



COLUMBIA COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2021

And Reports of Independent Auditor

COLUMBIA COUNTY BOARD OF EDUCATION
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Report of Independent Auditor

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 (the "Board"), as of and for the year ended June 30, 2021, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 13, the Board implemented Governmental Accounting Standards Board 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the Board's activities previously reported as School Activity Accounts. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia County Board of Education's basic financial statements. Schedules 9 and 10 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

Schedules 9 and 10 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 9 and 10, 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 March 14, 2022 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Augusta, Georgia
March 14, 2022

COLUMBIA COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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 2020-21 are as follows:

- 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
 - Additions to elementary, middle, and high schools
 - Renovation of transportation, facilities, warehouse, and technology complex
 - Renovation of high school athletic fields and tracks
- Net position increased \$8.96 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 \$154.44 million in revenue or 45.50% of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$185.03 million or 54.50% of total revenues of \$339.48 million.
- The School District had \$330.52 million in expenses related to governmental activities; only \$185.03 million of these expenses were offset by program specific charges, grants, or contributions. General revenue (primarily property and sales taxes) of \$154.44 million was adequate to provide for these programs.
- Among major funds, the general fund had \$306.78 million in revenues and \$287.99 million in expenditures. The general fund balance increased from \$62.26 million (restated) to \$81.05 million. The capital projects and debt service funds had \$32.55 million in revenues and \$40.15 million in expenditures. The combined fund balance of the capital projects and debt service funds decreased from \$77.40 million to \$69.81 million.

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 School District's financial statements, including the portion of the district's activities they cover and the types of information they contain.

**COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2021

**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	Fund Financial 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	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • 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

COLUMBIA COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

Government-Wide Statements

The Statement of Net Position and Statement of Activities provide information about the School District as a whole using accounting methods similar to industry. The increases and decreases in the School 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 its 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 workers' compensation fund.

**COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2021

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 2021 compared to 2020.

**Table 2
Net Position**

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
Assets:		
Current and other assets	\$ 180,462,526	\$ 165,413,220
Capital assets, net	362,100,931	354,446,865
Total Assets	<u>542,563,457</u>	<u>519,860,085</u>
Deferred Outflows of Resources	<u>130,199,491</u>	<u>92,266,861</u>
Liabilities:		
Current and other liabilities	29,327,066	27,246,507
Long-term liabilities	569,745,453	514,547,637
Total Liabilities	<u>599,072,519</u>	<u>541,794,144</u>
Deferred Inflows of Resources	<u>39,333,705</u>	<u>46,961,136</u>
Net Assets:		
Net investment in capital assets	313,921,821	307,946,976
Restricted	71,532,218	78,730,772
Unrestricted	(351,097,315)	(363,266,082)
Total Net Position	<u>\$ 34,356,724</u>	<u>\$ 23,411,666</u>

Total assets of governmental activities increased by \$22.70 million as cash decreased by \$10.58 million, cash equivalents increased by \$22.07 million, receivables increased by \$3.62 million, and capital assets increased by \$7.65 million. The deferred outflows increased by \$37.93 million and deferred inflows decreased by \$7.59 million from the prior year. The long-term liabilities increased by \$27.95 million. This was due to changes in actuarial assumptions that increased the net pension liability and net OPEB liability. 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 \$12.17 million.

COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

Table 3 shows the changes in net position for fiscal year 2021 compared to 2020.

