5,417 (222) -2540,09% <td>to Specific Programs</td> <td>4,319,142</td> <td>2,364,011</td> <td>82.70%</td>	to Specific Programs	4,319,142	2,364,011	82.70%		
Total General Revenues 126,3 16,634 118,082,251 6.97% Total General Revenues 299,726,905 278,871,949 7,48% Program Expenses 179,215,623 180,720,710 -0.83% Support Services 255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,08,777 2,45% Educational Media Services 4,500,972 4,645,210 -3,11% General Administration 922,580 942,020 -2,06% School Administration 179,43,447 17,548,021 0,54% Business Administration 1,797,207 1,677,655 7,13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0,75% Central Support Services 1,433,234 1,521,239 -5,79% Other Support Services 5,417 (222) -2540,09% Operations of Non-Instructional Services 12,101,568 12,115,974 -0,12% Interest on Debt and Bond & suance Fees 220,2680 271,024,347 0,43% Interest in Net Assets 27,534,225 7,847,602 250,86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Investment Earnings	1,765,780	1,021,972	72.78%		
Total General Revenues 126,316,634 118,082,251 6.97% Total Revenues 299,726,905 278,871,949 7,48% Program Expenses Instruction 179,215,623 180,720,710 -0.83% Support Services Pupil Services 6,255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,08,777 2,45% Educational Media Services 4,500,972 4,645,210 -3,11% General Administration 922,580 942,020 -2,06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7,13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0,75% Central Support Services 5,417 (222) -2540,09% Operations of Non-Instructional Services 14,106,564 4,200,605 -2,24% Food Services 12,01568 12,115,974 -0,12% </td <td>M is cellaneous</td> <td>534,049</td> <td>778,402</td> <td>-31.39%</td>	M is cellaneous	534,049	778,402	-31.39%		
Total Revenues 299,726,905 278,871,949 7.48% Program Expenses Instruction 179,215,623 180,720,710 -0.83% Support Services 1918 Services 6,255,908 5,879,346 6.40% Improvement of Instructional Services 9,332,177 9,108,777 2.45% Educational Media Services 4,500,972 4,645,210 -3.11% General Administration 17,643,447 17,548,021 0.54% School Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540,09% Operations of Non-Instructional Services 1,201,568 12,115,974 -0.12% Interest on Debt and Bond Is suance Fees 826,863	Loss on Depreciationable Assets					
Program Expenses	Total General Revenues	126,316,634	118,082,251	6.97%		
Instruction I79,215,623 I80,720,710 -0.83% Support Services Fupil Services 6,255,908 5,879,346 6,40% Improvement of Instructional Services 9,332,177 9,108,777 2,45% Educational Media Services 4,500,972 4,645,210 -3,11% General Administration 922,580 942,020 -2,06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7,13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 1,433,234 1,521,239 -5,79% Other Support Services 1,433,234 1,521,239 -5,79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 12,101,568 12,115,974 -0,12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12,70% Interest on Debt and Bond Issuance Fees 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250,86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	TotalRevenues	299,726,905	278,871,949	7.48%		
Support Services 6,255,908 5,879,346 6.40% Improvement of Instructional Services 9,332,177 9,108,777 2.45% Educational Media Services 4,500,972 4,645,210 -3.11% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12.35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 12,101,568 12,115,974 -0.12% Interprise Operations 4,106,564 4,200,605 -2,24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12,70% Total Expenses 272,94	Program Expenses					
Pupil Services 6,255,908 5,879,346 6.40% Improvement of Instructional Services 9,332,177 9,108,777 2.45% Educational Media Services 4,500,972 4,645,240 -3.11% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of P lant 20,292,101 18,061,267 12.35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Is suance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Not	Instruction	179,215,623	180,720,710	-0.83%		
Improvement of Instructional Services 9,332,177 9,108,777 2.45% Educational Media Services 4,500,972 4,645,210 -3.11% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of P lant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note	Support Services					
Educational Media Services 4,500,972 4,645,210 -3.11% General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 12,105,684 4,200,605 -2,24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	P upil S ervices	6,255,908	5,879,346	6.40%		
General Administration 922,580 942,020 -2.06% School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12,35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250,86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Improvement of Instructional Services	9,332,177	9,108,777	2.45%		
School Administration 17,643,447 17,548,021 0.54% Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of Plant 20,292,101 18,061,267 12.35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Educatio nal Media Services	4,500,972	4,645,210	-3.11%		
Business Administration 1,797,207 1,677,655 7.13% Maintenance and Operation of P lant 20,292,101 18,061,267 12.35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	General Adminis tration	922,580	942,020	-2.06%		
Maintenance and Operation of P lant 20,292,101 18,061,267 12.35% Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	S c ho o l A d m in is tratio n	17,643,447	17,548,021	0.54%		
Student Transportation Services 13,759,019 13,656,608 0.75% Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 84,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Business Administration	1,797,207	1,677,655	7.13%		
Central Support Services 1,433,234 1,521,239 -5.79% Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Maintenance and Operation of Plant	20,292,101	18,061,267	12.35%		
Other Support Services 5,417 (222) -2540.09% Operations of Non-Instructional Services 4,106,564 4,200,605 -2.24% Enterprise Operations 12,101,568 12,115,974 -0.12% Food Services 826,863 947,137 -12.70% Interest on Debt and Bond Issuance Fees 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Student Transportation Services	13,759,019	13,656,608	0.75%		
Operations of Non-Instructional Services Enterprise Operations 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Central Support Services	1,433,234	1,521,239	-5.79%		
Enterprise Operations 4,106,564 4,200,605 -2.24% Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Other Support Services	5,417	(222)	-2540.09%		
Food Services 12,101,568 12,115,974 -0.12% Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Operations of Non-Instructional Services					
Interest on Debt and Bond Issuance Fees 826,863 947,137 -12.70% Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Enterprise Operations	4,106,564	4,200,605	-2.24%		
Total Expenses 272,192,680 271,024,347 0.43% Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Food Services	12,101,568	12,115,974	-0.12%		
Increase in Net Assets 27,534,225 7,847,602 250.86% Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	Interest on Debt and Bond Issuance Fees	826,863	947,137	-12.70%		
Net Position - Beginning of Year Restated (Note 13) (10,870,977) (18,718,579)	TotalExpenses	272,192,680	271,024,347	0.43%		
	Increase in Net Assets	27,534,225	7,847,602	250.86%		
Net Position - End of Year \$ 16,663,248 \$ (10,870,977) -253.28%	Net Position - Beginning of Year Restated (Note 13)	(10,870,977)	(18,718,579)			
	Net Position - End of Year	\$ 16,663,248	\$ (10,870,977)	-253.28%		

Governmental Activities

Instruction comprises 66% of governmental program expenses. Support service expenses make up 28% of the expenses. Interest expense was .30%. Interest expense was attributable to the outstanding bonds for capital projects.

The state's QBE funding does not provide an adequate level of funding to provide basic education services and to adequately maintain facilities. The School District levies a millage rate of 18.30 to provide the additional local funding along with a 1% (ESPLOST) sales tax.

The Statement of Activities shows the cost of program services and the changes for services and grants offsetting those services. Table 4 shows, for governmental activities, the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 4
Governmental Activities

	Total Cost of Services		Net Cost of Services			
	Fiscal Year 2019 Fiscal Year 2018		Fiscal Year 2019	Fiscal Year 2018		
Instruction	\$ 179,215,623	\$ 180,720,710	\$ 54,457,996	\$ 66,913,334		
Support Services						
Pupil Services	6,255,908	5,879,346	4,707,022	4,675,486		
Improvement of Instructional Services	9,332,177	9,108,777	8,034,938	6,871,618		
Educational Media Services	4,500,972	4,645,210	585,389	1,014,726		
General Administration	922,580	942,020	(2,630,625)	(2,920,043)		
School Administration	17,643,447	17,548,021	10,700,343	10,968,995		
Business Administration	1,797,207	1,677,655	1,790,955	1,671,356		
Maintenance and Operation of Plant	20,292,101	18,061,267	11,713,975	9,821,533		
Student Transportation Services	13,759,019	13,656,608	10,153,507	10,408,555		
Central Support Services	1,433,234	1,521,239	1,433,228	1,519,928		
Other Support Services	5,417	(222)	1,271	(3,222)		
Operations of Non-Instructional Services						
Enterprise Operations	4,106,564	4,200,605	(2,810,266)	(2,296,843)		
Food Services	12,101,568	12,115,974	(182,187)	642,089		
Interest on Short-Term and Long-Term Debt	826,863	947,137	826,863	947,137		
Total Expenses	\$ 272,192,680	\$ 271,024,347	\$ 98,782,409	<u>\$ 110,234,649</u>		

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupil Services are activities designed to assess and improve the well-being of students and to supplement the teaching process.

Improvement of instruction are activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for students.

Educational media is directing, managing, and operating educational media centers.

General administration establishes and administers policy for operating the local School District.

School administration includes principals, assistant principals, and clerical staff who administer the school operations.

Business administration includes the financial and warehouse operations of the school district.

Maintenance and operation of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Student transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central support includes personnel services, strategic planning, and public relations activities.

Other support services include all other support services.

Community services are student activity accounts used to collect money from students for various fundraisers for the school. The proceeds are spent on media center materials, instructional supplies, and other needed school supplies.

Food services prepares and serves breakfast, lunch, and snacks to the students of the School District.

Interest involves the transactions associated with the payment of interest related to the School District's outstanding bonds.

Although program revenues make up a majority of the revenue, the School District is still dependent upon tax revenues for governmental activities. Over 43.11% of instructional activities are supported through taxes and other general revenues, which decreased from the prior year by 13.56%; for all other governmental activities, general revenue support is 35.90%, which is a decrease of 1.39%.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$299,768,516 and expenditures of \$297,135,485. The net change in fund balance for the year was significant in the general fund and the capital projects funds, which had a decrease of \$588,886 and an increase of \$3,222,061, respectively. The changes in these two funds are the result of a transfer of \$6,111,316 from general fund to capital projects fund for a new complex for facilities, transportation and technology department.

The general fund operations increase was due to the increase of \$10.3 million in state funds from fiscal year 2018 to fiscal year 2019. This increase was due to three factors: student growth, the State Equalization Funding Grant and the funding for teacher's retirement plan. Also, the taxes increased by \$4.1 million from fiscal year 2018 to fiscal year 2019, which is attributed to the growth in the tax digest. This increase in revenue allowed the school district to give all auxiliary employees a 3% raise in 2019 along with funding the additional employer cost for the teacher retirement system (TRS).

The School District is continuing to build new schools or replacement schools due to the increase in student enrollment within the School District. Therefore, the capital projects fund fluctuates depending on the current building projects. In the fall of 2019, a replacement/new-elementary school opened along with athletic improvements at all the high schools.

General Fund Budgeting 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 grants, and school nutrition program.

During 2019, the Board amended its general fund budget numerous times, which resulted in increasing the revenue budget by \$6,210,700 and increasing the expenditure budget by \$1,329,603. The original budget was based on 2.5% increase in the tax digest but was adjusted for the final digest, which was a 4.34% increase for an increase of \$2.1 million in tax revenue. The revenue budget also increased due to additional funds received from the state and federal government. The expenditure budget increase was due mainly to changes with state and federal grants. The original revenue and expenditure budgets only reflect the anticipated funding for federal and state grants and are amended to reflect the final award. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but to provide flexibility for site management.

The majority of the variances between the final budget and actual revenue in 2019 are due to the student activity funds of \$5.9 million that are not budgeted; increase in participation of school nutrition program of \$267,000; and increase of \$1.5 million in miscellaneous, interest, and charges for services. The variances between the final budgeted expenditures and actual are due to over estimates in various areas; and the School District does not currently budget for the \$5.7 million in student activity funds. Approximately \$4.2 million of the School District budget was not spent due to conservative budgeting and teaching positions budgeted for growth but not needed.

Capital Assets

At the end of the fiscal year 2019, the School District had \$349,804,973 invested in land, construction in progress, buildings, equipment, and buses.

Table 5 shows fiscal 2019 balances compared to 2018.

Table 5
Capital Assets (Net of Depreciation)

	Fiscal Year 2019	Fiscal Year 2018
Land	\$ 11,510,054	\$ 11,510,054
Construction in Progress	22,511,987	22,716,182
Buildings and Building Improvements	280,166,248	277,619,285
Equipment	24,564,839	23,893,481
Land Improvements	11,051,845	3,136,904
Total	\$ 349,804,973	\$ 338,875,906

Overall capital assets increased \$10,929,067 from fiscal year 2018 to fiscal year 2019. Increases in capital assets (buildings and building improvements, equipment, and land improvements) were offset by depreciation expense for the year.

The increase in land improvements is due to athletic renovations/improvements at all five high schools. Buildings and building improvements increased due to HVAC improvements at various schools.

Debt

At June 30, 2019, the School District had \$48.6 million in general obligation bonds outstanding with \$13.1 million due within one year. On March 18, 1997 the voters of Columbia County approved the first one-percent sales tax for educational purposes for five years (July, 1997 - June, 2002); the second on March 20, 2001 (July, 2002 - June, 2007); the third on March 15, 2005 (July, 2007 - June, 2012); the fourth on July 20, 2010 (July, 2012 - June 2017); the fifth on March 17, 2015 (July 2017 - June 2022); and the sixth on March 22, 2019 (July 2022 - June 2027). The voters also approved in the March 22, 2019 election for the school district to sell up to \$160 million in bonds which can be repaid with either the sales tax proceeds, a debt service millage or a combination of the two. The School District anticipates part of the bonds will be sold in 2020 and repaid with 2022-2027 ESPLOST proceeds. The school district will determine later if the remaining bonds will be sold depending on future growth within the county. The School Board no longer levies a debt millage; instead, the proceeds from the sales tax is used to pay the debt.

Table 6 summarizes general operation bonds and compensated absences outstanding.

Table 6
Outstanding Debt and Compensated Absences at June 30

	Fiscal Year 2019	Fiscal Year 2018
Compensated Absences Unamortized Premium on Bonds General Obligation Bonds	\$ 628,037 2,964,044 48,665,000	\$ 561,562 4,633,606 55,000,000
Total	\$ 52,257,081	\$ 60,195,168

Current Financial Issues

The Columbia County School District is financially stable. The School District's current millage rate is 18.30 mills for fiscal year 2019. Currently one mill produces approximately \$5 million in tax revenue. The gross tax digest has grown at 18.07% over the last five years and the average collection rate remains between 95-98% over those same years. In March 2013, the state of Georgia inactivated HB 386 that changed the fee structure for taxes on motor vehicles. New cars purchased will no longer be reflected on the tax digest; but will pay a onetime title ad valorem tax at the time of purchase. This new tax is intended to offset the revenue from the annual ad valorem tax. Based on the historical data, it appears the title ad valorem tax has offset the revenue for the last five years.

The School District continues to grow with an average increase of 537 students per year over the last four years. The School District plans to construct additional schools in the next several years to accommodate the growth and replace aging schools. The School District plans to fund the additional capital outlays with the one-percent local sales tax revenue, general obligation bonds, and state capital outlay grants.

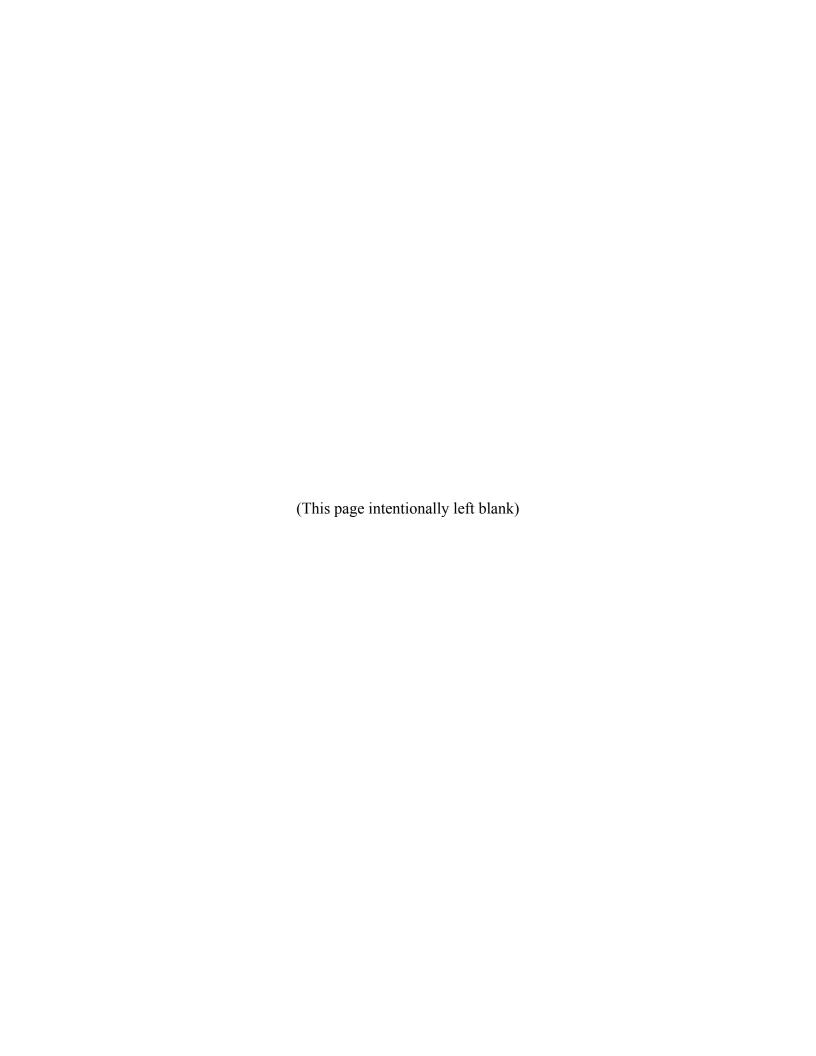
The Quality Basic Education Act (QBE) was enacted into law by the 1985 session of the Georgia General Assembly. The Act set out the provisions for educational funding for grades kindergarten through twelve in the State of Georgia. The funding is based on student counts with the expectation that local school districts fund part of the cost with local tax monies. The School District received approximately 51% of the revenues budgeted for the General Fund from QBE. The School District received \$9.7 million more in funding for 2019. The increase in QBE funding was due to continued growth in student enrollment; increase in Equalization Grant; and a 24.33% increase of employer contributions to the Teacher Retirement System. The increased funding allowed the school district to increased staff by 33 certified positions and 44 support staff positions to accommodate the growth and to continue with lower class sizes. Of the 44 support staff positions, 23 where safety officers which provided a safety officer at each school.

The District's 2020 general fund budget includes \$278.4 million in total revenue and \$283.8 million in expenditures, resulting in a budgeted \$5.4 million decrease to general fund balance at June 30, 2020. The School District historically budgets conservatively with actual year-end excess/deficits within \$3-5 million above the original budgeted anticipated fund balance. The School District also budgeted an additional 71 certified staff and 18 support staff to accommodate the continual growth in the district. The School District was also able to provide a 2% pay increase for non-certified employees and a \$3,000 increase for certified employees. The School District was able to prepare a 2020 budget with reserves from fund balance and still maintain a 15% reserve of budgeted expenditures.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Pat Sullivan, Chief Financial Officer at Columbia County Board of Education, 4781 Hereford Farm Road, Evans, Georgia 30809 or email at psullivan@ccboe.net.





COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF NET POSITION JUNE 30, 2019

JUNE 30, 2019		
		ERNMENTAL
ACCEPTED		ACTIVITIES
<u>ASSETS</u>	¢.	5 442 202
Cash Carl Projector	\$	5,443,302
Cash Equivalents		65,910,079
Receivables, Net Taxes		3,136,864
State Government		21,648,532
Federal Government		1,246,187
Other		13,908
Prepaid Items		61,611
Inventories		162,130
Capital Assets		102,130
Land		11,510,054
Construction in Progress		22,511,987
Land Improvements		13,074,138
Buildings		395,134,362
Equipment		66,786,476
Less: Accumulated Depreciation		(159,212,044)
Dess. Necumulated Depreciation		(137,212,044)
Total Assets	\$	447,427,586
D.6. 10.49 6D		
Deferred Outflows of Resources Related to OPEB Plan	¢.	0.506.710
Related to Defined Pension Plans	\$	9,506,719
Related to Defined Fension Flans		52,214,019
Total Deferred Outflows of Resources	\$	61,720,738
		_
<u>LIABILITIES</u>	Ф	761.624
Accounts Payable	\$	761,624
Contracts Payable		2,547,818
Claims Payable		367,577
Salaries Payable		16,793,067
Accrued Interest		564,716
Retainages Payable		1,326,250
Long-Term Liabilities Due Within One Year		
		12 150 000
Bonds Payable		13,150,000
Unamortized Premium Due in More Than One Year		1,378,680
		25 515 000
Bonds Payable Unamortized Premium		35,515,000
Compensated Absences		1,585,364
Net OPEB Liability		628,037 164,831,629
·		
Net Pension Liability		214,909,510
Total Liabilities	\$	454,359,272
Deferred Inflows of Resources		
Related to OPEB Plan	\$	31,672,542
Related to Defined Pension Plans	Ψ	6,445,262
Deferred Revenue		8,000
Total Deferred Outflows of Resources	\$	38,125,804
NET POSITION		
Net Investment in Capital Assets	\$	294,301,904
Restricted for	Ψ	271,301,704
Continuation of Federal Programs		826,641
Debt Service		7,059,716
Capital Projects		17,175,889
Unrestricted		(302,700,902)
Total Net Position	\$	16,663,248

COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

			PROGRAM REVENUES			NE.	Γ (EXPENSES)			
					(OPERATIONS		CAPITAL	I	REVENUES
			CF	HARGES FOR	(GRANTS AND	Gl	RANTS AND	ANI	CHANGES IN
]	EXPENSES		SERVICES	CC	ONTRIBUTIONS	CON	NTRIBUTIONS	NI	ET POSITION
GOVERNMENTAL ACTIVITIES										
Instructional	\$	179,215,623	\$	76,423	\$	119,391,439	\$	5,289,765	\$	(54,457,996)
Support Services										
Pupil Services		6,255,908		-		1,548,886		-		(4,707,022)
Improvement of Instructional Services		9,332,177		-		1,297,239		-		(8,034,938)
Educational Media Services		4,500,972		-		3,620,456		295,127		(585,389)
General Administration		922,580		-		3,553,205		-		2,630,625
School Administration		17,643,447		-		6,707,003		236,101		(10,700,343)
Business Administration		1,797,207		-		6,252		-		(1,790,955)
Maintenance and Operation of Plant		20,292,101		-		8,372,340		205,786		(11,713,975)
Student Transportation Services		13,759,019		-		3,142,192		463,320		(10,153,507)
Central Support Services		1,433,234		-		6		-		(1,433,228)
Other Support Services		5,417		-		4,146		-		(1,271)
Operations of Non-Instructional Services										
Enterprise Operations		4,106,564		6,916,830		-		-		2,810,266
Food Services Operation		12,101,568		5,662,995		6,443,684		177,076		182,187
Interest on Debt		826,863		<u> </u>				<u> </u>		(826,863)
Total Governmental Activities	\$	272,192,680	\$	12,656,248	\$	154,086,848	\$	6,667,175		(98,782,409)
General Revenues										
Taxes										
Property Taxes										
For Maintenance and Operations										86,540,255
For Ad Valorem Title Tax										7,640,433
Sales Taxes										
Special Purpose Local Option Sales Tax										
For Debt Service										8,910,612
For Capital Projects										13,748,640
Intangible Recording Tax										2,045,828
Real Estate										811,895
Grants and Contributions not Restricted to Special Programs										4,319,142
Investment Earnings										1,765,780
Miscellaneous										534,049
Total General Revenues										126,316,634
Change in Net Position										27,534,225
Net Position - Beginning of Year										(10,870,977)
Net Position - End of Year									\$	16,663,248

EXHIBIT "C"

COLUMBIA COUNTY BOARD OF EDUCATION BALANCE SHEET GOVERMENTAL FUNDS JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash	\$ 5,061,752	\$ 5,966	\$ -	\$ 5,067,718
Cash Equivalents	39,633,922	24,714,852	29,337	64,378,111
Receivables, Net				
Taxes	1,154,234	1,982,630	-	3,136,864
State Government	20,271,645	1,376,887	-	21,648,532
Federal Government	1,246,187	-	-	1,246,187
Other	13,908	-	-	13,908
Prepaid Items	61,611	-	-	61,611
Inventories	162,130			162,130
Total Assets	\$ 67,605,389	\$ 28,080,335	\$ 29,337	\$ 95,715,061
LIABILITIES AND FUND BALANCES LIABILITIES Accounts Payable Salaries and Benefits Payable Contracts Payable Retainages Payable Deffered Revenue	\$ 723,839 16,793,067 - - 8,000	\$ - 2,547,818 1,326,250	\$ - - - -	\$ 723,839 16,793,067 2,547,818 1,326,250 8,000
Total Liabilities	17,524,906	3,874,068		21,398,974
FUND BALANCES				
Nonspendable	223,741	_	_	223,741
Restricted	664,511	24,206,267	29,337	24,900,115
Assigned	10,064,948	-	, <u>-</u>	10,064,948
Unassigned	39,127,283			39,127,283
Total Fund Balances	50,080,483	24,206,267	29,337	74,316,087
Total Liabilities and Fund Balances	\$ 67,605,389	\$ 28,080,335	\$ 29,337	\$ 95,715,061

COLUMBIA COUNTY BOARD OF EDUCATION RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET

TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Governmental funds (Exhibit "C")

\$ 74,316,087

EXHIBIT "D"

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 as assets in governmental funds. These assets consist of:

Land	\$ 11,510,054
Construction in Progress	22,511,987
Land Improvements	13,074,138
Buildings	395,134,362
Equipment	66,786,476
Accumulated Depreciation	(159,212,044)

Total Capital Assets 349,804,973

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Liability	(164,831,629)
Net Pension Liability	(214,909,510)

Deferred Outflows and Inflows of Resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.

Related to OPEB	(22,165,823)
Related to Pensions	45,768,757

An Internal Service Fund is used by the School District's management to account for the worker's compensation risk financing related activities. The assets and liabilities of the Internal Service Fund are reported and governmental activities.

Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Accrued Interest	(564,716)	
Unamortized Premiums on Issuance of Bonds	(2,964,044)	
Bonds Payable	(48,665,000)	
Compensated Absences	(628,037)	
Total Long-Term Liabilities	·	(52.821.797)

Net Position of Governmental Activities (Exhibit "A")

\$ 16,663,248

1,502,190

COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS JUNE 30, 2019

<u>REVENUES</u>	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Property Toyog	\$ 94.180.688	\$ -	\$ -	\$ 94.180.688
Property Taxes Local Taxes	. , . , ,	5 -	5 -	. , . , ,
Sales Tax	2,857,723	13,748,640	8,910,612	2,857,723
State Funds	144,164,324	5,902,534	8,910,012	22,659,252 150,066,858
Federal Funds	14,910,772	95,535	-	15,006,307
	12,656,248	93,333	-	
Charges for Services		634,424	662	12,656,248
Investment Earnings Miscellaneous	1,096,306	034,424	002	1,731,392
Miscenaneous	610,048	·		610,048
Total Revenues	270,476,109	20,381,133	8,911,274	299,768,516
EXPENDITURES				
Current				
Instructional	172,938,364	1,611,223	_	174,549,587
Support Services	-,-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,		
Pupil Services	6,429,629	_	_	6,429,629
Improvement of Instructional Services	9,623,569	5,174	_	9,628,743
Educational Media Services	4,607,476	-	_	4,607,476
General Administration	884,044	5,600	_	889,644
School Administration	18,051,958	-,	_	18,051,958
Business Administration	1,859,893	_	806	1,860,699
Maintenance and Operation of Plant	20,379,875	139,606	-	20,519,481
Student Transportation Services	12,780,144	1,366,567	_	14,146,711
Central Support Services	1,457,640	1,500,507	_	1,457,640
Other Support Services	2,733	_	_	2,733
Enterprise Operations	4,101,215	_	_	4,101,215
Food Services Operation	11,837,139	_	_	11,837,139
Capital Outlay	-	20,142,218	_	20,142,218
Debt Service		20,1 .2,210		20,112,210
Principal	_	_	6,335,000	6,335,000
Interest	_	_	2,575,612	2,575,612
Total Expenditures	264,953,679	23,270,388	8,911,418	297,135,485
OTHER FINANCING SOURCES (USES)				
Transfers In	-	6,111,316	-	6,111,316
Transfers Out	(6,111,316)	-	-	(6,111,316)
Total Other Financing Sources (Uses)	(6 111 216)	6,111,316		
Total Other Financing Sources (Uses)	(6,111,316)	0,111,310		
Net Change in Fund Balances	(588,886)	3,222,061	(144)	2,633,031
Fund Balances - Beginning	50,669,369	20,984,206	29,481	71,683,056
Fund Balances - Ending	\$ 50,080,483	\$ 24,206,267	\$ 29,337	\$ 74,316,087

COLUMBIA COUNTY BOARD OF EDUCATION

EXHIBIT "F"

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES JUNE 30, 2019

Total Net Change in Fund Balances - Governmental funds (Exhibit "E")

\$ 2,633,031

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital Outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of Capital Assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

 Capital Outlay
 \$ 26,478,163

 Depreciation Expense
 (15,473,098)

Excess of Capital Outlay over Depreciation Expense 11,005,065

The net affect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.

(75,999)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

OPEB expense (206,174) Pension expenses 5,984,822

5,778,648

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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond Principal Retirements	6,335,000
Change in Accrued Interest Payable	79,187
Amortization of Bond Premium	1 669 562

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. These activities consist of:

Increase in Compensated Absences (66,475)

An Internal Service Fund is used by the School District's management to account for the worker's compensation risk financing related activities. The net revenue of the Internal Service Fund is reported with governmental activities.

176,206

Change in Net Position of Governmental Activities (Exhibit "B")

\$ 27,534,225

COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF NET POSITION PROPRIETARY FUNDS

EXHIBIT "G"

JUNE 30, 2019

	INTERNAL SERVICE FUND
<u>ASSETS</u>	SERVICE I OND
Current Assets Cash Cash Equivalents	\$ 375,584 1,531,968
Total Assets	\$ 1,907,552
<u>LIABILITIES</u>	
Current Liabilities Accounts Payable Claims Payable	\$ 37,785 367,577
Total Liabilities	405,362
NET POSITION	
Unrestricted	1,502,190
Total Liabilities and Net Position	\$ 1,907,552

COLUMBIA COUNTY BOARD OF EDUCATION EXHIBIT "H" STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS JUNE 30, 2019

OPERATING REVENUES	INTERNAL SERVICE FUND
Charges for Services	\$ 924,146
OPERATING EXPENSES	·
Contractual Services Insurance Claims and Expenses	175,193 607,135
Total Operating Expenses	782,328
Operating Income	141,818
NONOPERATING REVENUES	
Interest and Investment Revenue	34,388
Changes in Net Position	176,206
Total Net Position - Beginning	1,325,984
Total Net Position - Ending	\$ 1,502,190

COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

EXHIBIT "I"

JUNE 30, 2019

	INTERNAL SERVICE FUND	
CASH FLOWS FROM OPERATING ACTIVITIES Cash Received from Charges for Services Cash Paid for Excess Worker's Compensation Insurance Cash Paid for Other Purchased Services Cash Paid for Worker's Compensation Claims	\$	924,146 (100,581) (65,189) (708,825)
Net Cash Provided by Operating Activities		49,551
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends		34,388
Net Increase in Cash and Cash Equivalents		83,939
Balances - Beginning of Year		1,823,613
Balances - End of Year	\$	1,907,552
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES Operating Income Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities Changes in Assets and Liabilities Accounts and Other Payables	\$	(92,267)
Net Cash Provided By Operating Activities	\$	49,551

COLUMBIA COUNTY BOARD OF EDUCATION STATEMENT OF NET POSITION FIDUCIARY FUNDS JUNE 30, 2019

EXHIBIT "J"

AGENCY FUNDS

ASSETS

Cash \$ 1,802,921

LIABILITIES

Funds Held for Others \$ 1,802,921

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

Government-Wide Statements:

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

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

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

3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

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

Fund Financial Statements:

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

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund
- Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST), Bond Proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property and sales) legally restricted for the payment of general longterm principal, interest and paying agent's fees.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or from ancillary activities. Enterprise fund operating revenues are related to charges for worker's compensation risk financing related activities. The primary non-operating revenues are interest and investment revenues.

Principal operating expenses are the costs of providing goods or services and include contractual services and insurance claims and expenses.

The School District reports the following major proprietary fund:

Internal Service Fund - the fund used to account for the School District's workers' compensation risk financing related activities.

The School District reports the following fiduciary fund type:

 Agency funds account for assets held by the School District as an agent for various funds, governments or individuals.

BASIS OF ACCOUNTING

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within thirty 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, claims and judgments, and compensated absences, 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.

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). The School District's teachers are contracted for the school year (July 1 - June 30) and paid over a twelve-month contract period, August 1 through July 31. In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July of the subsequent year are accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the School District recognizes the same QBE as a receivable and revenue consistent with symmetrical recognition.

NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2019, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

In fiscal year 2019, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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 Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or 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.