Table 3
Change in Net Position

	Governmental Activities		
	Fiscal Year 2021	Fiscal Year 2020	% Change
Program Revenues:			
Charges for services	\$ 11,084,269	\$ 12,208,498	-9.21%
Operating grants and contributions	173,252,294	169,906,562	1.97%
Capital grants and contributions	694,980	1,050,388	-33.84%
Total Program Revenues	<u>185,031,543</u>	<u>183,165,448</u>	<u>1.02%</u>
General Revenues:			
Taxes			
Property taxes	106,794,609	100,436,882	6.33%
Sales taxes	38,233,755	28,794,534	32.78%
Grants and contributions not restricted to specific programs			
	8,185,195	5,445,430	50.31%
Investment earnings	101,599	1,107,216	-90.82%
Miscellaneous	1,129,810	548,102	106.13%
Total General Revenues	<u>154,444,968</u>	<u>136,332,164</u>	<u>13.29%</u>
Total Revenues	<u>339,476,511</u>	<u>319,497,612</u>	<u>6.25%</u>
Program Expenses:			
Instruction	220,859,876	209,923,242	5.21%
Support services:			
Pupil services	8,002,572	7,265,857	10.14%
Improvement of instructional services	10,823,243	11,085,825	-2.37%
Educational media services	5,366,546	5,129,480	4.62%
General administration	1,250,824	943,255	32.61%
School administration	20,562,279	19,364,114	6.19%
Business administration	2,180,783	2,801,757	-22.16%
Maintenance and operation of plant	22,677,884	22,413,183	1.18%
Student transportation services	13,857,582	13,159,479	5.30%
Central support services	1,579,456	1,504,175	5.00%
Other support services	22,025	-	100.00%
Operations of non-instructional services			
Enterprise operations	6,644,648	4,507,248	47.42%
Food services	12,153,559	11,546,530	5.26%
Interest on debt and bond issuance fees	4,537,150	3,105,049	46.12%
Total Expenses	<u>330,518,427</u>	<u>312,749,194</u>	<u>5.68%</u>
Increase in net position	8,958,084	6,748,418	32.74%
Net position - beginning of year, restated	25,398,640	16,663,248	52.42%
Net position - end of year	<u>\$ 34,356,724</u>	<u>\$ 23,411,666</u>	<u>46.75%</u>

**COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2021

Governmental Activities

Instruction comprises 66.82% of governmental program expenses. Support service expenses make up 26.12% of the expenses. Operations of non-instructional services expenses make up 5.69% of the expenses. Interest expense was 1.37%. 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 system 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 2021	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020
Instruction	\$ 220,859,876	\$ 209,923,242	\$ 89,426,560	\$ 76,956,546
Support Services:				
Pupil services	8,002,572	7,265,857	5,754,358	5,387,171
Improvement of instructional services	10,823,243	11,085,825	8,871,631	9,200,704
Educational media services	5,366,546	5,129,480	1,408,363	1,254,651
General administration	1,250,824	943,255	(2,587,158)	(4,038,683)
School administration	20,562,279	19,364,114	12,854,072	12,005,234
Business administration	2,180,783	2,801,757	2,115,582	2,765,024
Maintenance and operation of plant	22,677,884	22,413,183	13,182,283	11,769,225
Student transportation services	13,857,582	13,159,479	9,411,605	9,493,132
Central support services	1,579,456	1,504,175	1,536,506	1,483,670
Other support services	22,025	-	21,703	-
Operations of non-instructional services				
Enterprise operations	6,644,648	4,507,248	(1,051,954)	(891,860)
Food services	12,153,559	11,546,530	6,183	1,093,883
Interest on short-term and long-term debt	4,537,150	3,105,049	4,537,150	3,105,049
Total Expenses	\$ 330,518,427	\$ 312,749,194	\$ 145,486,884	\$ 129,583,746

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 system.

COLUMBIA COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

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 system.

Interest involves the transactions associated with the payment of interest related to the school system'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 40.49% of instructional activities are supported through taxes and other general revenues, which increased from the prior year by 3.84%; for all other governmental activities general revenue support is 51.12%, which is a decrease of 0.08%.

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 \$339.33 million and expenditures of \$328.14 million. The net change in fund balance for the year was significant in the general fund and the capital projects funds, which had an increase of \$18.79 million and a decrease of \$7.59 million, respectively. The change in the general fund is the result of increased State funding and property tax revenues. The change in the capital projects fund is the result of the School District aggressively spending proceeds from general obligation bonds sold in the previous fiscal year. The capital projects fund fluctuates depending on the current building projects and how recent the School District issued general obligation bonds to fund the building program.

**COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2021

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 2021, the Board amended its general fund budget numerous times, which resulted in increasing the revenue budget by \$26.42 million and increasing the expenditure budget by \$16.18 million. The increase from the original general fund revenue budget was due to growth in the digest greater than originally anticipated. 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 2021 are due to the student activity funds that are not budgeted, a decrease in participation of school nutrition program due to COVID-19, and a decrease in interest revenue. 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 student activity funds. Approximately \$5.49 million of the School District budget was not spent due to conservative budgeting and positions budgeted for growth but not needed.