The School District can invest in the following:

- Obligations issued by the State of Georgia or by other states
- Obligations issued by the United States government
- Obligations fully insured or guaranteed by the United States government or a United States government agency
- Obligations of any corporation of the United States government,
- Prime banker's acceptances
- Repurchase agreements
- Obligations of other political subdivisions of the State of Georgia

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

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

RECEIVABLES

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

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

PROPERTY TAXES

The Columbia County Board of Commissioners adopted the property tax levy for the 2018 tax digest year (calendar year) on August 7, 2018 (levy date) based on property values as of January 1, 2018. Taxes were due on November 15, 2018 (lien date). Taxes collected within the current fiscal year or within 30 days after year-end on the 2018 tax digest are reported as revenue in the governmental funds for fiscal year 2019. The Columbia County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.25% 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, 2019, for maintenance and operations amounted to \$86,540,255.

Tax millage rates levied for the 2018 tax year (calendar year) for the Columbia County Board of Education were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations

18.30 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$7,640,433 during fiscal year ended June 30, 2019.

SALES TAXES

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$22,659,252 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.

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

PREPAID ITEMS

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items, in both the government-wide and governmental fund financial statements.

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the government fund financial statements at the time of purchase (including ancillary charges). On the government-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School District.

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

	Cap	oitalization	Estimated
		Policy	Useful Life
Land	\$	1,000	N/A
Buildings and Land Improvements	\$	1,000	10-20 years
Intangible Assets	\$	750,000	5-50 years
Buildings	\$	1,000	50 years
Computers, Televisions, Laser Disk Players			
Digital Cameras and Video Cameras		All	5-8 years
Monitors, Printers, Scanners and Bank Equipment	\$	100	5-15 years
All Other Equipment	\$	1,000	5-15 years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives, with the exception of intangible assets which are amortized.

Amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, copyrights and internally generated software is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 50 years.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net 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 net 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.

COMPENSATED ABSENCES

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Vacation leave of 9-18 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over the next fiscal year, providing such vacation leave does not exceed 25 days. Upon terminating employment, the School District pays for all unused vacation benefits not to exceed the 25 days. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements.

LONG-TERM LIABILITIES AND BOND DISCOUNTS/PREMIUMS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method for the 2015 bonds. 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 bond premiums and discounts, as well as bond issuance costs during the fiscal year bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Position.

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 plans fiduciary net position of the Teachers' Retirement System of Georgia (TRS) and the Public School Employees Retirement System (PSERS), additions to/deductions from TRS and PSERS fiduciary net position have been determined on the same basis as they are reported by TRS and PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

FUND BALANCES

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

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

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

Restricted consists of resources that can be used for specific purposes pursuant constraints either (1) externally imposed conditions 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 of Education. The Board of Education 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 of Education 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.

Fund Balances of the Governmental Funds at June 30, 2019, are as follows:

Nonspendable			
Inventories	\$ 162,130		
Prepaid Assets	61,611	\$ 223,741	
Restricted			
Capital Projects	16,611,173		
Debt Service	7,624,431		
Continuation of Federal Programs	664,511	24,900,115	;
Assigned			
Anticipated Revenue Shortfall	6,650,287		
School Activity Accounts	3,414,661	10,064,948)
Unassigned		39,127,283	;
Fund Balance, June 30, 2019		\$ 74,316,087	<u></u>
			=

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

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.

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.

Note 3: BUGETARY 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, capital projects, and worker's compensation 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 accounts, is prepared and adopted by fund and function. The legal level of budgetary control was established by the Board at the aggregate fund and function level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revision 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 on 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 Official Code of Georgia Annotated section 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

The Superintendent is authorized by the Board to approve adjustments of no more than 5 percent of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 5 percent of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any funds within the school budget that are unencumbered (anticipated balance) may be expended by the Superintendent in an emergency situation

EXHIBIT "K"

COLUMBIA COUNTY BOARD OF EDUCATION NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2019

See Schedule 1 - General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual for a detail of any over/under expenditures during the fiscal year under review.

Note 4: DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (OCGA) Section 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 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 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 percent 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 policy for custodial credit risk. At June 30, 2019, the carrying amount of deposits was \$7,246,223 and bank balances were \$10,145,032. The bank balances insured by Federal depository insurance were \$1,144,344. The amounts exposed to custodial credit risk are classified into three categories as follows:

Category 1 - Uncollateralized

Category 2 - Cash collateralized with securities held by the pledging financial institution, or

Category 3 - Cash collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

The School District's deposits by custodial credit risk category at June 30, 2019, are as follows:

Custodial Credit Risk Category	Bank	Balance
1	\$	-
2	(- 9,000,689
J	·	
Total	\$ 9	9,000,689

CATEGORIZATION OF CASH EQUIVALENTS

The School District reported investments of \$65,910,079 in Georgia Fund 1, a local government investment pool, which is administered by the State of Georgia, Office of the State Treasurer and 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 (Primary Liquidity Portfolio) does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at http://www.audits.ga.gov/SGD/cafr.html.

The Primary Liquidity Portfolio consists of Georgia Fund 1 which is not registered with the SEC as an investment company but does 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, 2019, was 39 days.

Note 5: NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. These commodities are recorded at their federally assigned value. See Note 2 - Inventories

Note 6: CAPITAL ASSETS

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

		Balances uly 1, 2018		Increases		Decreases		Balances June 30, 202	19
Governmental Activities									
Capital Assets, Not Being Depreciated:									
Land	\$	11,510,054	\$	-	\$		-	\$ 11,510,0	54
Construction in Progress		22,716,182		19,975,924		(20,180,11	9)	22,511,9	87
Total Capital Assets Not Being Depreciated		34,226,236		19,975,924		(20,180,11	9)	34,022,0	41_
Capital Assets Being Depreciated									
Buildings and Improvements		383,448,594		11,748,533		(62,76	5)	395,134,3	62
Equipment		63,216,838		6,469,519		(2,899,88	1)	66,786,4	76
Land Improvements		4,609,829		8,464,309			-	13,074,1	38
Less Accumulated Depreciation for:									
Buildings and Improvements		105,829,309		9,195,291		(56,48	4)	114,968,1	16
Equipment		39,323,357		5,728,440		(2,830,16	1)	42,221,6	36
Land Improvements		1,472,925		549,367				2,022,2	92
Total Capital Assets, Being Depreciated, Net		304,649,670		11,209,263		(76,00	1)	315,782,93	32_
Governmental Activity Capital Assets - Net	\$	338,875,906	\$	31,185,187	\$	(20,256,120	0)	\$ 349,804,9	73
Current year depreciation expense by fur Instruction	ncti	on is as foll	low	rs:			\$:	12,897,271	ĺ
Support Services									
Pupil Services				\$		8,484			
Improvements of Instructional Services	5					49,019			
Educational Media Services						46,794			
General Administration						39,478			
School Administration						61,699			
Business Administration Maintenance and Operation of Plant						30,260 82,907			
Student Transportation Services						83,884			
Central Support Services					1,1	7,266			
Other Support Services						2,688		2,212,479)
Community Services								28,125	
Food Services						<u>-</u>		335,223	3
						=	\$	15,473,098	3

Note 7: INTERFUND TRANSFERS

The board approved a transfer from general fund to the capital projects fund in the amount of \$6,111,316. The transfer of funds is designated for a future complex for facilities, transportation and the technology department.

Note 8: RISK MANAGEMENT

INSURANCE

Georgia School Boards Association Risk and Insurance Management System

The School District participates in the Georgia School Boards Association Risk and Insurance Management System (the System), a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, or property damage, including safety engineering and other loss prevention and control techniques, and to administer one or more groups of self-insurance funds, including the processing and defense of claims brought against members of the system. The School District pays an annual premium to the System for its general insurance coverage. Additional coverage is provided through agreements by the System with other companies according to their specialty for property, boiler and machinery (including coverage for flood and earthquake), general liability (including coverage for sexual harassment, molestation and abuse), errors and omissions, crime and automobile risks. Payment of excess insurance for the System varies by line of coverage.

Worker's Compensation

The School District has established a limited risk management program for workers' compensation claims. A premium is charged when needed by the Internal Service Fund to the General Fund to cover actual claims and to build a level of retained earnings. A premium is charged by the Internal Service Fund to the Food and Nutrition Program to cover actual claims. The School District accounts for claims with expense and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$500,000 loss per occurrence, up to the statutory limit.

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

	(eginning Of Year Liability	C	laims and hanges in Estimates	 Claims Paid	nd of Year Liability
2019	\$	469,267	\$	505,445	\$ 607,135	\$ 367,577
2018	\$	487,299	\$	515,739	\$ 533,771	\$ 469,267

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 as claims are paid. The claims are immaterial to the financial statements.

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000
All employees	\$ 100,000

Note 9: LONG-TERM LIABILITIES

COMPENSATED ABSENCES

Compensated absences represent obligations of the School District relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the General Fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

GENERAL OBLIGATION DEBT OUTSTANDING

The School District's bonded debt consists of various issues of general obligation bonds that are noncallable with interest and principal payments due semiannually on October 1 and April 1. Bond proceeds are used to construct and equip new school facilities, technology improvements, school buses, and renovating and repairing current facilities. The School District repays general obligation bonds with the Education Special Purpose Local Option Sales Tax (ESPLOST).

The District passed the fifth ESPLOST on March 17, 2015 which gave the Board authorization to issue \$55,000,000 in general obligation bonds on November 17, 2015. The District passed the sixth ESPLOST) on March 22, 2019 which gave the Board authorization to issue general obligation bonds up to \$160,000,000. The school district anticipates a portion of the bonds will be sold in 2020.

General Obligation Bonds currently outstanding are as follows:

Purpose	Maturity Date	Interest Rates	Amount
General Government - Series 2015	October 2022	2.25% - 5.0%	\$ 48,665,000 \$ 48,665,000

The changes in Long-Term Liabilities during the fiscal year ended June 30, 2019, were as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
	July 1, 2010	7 Idditions	Deddetions	June 30, 2017	One rear
G.O. Bonds	\$55,000,000		\$ 6,335,000	\$ 48,665,000	\$ 13,150,000
Compensated Absences (1)	561,562	616,939	550,464	628,037	-
Unamoritized Bond Premium	4,633,606		1,669,562	2,964,044	1,378,680
	\$60,195,168	\$ 616,939	\$ 8,555,026	\$ 52,257,081	\$ 14,528,680

⁽¹⁾ The portion of Compensated Absences due within one year has been determined to be immaterial to the basic financial statements.

At June 30, 2019, payments due by fiscal year which includes principal and interest for these items are as follows:

	General Obl	General Obligation Debt				
	Principal	Interest	Unamortized Bond Premium			
Fiscal Year Ended June 30,						
2020	\$ 13,150,000	\$ 2,111,438	\$ 1,378,680			
2021	13,715,000	1,479,413	975,024			
2022	14,375,000	824,812	610,340			
2023	7,425,000	152,281				
Total Principal and Interest	\$ 48,665,000	\$ 4,567,944	\$ 2,964,044			

Note 10: SIGNIFICANT COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2019 together with funding available:

Project	Unearned Executed Contracts (1)	Payments Through June 30, 2019 (2)	Funding Available From State
New Schools School Additions/Other	\$ 3,108,391 3,054,404 \$ 6,162,795	\$ 16,735,630 5,431,293 \$ 22,166,923	\$ 741,508 - \$ 741,508

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

Note 11: SIGNIFICANT CONTINGENT LIABILITIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. 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.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

Note 12: OTHER POST-EMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POST-EMPLOYMENT HEALTH BNENEFIT FUND

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 20 of 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 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 \$7,179,442 for the year ended June 30, 2019. 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, 2019, the School District reported a liability of \$164,831,629 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 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, 2018. At June 30, 2018, the School District proportion was 1.296897%, which was an increase of .007781% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized OPEB expense of \$206,174. At June 30, 2019, the School District reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB			
		erred Outflow	Deferred Inflows	
	01	Resources	01	f Resources
Differences between expected and actual experience	\$	-	\$	3,749,271
Changes of assumptions		-		27,923,271
Net difference between projected and actual earnings on OPEB plan investments		223,016		-
Changes in proportion and differences between School District contributions and proportionate share of contributions		2,081,139		-
School District contributions subsequent to the measurement date		7,202,564		
Total	\$	9,506,719	\$	31,672,542

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OBEP expense as follows:

Year Ended June 30,	OPEB
2020	¢ (5 697 075)
2020	\$ (5,687,975) (5,687,975)
2022	(5,687,975)
2023	(5,701,299)
2024	(4,753,730)
Thereafter	(1,849,433)

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 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, 2018:

OPEB:	
Inflation	2.75%
Salary increases	3.25% - 9.00%, average, 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 Medicare Eligible	7.50% 5.50%
Ultimate trnd rate	
Pre-Medicare Eligible Medicare Eligible	4.75% 4.75%
Year of Ultimate trned rate	
Pre-Medicare Eligible Medicare Eligible	2028 2022

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

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

Asset Class	OPEB Target allocation	Long-Term Expected Real
Fixed Income	30.00%	-0.05%
Domestic Stocks - Large Cap	37.20%	9.00%
Domestic Stocks - Mid Cap	3.40%	12.00%
Domestic Stocks - Small Cap	1.40%	13.50%
Int'l Stocks - Developed Mkt	17.80%	8.00%
Int'l Stocks - Emerging Mkt	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	100.00%	

Discount rate: The discount rate has changed since the prior measurement date from 3.58% to 3.87%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.87% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.87% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2018. Therefore, the calculated discount rate of 3.87% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.87%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current discount rate:

	Current			
	1% Decrease (2.58%)	discount rate (3.87%)	1% Increase (4.87%)	
Net OPEB Liability (asset)	\$192,471,659	\$164,831,629	\$142,542,835	

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

	1% Decrease	Current discount rate	1% Increase	
School District's proportionate share of the Net OPEB Liability	\$138,575,277	\$164,831,629	\$198,386,279	

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

Note 13: RETIREMENT PLANS

Columbia County Board of Education participates in various retirement plans administered by the State of Georgia. The major retirement system in which the School District participates is the Teachers Retirement System of Georgia.

TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees were required to contribute 6% of their annual pay during fiscal year 2019. The School District's contractually required contribution rate for the year ended June 30, 2019 was 20.90% of annual school district payroll, of which 99.88% of payroll was required from the School District and .12% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$29,813,149 and \$36,630 from the School District and State, respectively.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

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

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 \$15.00, 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 \$649,020.

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

At June 30, 2019, the School District reported a liability of \$214,909,510 for its proportionate share of the net pension liability for TRS \$18,562,142,000. The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public support personnel.

The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School district were as follows:

School District's proportionate share of the net pension liability \$214,909,510

State of Georgia's proportionate share of the net pension liability associated with the School District

466,838

Total \$215,376,348

The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contribution to TRS during the fiscal year ended June 30, 2018.

At June 30, 2018, the School District's TRS proportionate share of the Net Pension Liability associated with the District was 1.157784%, which was an increase .009738% from its proportion measured as of June 30, 2017.

At June 30, 2019, the School District did not have 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 \$2,803,100.

The PSERS net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 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, 2018.

For the year ended June 30, 2019, the School District recognized pension expense of \$23,892,464 for TRS.

At June 30, 2019, the School District reported deferred outflows or resource and deferred inflows of resources related to pension from the following sources:

	TRS			
	Deferred Outflow of Resources		Deferred Inflow of Resources	
Differences between expected and actual experience	\$	14,227,313	\$	442,933
Changes of assumptions		3,242,907		-
Net difference between projected and actual earnings on pension plan investments		-		5,876,043
Changes in proportion and differences between School District contributions and proportionate share of contributions		4,944,125		126,286
School District contributions subsequent to the measurement date		29,799,674		
Total	\$	52,214,019	\$	6,445,262

The School District contributions subsequent to the measurement date for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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
2020	\$ 12,939,109
2021	7,376,446
2022	(4,858,379)
2023	275,060
2024	236,847
Thereafter	

Actuarial assumptions: The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.75%
Salary increases	3.25 - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment
	expense, including inflation

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

Public School Employee's 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 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, 2017 valuation were based on the results of an actuarial experience study for the period July1, 2009 - June 30, 2014.

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%	-0.50%
Domestic large stocks	39.80%	37.20%	9.00%
Domestic mid stocks	3.70%	3.40%	12.00%
Domestic small stocks	1.50%	1.40%	13.50%
International developed market stocks	19.40%	17.80%	8.00%
International emerging market stocks	5.60%	5.20%	12.00%
Alternative		5.00%	10.50%
Total	100.00%	100.00%	

^{*} Rates shown are net of the 2.75% assumed rate of inflation

Discount rate: The discount rate used to measure the total TRS pension liability was 7.50% and PSERS was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Columbia Board of Education'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 7.50% and 7.30%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.50% and 6.30%) or 1-percentage-point higher (8.50% and 8.30%) than the current rate:

Teachers Retirement System:

	Current			
1% Deci (6.50%)		discount rate (7.50%)	1% Increase (8.50%)	
School District's proportionate share of net pension liability	\$358,745,509	\$214,909,510	\$ 96,381,327	

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 publically available at www.trsga.com/publications and http://www.ers.ga.gov/formspubs/formspubs.html.

DEFINED CONTRIBUTION PLAN

In September 1, 2000, Columbia County Board of Education began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School District selected VALIC as the provider of this plan. The School District contributes a matching contribution for each PSERS employee who participates in the plan. The matching contribution is a dollar for dollar match up to 3% of the employees pay.

The employee becomes vested in the plan with 5 years of experience. Employees who had already achieved 5 years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 5 years of service to Columbia County Board of Education. If an employee terminates employment prior to achieving 5 years of service, funds paid on behalf of the non-vested employee are credited back to the School District.

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

Fiscal Year	Amount Contributed				
2019	\$ 201,317				
2018	\$ 156,452				
2017	\$ 151,248				

COLUMBIA COUNTY BOARD OF EDUCATION GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

JUNE 30, 2019

	NC	NAPPROPRIA	TED BUDGETS		ACTUAL		VARIANCE	
	О	ORIGINAL (1) FINAL (1)			AMOUNTS		OVER/UNDER	
REVENUES								
Property Taxes	\$	92,200,000	\$ 94,325,000	\$	94,180,688	\$	(144,312)	
Local Taxes		2,900,000	2,900,000		2,857,723		(42,277)	
State Funds		140,744,145	144,050,203		144,164,324		114,121	
Federal Funds		14,199,890	14,979,532		14,910,772		(68,760)	
Charges for Services		5,495,000	5,495,000		12,656,248		7,161,248	
Investment Earnings		701,400	701,400		1,096,306		394,906	
Miscellaneous		365,000	365,000		610,048		245,048	
Total Revenue		256,605,435	262,816,135		270,476,109		7,659,974	
EXPENDITURES								
Current								
Instructional		173,514,562	174,664,757		172,938,364		1,726,393	
Support Services		173,314,302	1/4,004,/3/		172,936,304		1,720,393	
Pupil Services		5,989,137	6,431,512		6,429,629		1,883	
Improvement of Instructional Services		11,499,006	10,722,714		9,623,569		1,099,145	
Educational Media Services		4,360,481	4,360,481		4,607,476		(246,995)	
General Administration		1,017,650	1,076,824		884,044		192,780	
School Administration		16,207,429	16,207,429		18,051,958		(1,844,529)	
Business Administration			1,985,188				125,295	
		1,985,188			1,859,893 20,379,875			
Maintenance and Operation of Plant		20,998,688	20,998,688				618,813	
Student Transportation Services		13,055,141	13,507,570		12,780,144		727,426	
Central Support Services		1,524,981	1,524,981		1,457,640		67,341	
Other Support Services		23,000	24,722		2,733		21,989	
Enterprise Operations		11 020 (2)	-		4,101,215		(4,101,215)	
Food Services Operation		11,820,636	11,820,636		11,837,139		(16,503)	
Total Expenditures		261,995,899	263,325,502		264,953,679		(1,628,177)	
OTHER FINANCING SOURCES (USES)								
Transfers Out		_	(6,111,316)		(6,111,316)		_	
1141151615 6 40			(0,111,010)		(0,111,510)			
Total Other Financing Sources (Uses)		-	(6,111,316)		(6,111,316)		-	
Net Change in Fund Balances		(5,390,464)	(6,620,683)		(588,886)		6,031,797	
Fund Balances - Beginning		50,669,369	50,669,369		50,669,369			
Fund Balances - Ending	\$	45,278,905	\$ 44,048,686	\$	50,080,483	\$	6,031,797	

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

(1) Original and Final Budget amounts do not include budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$5,910,464 and \$5,682,001,

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.

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY JUNE 30, 2019

TEACHERS RETIREMENT SYSTEM OF GEORGIA

	School District's proportion of	School District's	pro sha	of Georgia's oportionate re of the net sion liability		School District's	School District's proportionate share of the net pension liability as a	Plan fiduciary net position as a
	the net pension	proportionate share of the net		ociated with ne School		covered- employee	percentage of its covered employee	percentage of the total pension
Year Ended	liability	pension liability		District	Total	payroll	payroll	liability
2019	1.16%	\$ 214,909,510	\$	466,838	\$ 215,376,348	\$ 138,023,235	155.71%	80.27%
2018	1.15%	213,367,885		429,135	213,797,020	132,274,114	161.31%	79.33%
2017	1.13%	234,981,385		421,494	235,402,879	125,291,451	187.55%	76.06%
2016	1.10%	168,215,230		297,477	168,512,707	116,831,384	143.98%	81.44%
2015	1.09%	138,918,946		255,453	139,174,399	112,501,771	123.48%	84.03%

PUBLIC SCHOOLS EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

	School District's proportion of the net pension	School District's proportionate share of the net	pi sha per ass	e of Georgia's roportionate are of the net asion liability sociated with the School		~	hool District's covered- employee	School District's proportionate share of the net pension liability as a percentage of its covered employee	Plan fiduciary net position as a percentage of the total pension liability	
Year Ended	liability	pension liability		District	 Total		payroll (1)	payroll		
2019	0.00%	\$ -	\$	2,803,100	\$ 2,803,100	\$	13,379,944	0.00%	85.26%	
2018	0.00%	-		2,544,512	2,544,512		12,867,775	0.00%	85.69%	
2017	0.00%	-		3,281,989	3,281,989		12,376,598	0.00%	81.00%	
2016	0.00%	-		2,025,115	2,025,115		11,732,049	0.00%	87.00%	
2015	0.00%	-		1,707,337	1,707,337		11,300,930	0.00%	88.29%	

⁽¹⁾ The retirement benefit is calculated at a rate of \$14.75 per month multiplied by the number of years of creditable service.