Capital Assets

At the end of the fiscal year 2021, the School District had \$362,100,931 invested in land, construction in progress, buildings, equipment, and buses.

Table 5 shows fiscal 2021 balances compared to 2020.

**Table 5
Capital Assets (Net of Depreciation)**

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Land	\$ 11,510,054	\$ 11,510,054
Construction in progress	22,940,747	9,064,401
Buildings and building improvements	292,330,064	297,100,207
Equipment	23,536,865	24,089,860
Land improvements	11,783,201	12,682,343
Total	<u>\$ 362,100,931</u>	<u>\$ 354,446,865</u>

Overall capital assets increased \$7.65 million from fiscal year 2020 to fiscal year 2021. Increases in capital assets (buildings and building improvements, equipment, and land improvements) were offset by depreciation expense for the year.

The increase in construction in progress is due the start and continuation of several capital projects during the fiscal year. Almost all other categories decreased due to depreciation expense being greater than the value of asset additions.

**COLUMBIA COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2021

Debt

At June 30, 2021, the School District had \$74.47 million in general obligation bonds outstanding with \$14.38 million due within one year.

On March 18, 1997, the voters of Columbia County approved the first 1% 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 issued approximately \$52.7 million in general obligation bonds on March 18, 2020, which will be 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 2021	Fiscal Year 2020
Compensated Absenses	\$ 669,365	\$ 740,182
Unamortized Premium on Bonds	7,950,775	10,590,928
General Obligation Bonds	74,470,000	88,185,000
Total	<u>\$ 83,090,140</u>	<u>\$ 99,516,110</u>

Current Financial Analysis

The Columbia County School District is financially stable. The School District's current millage rate is 18.30 mills for fiscal year 2021. Currently one mill produces approximately \$5.39 million in tax revenue. The gross tax digest has grown at 24.25% 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 one-time 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 more than 500 students per year over the last four years. The School District plans to construct additional schools and additions to current 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 1% local sales tax revenue, general obligation bonds, and state capital outlay grants.

COLUMBIA COUNTY BOARD OF EDUCATION

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2021

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 50.84% of the revenues budgeted for the General Fund from QBE. The School District received \$3.64 million less in QBE funding for 2021. The decrease in QBE funding was due to austerity reductions from the State due to the COVID-19 pandemic. Despite the decreased funding, the School District increased staff by 11 certified positions and 6 support staff positions to accommodate the growth and to continue with lower class sizes.

The School District’s original 2022 general fund budget includes \$273.74 million in total revenue and \$290.23 million in expenditures, resulting in a budgeted \$16.49 million decrease to general fund balance at June 30, 2022. The School District historically budgets conservatively, with actual year-end excess/deficits within \$3-5 million above the original budgeted anticipated fund balance. The 2022 general fund budget has since been amended to include \$276.14 million in revenue and \$287.61 million in expenditures, resulting in a budget deficit of \$11.47 million. Both higher QBE funding and a higher growth in the tax digest than anticipated contributed to the increase in budgeted revenues. Despite that, the 2022 QBE amended formula adjustment due to COVID-19 fiscal concerns at the State resulted in a \$6.27 million decrease in QBE funding. State revenues have been reported to remain strong despite the pandemic, and the School District remains hopeful that all or part of the funding will be restored in the upcoming fiscal year. The School District was able to prepare a 2022 budget with reserves from fund balance and still maintain a minimum 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 Alex Casado, Chief Financial Officer, at Columbia County Board of Education, 4781 Hereford Farm Road, Evans, Georgia 30809 or email at alex.casado@ccboe.net.