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF CONTRIBUTIONS (PENSIONS) JUNE 30, 2019

TEACHERS RETIREMENT SYSTEM OF GEORGIA

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll	
2019	\$ 23,150,710	\$ 23,180,940	\$ (30,230)	\$ 138,023,235	16.77%	
2018	18,875,516	18,811,042	64,474	132,274,114	14.27%	
2017	17,879,090	17,827,961	51,129	125,291,451	14.27%	
2016	15,363,327	15,331,084	32,243	116,831,384	13.15%	
2015	13,815,217	13,918,478	(103,261)	112,501,771	12.28%	

PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

Year Ended	Contra requ contril	ired	contra	n to the ctually ired	defi	ribution ciency cess)	nool District's ered-employee payroll	Contribution as a percentage of covered-employee payroll	
2019	\$	_	\$	_	\$	_	\$ 13,379,944	0.00%	
2018		-		-		-	12,867,775	0.00%	
2017		-		-		-	12,376,598	0.00%	
2016		-		-		-	11,732,049	0.00%	
2015		-		-		-	11,300,930	0.00%	

SCHEDULE "4"

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY JUNE 30, 2019

						School District's	
	School		State of Georgia's			proportionate share	
	District's		proportionate share			of the net OBEP	Plan fiduciary
	proportion of	School District's	of the net OBEP		School District's	liability as a	net position as a
	the net	proportionate	liability associated		covered-	percentage of its	percentage of the
	OBEP	share of the net	with the School		employee	covered employee	total OPEB
Year Ended	liability	OPEB liability	District	Total	payroll	payroll	liability
2019	1.30%	\$ 164,831,629	\$ -	\$ 164,831,629	\$ 151,393,796	N/A	2.93%
2018	1.29%	181,120,280	-	181,120,280	143,615,483	N/A	1.61%

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF CONTRIBUTIONS (OPEB) JUNE 30, 2019

TEACHERS RETIREMENT SYSTEM OF GEORGIA

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	de	ntribution ficiency excess)	chool District's rered-employee payroll	Contribution as a percentage of covered-employee payroll	
2019 2018	\$ 7,179,442 6,744,814	\$ 6,721,692 6,721,551	\$	457,750 23,263	\$ 151,393,796 143,615,483	4.44% 4.68%	

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE "6" NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

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).

Public School Employees Retirement System

Changes of assumptions: 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.

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 RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

School OPEB Fund

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

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees wee previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location. Additionally, there was changes to the discount rate and an increase in the investment rate of return due to a longer term investment strategy.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

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

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2019

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD	
Agriculture, U. S. Department of				
Child Nutrition Cluster				
Pass-Through From Georgia Department of Education				
Food Services				
School Breakfast Program	10.553	185GA324N1099	(1)	
National School Lunch Program	10.555	185GA324N1099	\$ 10,739,515	(1), (3)
School Lunch Equipment	10.579	175GA350N8103	8,000	
Commercial Warehouse Storage and Delivery Grant Non-Cash Assistance (Commodities)	10.555 10.555	185GA904N2533 185GA324N1099	16,037 785,746	
Non-Cash Assistance (Commountes)	10.555	163GA324N1099	763,740	
Total Child Nutrition Cluster			11,549,298	
Total U.S. Department of Agriculture			11,549,298	
Education, U. S. Department of				
Direct	04.041	NI/A	(2)	
Impact Aid	84.041	N/A	(2)	
Special Education Cluster				
Pass-Through From Georgia Department of Education				
Special Education				
Grants to States	84.027	H027A180073	4,312,162	
Preschool Grants	84.173	H173A180081	99,756	
Total Special Education Cluster			4,411,918	
Other Programs				
Pass-Through From Georgia Department of Education				
Title I Grants to Local Educational Agencies	84.010	S010A170010-17A	161,856	
Title I Grants to Local Educational Agencies	84.010	S010A180010	2,199,995	
Title IV-Part A Student Support and Academic Enrichment	84.424A	S424A170011	3,214	
Title IV-Part A Student Support and Academic Enrichment	84.424A	S424A180011	116,059	
Improving Teacher Quality State Grants	84.367	S367A170001	28,953	
Improving Teacher Quality State Grants	84.367	S367A180001	363,219	
Career and Technical Education - Basic Grants to States	84.048	V048A180010	167,350	
English Language Acquisition Grants	84.365	S365A170010	129	
English Language Acquisition Grants	84.365	S365A180010	63,310	
Education for Homeless Children and Youth Education for Homeless Children and Youth	84.196 84.196	S196A170011 S196A180011	2,563 44,767	
Total Other Programs			3,151,415	
Total U. S. Department of Education			7,563,333	
			<u> </u>	
Defense, U. S. Department of Direct				
Department of the Army				
R.O.T.C. Program	12.U01	N/A	284,705	
Department of the Navy				
R.O.T.C. Program	12.U02	N/A	65,394	
Total U.S. Department of Defense			350,099	
Total Expenditures of Federal Awards			\$ 19,462,730	

N/A = Not Available

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2019

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 Columbia County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2019. 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. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Sub-Recipients

During the year ended June 30, 2019 the Board did not provide federal assistance to any sub-recipient.

- (1) Expenditures for the funds earned on the School Breakfast Program (\$862,106) were not maintained separately and are included in the 2018 National School Lunch Program.
- (2) Funds earned on the Impact Aid program, in the amount of \$959,405, do not require reporting of expenditures.
- (3) During the year ended June 30, 2019, program income and federal funds related to the Child Nutrition Cluster were comingled and are included in the accompanying schedule of federal awards.

COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF STATE REVENUE JUNE 30, 2019

	GOVERNMENTAL FUND TYPES								
	00 / 210	CAPITAL	11125						
	GENERAL	PROJECTS							
ENCY/FUNDING	FUND	FUND	TOTAL						
ENCT/TONDING	TOND	1010	10171						
GRANTS									
Bright from the Start:									
Georgia Department of Early Care and Learning									
Pre-Kindergarten Program	\$ 1,386,897	\$ -	\$ 1,386,897						
	4 -,,,	*	,,						
Education, Georgia Department of									
Quality Basic Education									
Direct Instructional Cost									
Kindergarten Program	5,015,014	_	5,015,014						
Kindergarten Program - Early Intervention Program	4,835,741	_	4,835,74						
Primary Grades (1-3) Program	14,153,173	_	14,153,173						
Primary Grades - Early Intervention (1-3) Program	10,824,822	_	10,824,822						
Upper Elementary Grades (4-5) Program	8,430,400	_	8,430,400						
Upper Elementary Grades - Early Intervention (4-5) Program	4,656,427	-	4,656,42						
Middle School (6-8) Program	17,226,115	-	17,226,11:						
High School General Education (9-12) Program	16,129,805	-	16,129,80						
Vocational Laboratory (9-12) Program	3,686,070	-	3,686,07						
Students with Disabilities									
Category I	675,411	-	675,41						
Category II	617,809	-	617,809						
Category III	9,410,005	_	9,410,00						
Category IV	3,907,266	_	3,907,26						
Category V	1,252,533		1,252,53						
Gifted Student - Category VI		-	10,765,43						
÷ •	10,765,431								
Remedial Education Program	2,416,962	-	2,416,96						
Alternative Education Program	1,233,312	-	1,233,31						
English Speakers of Other Languages (ESOL)	721,685	-	721,68						
Media Center Program	3,055,730	-	3,055,73						
20 Days Additional Instruction	925,119	-	925,119						
Staff and Professional Development	537,253	-	537,253						
Indirect Cost									
Central Administration	2,820,658	-	2,820,65						
School Administration	5,662,045	_	5,662,04						
Facility Maintenance and Operations	6,904,775	_	6,904,77						
Categorical Grants	0,201,770		0,,,,,,,						
Pupil Transportation									
	1 600 022		1 600 02						
Regular	1,689,822	-	1,689,82						
Nursing Services	564,966	-	564,96						
Vocational Supervisors	28,598	-	28,59						
Education Equalization Funding Grant	3,338,351	-	3,338,35						
Food Services	287,840	-	287,84						
Vocational Education	130,726	-	130,72						
Other State Programs									
Bus Bonds	463,320	_	463,32						
GOSA Summer Literacy	3,058	_	3,05						
Military Counselors	80,936		80,93						
	205,786	-							
Safety Grant	,	-	205,78						
Preschool Handicapped Program	672,920	-	672,92						
Science & Math Supplement	234,547	-	234,54						
State Health Benefit Plan Employer Contribution Holiday	(1,316,385)	-	(1,316,38						
Office of the State Treasurer									
Public School Employees Retirement	507,995	_	507,99						
Flood Funds	21,386	_	21,38						
1 tood 1 unds	21,300		21,30						
Georgia State Financing and Investment Commission									
D 1 4 C 4 4 D 1 4	_	5,902,534	5,902,534						
Reimbursement on Construction Projects									

COLUMBIA COUNTY BOARD OF EDUCATION SSCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS JUNE 30, 2019

000 1000 1310

											STATI	ESTIMATED				
	(DRIGINAL	CURRENT			SPLOS	Т 2012-2017	,			LOC	CAL			PERCENTAGE	COMPLETION
		BUDGET	BUDGET		BONDS			SALES TAX PROCEEDS			FUNI	DING		TOTAL	COMPLETION	DATE
	(as	of 06-30-2011)	(as of 06-30-2019)	Current Y	ear	Prior Year	Current	Year	Prior Year	Curr	ent Year	Prior Yea	ır			
Revenues																
Sales Tax 2012-2017 Proceeds	\$	108,600,000	\$ 96,591,164	\$	-	\$ -	\$	-	\$ 96,591,164	\$	-	\$	-	\$ 96,591,164	100%	
2011 Bond Proceeds		38,196,026	38,196,026		-	38,196,068		-	-		-		-	38,196,068	100%	
State Proceeds		11,000,000	15,141,387		-	-		-	-		-	15,141,3	87	15,141,387	100%	
Local Proceeds		5,000,000	5,000		-	-		-	-		-	33,7	12	33,712	N/A	
Interest		600,000	354,465		-	61,860	44	,900	247,705		-		-	354,465	100%	
Total Revenue		163,396,026	150,288,042		-	38,257,928	44	,900	96,838,869		-	15,175,0	99	150,316,796		
Expenditures																
Debt Payments		44,432,733	44,432,733		-	1,164,333		-	43,268,400		-		-	44,432,733	100%	6/30/2018
Audit Fees		25,000	25,600		-	-		-	25,600		-		_	25,600	100%	6/30/2018
Capital Projects		70,800,000	74,512,339		-	29,414,763	65	,000	29,891,188		_	15,141,3	87	74,512,338	100%	6/30/2019
Other Capital Outlays																
(equipment, buses, computers, etc.)		41,250,000	31,317,370		-	7,678,779	4,068	,116	19,594,186		-	5,0	00	31,346,081	100%	6/30/2019
Total Expenditures		156,507,733	150,288,042		-	38,257,875	4,133	,116	92,779,374		-	15,146,3	87	150,316,752		
Proceeds for Current and																
Future Projects	\$	6,888,293	\$ -	\$	-	\$ 53	\$ (4,088	3,216)	\$ 4,059,495	\$	-	\$ 28,7	12	\$ 44		

The voters of Columbia County approved the imposition of a 1% sales tax (ESPLOST) for 2012-2017 to fund the above projects and retire debt. The amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

The School District's original cost estimate as specified in the resolution for the 2012-2017 ESPLOST was (1) for the cost of acquiring, constructing, and equipping six new elementary schools, two new middle schools, and one new alternative school, acquiring land for future schools, instructional and administrative technology improvements for existing schools buses, adding to, renovating, repairing, improving, and equipping existing school buildings and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property therefore, both real and personal, all at a maximum cost of \$127,100,000, and (2) the cost of retiring a portion of the District's General Obligation Refunding Bonds, Series 2009, by paying or making provision for the payment of the principal of and interest on such bonds coming due on April 1, 2013, in the maximum amount of \$2,900,000. The resolution calling the election and the notice of the election also authorized the issuance of \$45,000,000 in aggregate principal amount of general obligation debt of the District in conjunction with the reimposition of the Sales Tax for the purpose set forth in clause (1) above, to pay capitalized interest incident thereto, and to pay expenses incident to accomplishing the foregoing. At this time \$35,000,000 in bonds have been issued and spent. The future projects and debt payments will be funded with sales taxes and state funds.

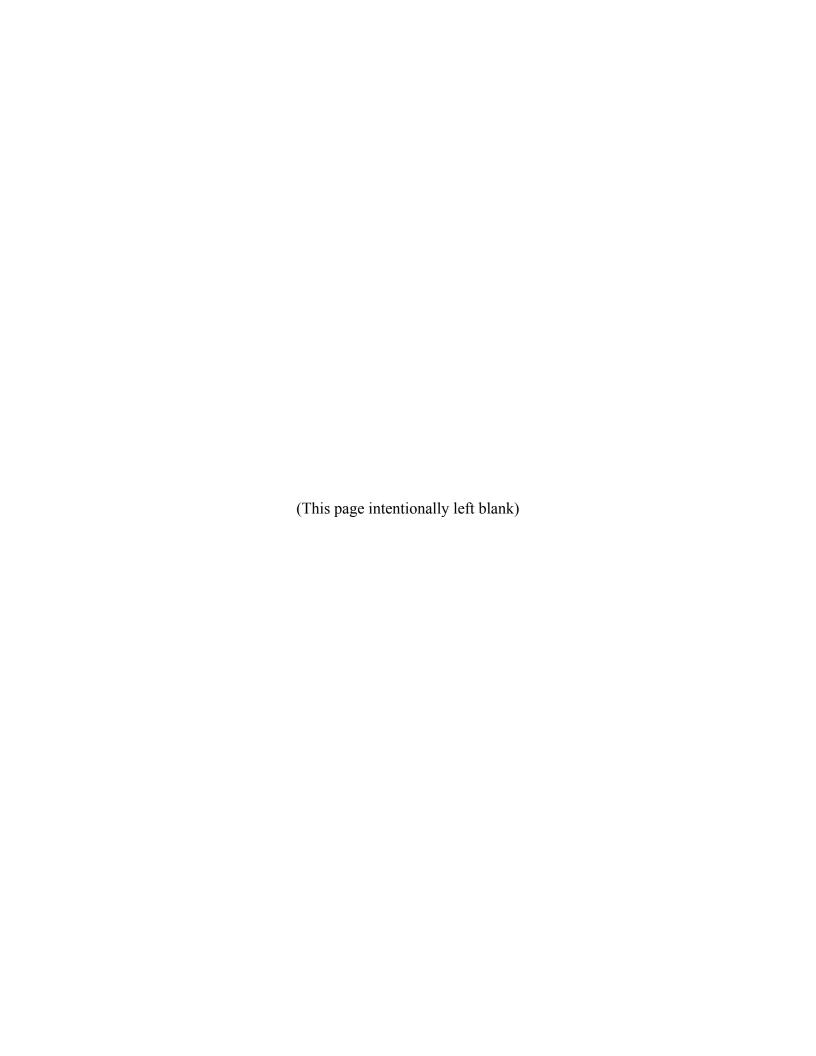
COLUMBIA COUNTY BOARD OF EDUCATION SSCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS JUNE 30, 2019

(2)

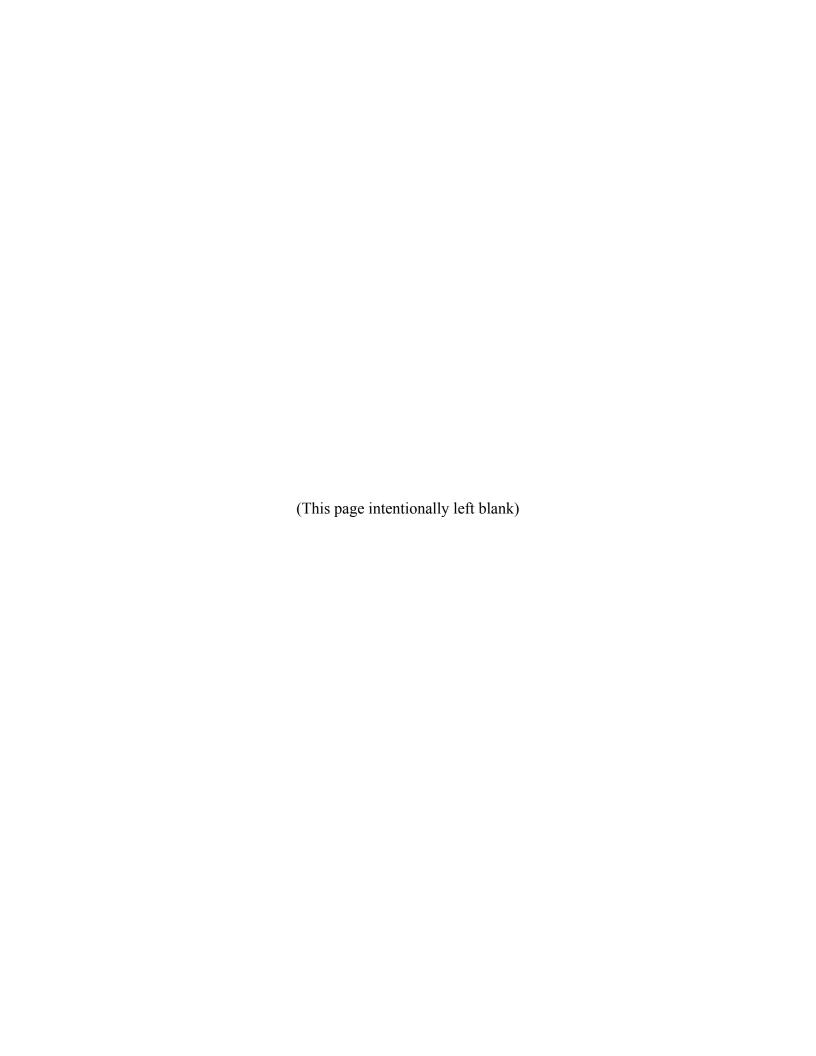
								(2	•)										
	o	RIGINAL		CURRENT			SPI	LOST 2	2017-2022				STAT	E AND CAL)		PERCENTAGE	ESTIMATED COMPLETION	
]	BUDGET		BUDGET		BON	NDS		SALES TAX	X PROC	EEDS		FUN	DING		TOTAL	COMPLETION	DATE	
	(as o	of 06-30-2015)	(as	as of 06-30-2019) Cur		rent Year	Prior	Year	Current Yea	r Prior	Year	Curre	ent Year	Prio	r Year				
Revenues																			
Sales Tax 2017-2022 Proceeds	\$	108,000,000	\$	112,000,000	\$	-	\$	-	\$22,659,252	\$ 21,02	3,919	\$	-	\$	-	\$ 43,683,171	39%		
2015 Bond Proceeds		63,026,800		63,256,853		-	63,25	6,853	-		-		-		-	63,256,853	100%		
Federal Proceeds/Erate		-		2,865,675		-		-	-		-		95,535	2,	770,140	2,865,675	100%		
State Proceeds		18,000,000		22,664,331		-		-	-		-	5,9	902,532	16,	020,291	21,922,823	97%		
Local Proceeds		-		6,111,316		-		1,853	-		-	6,	111,316		-	6,113,169	N/A		
Interest		200,000		1,200,000		1,219	38	30,236	588,303	12	0,812		-		_	1,090,570	91%		
Total Revenue		189,226,800		208,098,175		1,219	63,63	8,942	23,247,555	21,14	4,731	12,	109,383	18,	790,431	138,932,261			
Expenditures																			
Debt Payments		68,530,400		68,253,482		-	4,82	2,118	8,910,612	1,28	37,807		-		-	15,020,537	22%	10/1/2022	
Audit and Election Fees		70,000		70,000		-	3	8,037	5,600		-		-		-	43,637	62%	10/1/2022	
Capital Projects		80,000,000		80,136,664		-	45,84	1,171	6,128,678	65	5,181	3,	518,693	18,	404,130	74,547,853	93%	Various	
Other Capital Outlays																			
(equipment, buses, computers, etc.)		40,500,000		58,734,772		77,415	12,86	1,420	9,271,957				133,078	2,	770,140	25,114,010	43%	Various	
Total Expenditures		189,100,400		207,194,918		77,415	63,56	2,746	24,316,847	1,94	2,988	3,0	651,771	21,	174,270	114,726,037			
Proceeds for Current and																			
Future Projects	\$	126,400	\$	903,257	\$	(76,196)	\$ 7	6,196	\$ (1,069,292	\$ 19,20	1,743	\$ 8,4	457,612	\$ (2,	383,839)	\$ 24,206,224			

The voters of Columbia County approved the imposition of a 1% sales tax (ESPLOST) for 2017-2022 to fund the above projects and retire debt. The amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(2) The School District's original cost estimate as specified in the resolution for the 2017-2022 ESPLOST was (1) to acquire, construct, and equip five new elementary schools, two new middle schools, and one new athletic complex at an existing high school, and certain new athletic facilities at other existing high schools; acquire land for future schools, instructional and administrative technology improvements for existing schools, and school buses; adding to, renovating, repairing, improving, and equipping existing school buildings, existing athletic facilities, and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property therefore, both real and personal, (2) to the extent funds are available, the cost of acquiring, constructing, and equipping one new high school and acquiring any necessary property therefor, both real and personal; to pay capitalized interest thereto; and to pay expenses incident to accomplishing the foregoing; the maximum cost of the projects described in clauses (1) and (2) above to be \$140,000,000. The taxpayers also approved the sale of \$55,000,000 in bonds in order to advance fund the projects. The School District sold the bonds for \$55 million on November 17, 2015. The principal and interest on the \$55 million will be paid with \$PLOST proceeds.