COLUMBIA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION

Exhibit A

JUNE 30, 2021

		<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>		
Cash		\$ 13,060,110
Cash Equivalents		136,636,522
Receivables, Net		
Taxes		4,648,682
State Government		21,327,687
Federal Government		4,412,337
Inventories		208,234
Prepaid Items		168,952
Capital Assets, Non-Depreciable		34,450,801
Capital Assets, Depreciable (Net of Accumulated Depreciation)		327,650,130
Total Assets		<u>542,563,455</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plan(s)		84,404,392
Related to OPEB Plan		45,795,099
Total Deferred Outflows of Resources		<u>130,199,491</u>
<u>LIABILITIES</u>		
Accounts Payable and Accrued Liabilities		1,715,065
Salaries and Benefits Payable		17,580,624
Payroll Withholdings Payable		6,102,277
Interest Payable		791,666
Contracts Payable		1,895,956
Retainages Payable		1,241,476
Long-Term Liabilities		
Due Within One Year		
Bonds Payable		14,375,000
Unamortized Premium		2,219,120
Due in More Than One Year		
Bonds Payable		60,095,000
Unamortized Premium		5,731,655
Compensated Absences		669,365
Net OPEB Liability		198,507,253
Net Pension Liability		288,148,060
Total Liabilities		<u>599,072,517</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to OPEB Plan		39,333,705
Total Deferred Inflows of Resources		<u>39,333,705</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets		313,921,821
Restricted for		
Continuation of Federal Programs		1,726,643
Debt Service		7,918,845
Capital Projects		61,886,730
Unrestricted (Deficit)		(351,097,315)
Total Net Position		<u>\$ 34,356,724</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES

Exhibit B

YEAR ENDED JUNE 30, 2021

	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 220,859,876	\$ 2,058,285	\$ 129,375,031	\$ -
Support Services				
Pupil Services	8,002,572	-	2,248,214	-
Improvement of Instructional Services	10,823,243	-	1,951,612	-
Educational Media Services	5,366,546	-	3,958,183	-
General Administration	1,250,824	-	3,837,982	-
School Administration	20,562,279	-	7,708,207	-
Business Administration	2,180,783	-	65,201	-
Maintenance and Operation of Plant	22,677,884	-	9,495,601	-
Student Transportation Services	13,857,582	-	3,750,997	694,980
Central Support Services	1,579,456	-	42,950	-
Other Support Services	22,025	-	322	-
Operations of Non-Instructional Services				
Enterprise Operations	6,644,648	7,682,041	14,561	-
Food Services	12,153,559	1,343,943	10,803,433	-
Interest on Long-Term Debt	4,537,150	-	-	-
Total Governmental Activities	<u>\$ 330,518,427</u>	<u>\$ 11,084,269</u>	<u>\$ 173,252,294</u>	<u>\$ 694,980</u>
General Revenues				
Taxes				
Property Taxes				
For Maintenance and Operations				96,101,777
For Ad Valorem Title Tax				10,638,712
Railroad Cars				54,120
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Debt Services				17,458,678
For Capital Projects				14,693,778
Intangible Recording Tax				4,358,186
Real Estate				1,723,113
Grants and Contributions not Restricted to Specific Programs				8,185,195
Investment Earnings				101,599
Miscellaneous				1,129,810
Total General Revenues				<u>154,444,968</u>
Change in Net Position				8,958,084
Net Position - Beginning of Year (Restated)				<u>25,398,640</u>
Net Position - End of Year				<u>\$ 34,356,724</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION

Exhibit C

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

JUNE 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash	\$ 12,593,085	\$ 5,733	\$ -	\$ 12,598,818
Cash Equivalents	64,877,522	70,168,863	27,179	135,073,564
Receivables, Net				-
Taxes	1,907,450	2,741,232	-	4,648,682
State Government	21,327,687	-	-	21,327,687
Federal Government	4,412,337	-	-	4,412,337
Inventories	208,234	-	-	208,234
Prepaid Items	64,658	-	-	64,658
Total Assets	105,390,973	72,915,828	27,179	178,333,980
<u>LIABILITIES</u>				
Accounts Payable	661,190	-	-	661,190
Salaries and Benefits Payable	17,580,626	-	-	17,580,626
Payroll Withholdings Payable	6,102,277	-	-	6,102,277
Contracts Payable	-	1,895,956	-	1,895,956
Retainages Payable	-	1,241,476	-	1,241,476
Total Liabilities	24,344,093	3,137,432	-	27,481,525
<u>FUND BALANCES</u>				
Nonspendable	272,892	-	-	272,892
Restricted	1,518,409	69,778,396	27,179	71,323,984
Assigned	29,431,586	-	-	29,431,586
Unassigned	49,823,993	-	-	49,823,993
Total Fund Balances	81,046,880	69,778,396	27,179	150,852,455
Total Liabilities and Fund Balances	\$ 105,390,973	\$ 72,915,828	\$ 27,179	\$ 178,333,980