SECTION II COMPLIANCE AND INTERNAL CONTROL REPORTS



Michelle Bennett, CPA Rick L. Evans, CPA E.J. Maddocks, CPA Jay Sanders, CPA Wanda F. Scott, CPA Abram Serotta, CPA Joel R. Stewart, CPA Andrea Usry, CPA Paul Wade, CPA



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

To the Superintendent and Members of the Columbia County Board of Education Evans, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbia County Board of Education, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Columbia County Board of Education's basic financial statements, and have issued our report thereon dated November 7, 2019.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Columbia County Board of Education'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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Serata Moddocks Evans & Co., CPAs

Augusta, Georgia November 7, 2019

Michelle Bennett CPA Rick L. Evans, CPA E.J. Maddocks, CPA Jav Sanders, CPA Wanda F. Scott, CPA Abram Serotta, CPA Joel R. Stewart, CPA Andrea Usry, CPA Paul Wade, CPA



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

To the Superintendent and Members of the Columbia County Board of Education Evans, Georgia

Report on Compliance for Each Major Federal Program

We have audited Columbia County Board of Education's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Columbia County Board of Education's major federal programs for the year ended June 30, 2019. Columbia County Board of Education'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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Columbia County Board of Education'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 Columbia County Board of Education'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 Columbia County Board of Education's compliance.



Opinion on Each Major Federal Program

In our opinion, the Columbia County Board of Education, 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, 2019.

Report on Internal Control over Compliance

Management of Columbia County Board of Education, 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 Columbia County Board of Education'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 Columbia County Board of Education's internal control over compliance.

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

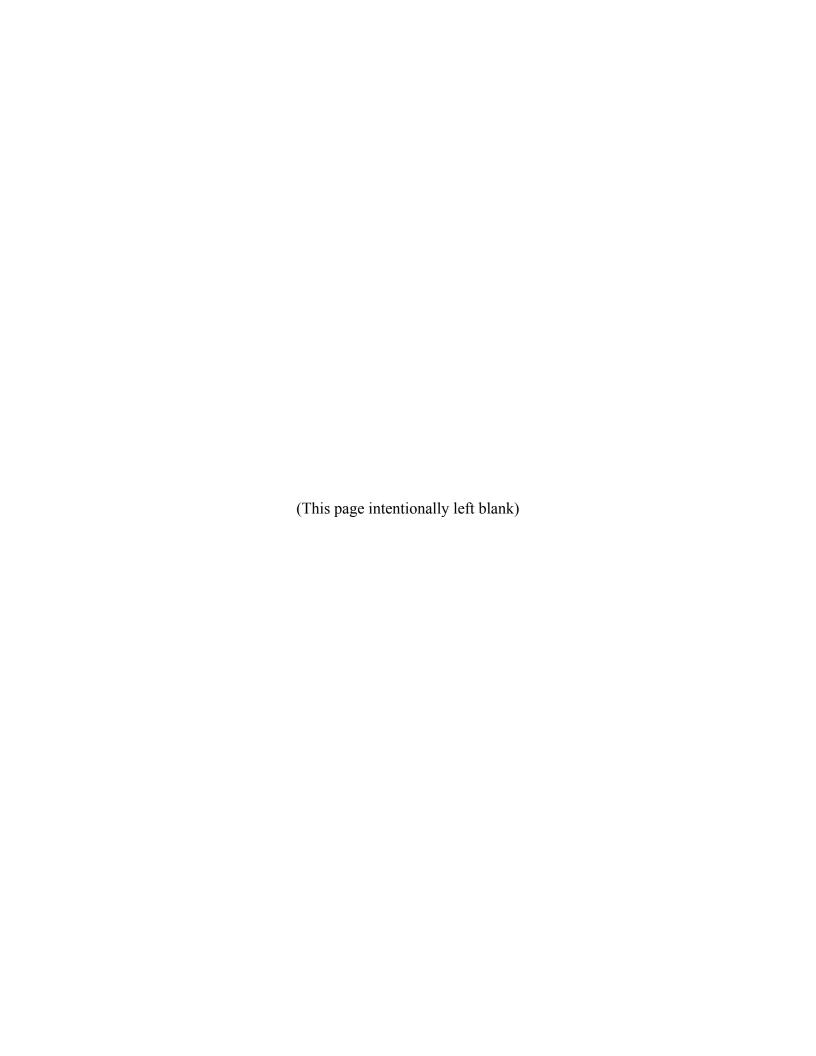
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

Serotta Moddocks Evans & Co., CPAs

Augusta, Georgia November 7, 2019

SECTION III PRIOR YEAR FINDINGS AND QUESTIONED COSTS



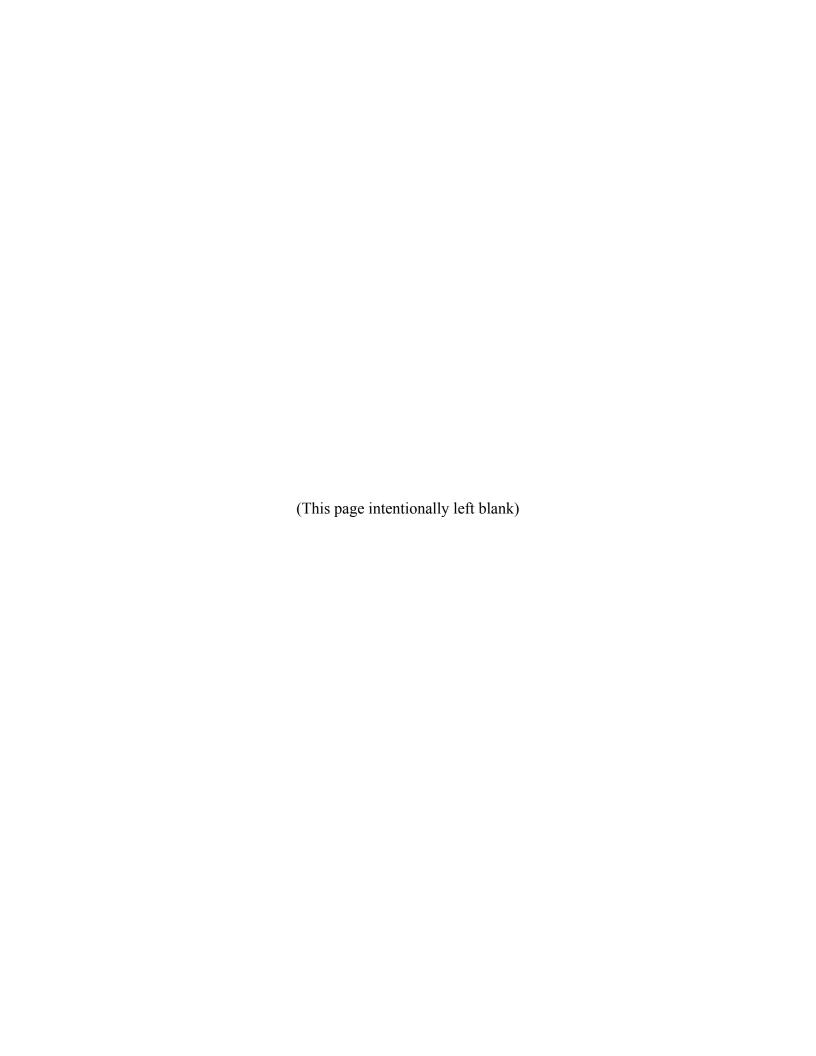
COLUMBIA COUNTY BOARD OF EDUCATION SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2019

Prior Year Findings and Questioned Costs - Financial Statement Audit

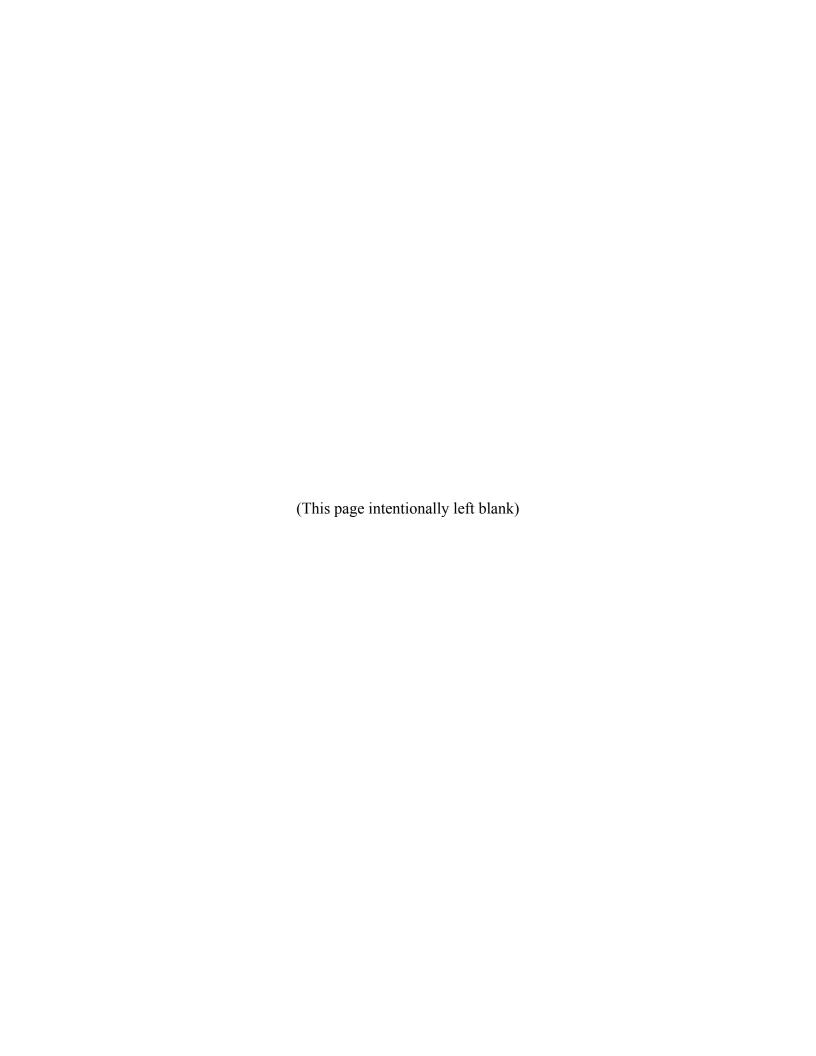
No matters were reported.

Prior Year Findings and Questioned Costs - Major Federal Award Programs Audit

No matters were reported.



SECTION IV FINDINGS AND QUESTIONED COSTS



COLUMBIA COUNTY BOARD OF EDUCATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2019

A. Summary of Auditors' Results

- 1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Columbia County Board of Education were prepared in accordance with GAAP.
- 2. No significant deficiencies were disclosed during the audit of internal control over the major federal award programs.
- 3. No instances of noncompliance material to the financial statements of the Columbia County Board of Education, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- 4. The auditors' report on compliance for the major federal award programs for Columbia County Board of Education expresses an unmodified opinion on all major federal programs.
- 5. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) reported in this Schedule.
- 6. The programs tested as major programs included:

Special Education Cluster:

Grants to States (CFDA No. 84.027)

Preschool Grants (CFDA No. 84.173)

- 7. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
- 8. The Columbia County Board of Education qualified as a low-risk auditee.

B. Findings - Financial Statement Audit

NONE

C. Findings and Questioned Costs - Major Federal Award Programs Audit

NONE