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

COLUMBIA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

Exhibit D

JUNE 30, 2021

Total fund balances - governmental funds (Exhibit C)		\$ 150,852,455
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 11,510,054	
Construction in progress	22,940,747	
Buildings and improvements	426,438,023	
Equipment	70,350,979	
Land improvements	15,852,704	
Accumulated depreciation	<u>(184,991,576)</u>	362,100,931
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	(288,148,060)	
Net OPEB liability	<u>(198,507,253)</u>	(486,655,313)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	84,404,392	
Related to OPEB	<u>6,461,394</u>	90,865,786
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes payable	(74,470,000)	
Accrued interest payable	(791,666)	
Compensated absences payable	(669,365)	
Unamortized bond premiums	<u>(7,950,775)</u>	(83,881,806)
Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position		
		<u>1,074,669</u>
Net position of governmental activities (Exhibit A)		<u>\$ \$ 34,356,722</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION

Exhibit E

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2021

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 106,794,609	\$ -	\$ -	\$ 106,794,609
Local Taxes	6,081,299	-	-	6,081,299
Sales Taxes	-	14,693,778	17,458,678	32,152,456
State Funds	155,957,259	-	-	155,957,259
Federal Funds	26,175,210	-	-	26,175,210
Charges for Services	10,944,269	-	-	10,944,269
Investment Earnings	39,981	59,327	23	99,331
Miscellaneous	789,996	339,815	-	1,129,811
Total Revenues	<u>306,782,623</u>	<u>15,092,920</u>	<u>17,458,701</u>	<u>339,334,244</u>
<u>EXPENDITURES</u>				
Current				
Instruction	190,558,595	1,151,226	-	191,709,821
Support Services				
Pupil Services	7,314,079	-	-	7,314,079
Improvement of Instructional Services	9,734,583	-	-	9,734,583
Educational Media Services	4,846,503	-	-	4,846,503
General Administration	998,975	5,600	-	1,004,575
School Administration	18,560,716	-	-	18,560,716
Business Administration	1,982,305	-	1,806	1,984,111
Maintenance and Operation of Plant	21,828,867	43,863	-	21,872,730
Student Transportation Services	12,533,896	1,179,570	-	13,713,466
Central Support Services	1,447,120	-	-	1,447,120
Other Support Services	20,884	-	-	20,884
Enterprise Operations	6,633,606	-	-	6,633,606
Food Services Operation	11,533,552	-	-	11,533,552
Capital Outlay	-	20,307,647	-	20,307,647
Debt Service				
Principal	-	-	13,715,000	13,715,000
Interest	-	-	3,743,678	3,743,678
Total Expenditures	<u>287,993,681</u>	<u>22,687,906</u>	<u>17,460,484</u>	<u>328,142,071</u>
Revenues over (under) Expenditures	<u>18,788,942</u>	<u>(7,594,986)</u>	<u>(1,783)</u>	<u>11,192,173</u>
Net Change in Fund Balances	18,788,942	(7,594,986)	(1,783)	11,192,173
Fund Balances - Beginning (Restated)	<u>62,257,938</u>	<u>77,373,382</u>	<u>28,962</u>	<u>139,660,282</u>
Fund Balances - Ending	<u>\$ 81,046,880</u>	<u>\$ 69,778,396</u>	<u>\$ 27,179</u>	<u>\$ 150,852,455</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION

Exhibit F

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

YEAR ENDED JUNE 30, 2021

Net change in fund balances total governmental funds (Exhibit E) \$ 11,192,173

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 25,924,124	
Depreciation expense	<u>(17,993,250)</u>	7,930,874

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. (276,807)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

Bond principal retirements	13,715,000	
Amortization of bond premium	<u>2,640,153</u>	16,355,153

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 School District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension expense		(21,612,342)
OPEB expense		<u>(4,491,384)</u>

Some items reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in current governmental funds.

Accrued interest on issuance of bonds	\$ 201,945	
Compensated absences	<u>70,817</u>	272,762

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (412,345)

Change in net position of governmental activities (Exhibit B) \$ 8,958,084

COLUMBIA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS

Exhibit G

JUNE 30, 2021

	<u>ASSETS</u>	<u>INTERNAL SERVICE FUND</u>
Current Assets		
Cash		\$ 461,291
Cash Equivalents		1,562,959
Prepaid Items		104,294
Total Assets		<u>2,128,544</u>
	<u>LIABILITIES</u>	
Current Liabilities		
Accounts Payable		\$ 37,785
Claims Payable		1,016,090
Total Liabilities		<u>1,053,875</u>
	<u>NET POSITION</u>	
Unrestricted		1,074,669
Total Net Position		<u>\$ 1,074,669</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION**Exhibit H****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS***YEAR ENDED JUNE 30, 2021*

	INTERNAL SERVICE FUND
<u>OPERATING REVENUES</u>	
Charges for Services	\$ 900,000
<u>OPERATING EXPENSES</u>	
Contractual Services	148,990
Insurance Claims and Expenses	1,165,622
Total Operating Expenses	<u>1,314,612</u>
Operating Loss	<u>(414,612)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest and Investment Revenue	<u>2,267</u>
Changes in Net Position	(412,345)
Net Position - Beginning	<u>1,487,014</u>
Net Position - Ending	<u><u>\$ 1,074,669</u></u>

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

COLUMBIA COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

Exhibit I

YEAR ENDED JUNE 30, 2021

	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 900,000
Cash Paid for Excess Workers' Compensation Insurance	(216,148)
Cash Paid for Other Purchased Services	(37,136)
Payments to Employees	(757,150)
Net Cash Used by Operating Activities	<u>(110,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends	<u>2,267</u>
Net Decrease in Cash and Cash Equivalents	(108,167)
Cash and Cash Equivalents Balances - Beginning of Year	<u>2,132,417</u>
Cash and Cash Equivalents Balances - End of Year	<u><u>\$ 2,024,250</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (414,612)
Changes in Assets, Deferred Outflows/Inflows of Resources and Liabilities	
Prepaid Items	(104,294)
Accounts and Other Payables	408,472
Net Cash Used By Operating Activities	<u><u>\$ (110,434)</u></u>

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

JUNE 30, 2021

Note 1—Description of School District and 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 board elected by the voters and a Superintendent appointed by the Board. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

Note 2—Summary of significant accounting policies

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

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

Government-wide Statements - The statement of net position and the statement of activities display information about the financial activities of the overall School District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of net position presents the School District’s assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

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

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

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

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

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

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

The School District reports the following major governmental funds:

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

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.

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.

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

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 System 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 System 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 System recognizes the same QBE as a receivable and revenue consistent with symmetrical recognition.

New Accounting Pronouncements - In fiscal year 2021, the School District adopted GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The cumulative effect of GASB Statement No. 84 is described in the Note 13.

In fiscal year 2021, the School District adopted GASB Statement No. 90, *Majority Equity Interests*. It defines a majority equity interest and specifies that majority equity interest in a legal separate organization should be reported as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The adoption of this statement did not have an impact on the School District's financial statements.

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

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

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

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 2020 tax digest year (calendar year) on July 28, 2020 (levy date) based on property values as of January 1, 2020. Taxes were due on November 15, 2020 (lien date). Taxes collected within the current fiscal year or within 30 days after year-end on the 2020 tax digest are reported as revenue in the governmental funds for fiscal year 2021. 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, 2021, for maintenance and operations amounted to \$96,101,777.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

Tax millage rates levied for the 2020 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
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$10,638,712 during fiscal year ended June 30, 2021.

Sales Taxes - Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to \$32,152,456 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 - 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 governmental 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:

	Capitalization Policy	Estimated 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

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

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

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

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 to 18 days is awarded on a fiscal year basis to all full-time personnel employed on a 12-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 Discount/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 plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

JUNE 30, 2021

Note 2—Summary of significant accounting policies (continued)

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.

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. Actual results may differ from those estimates.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 3—Budgetary data

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, 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 O.C.G.A. § 20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

The Superintendent is authorized by the Board to approve adjustments of no more than 5% 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% 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.

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 - O.C.G.A. § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than 10 days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

Note 4—Deposits, cash equivalents, and investments (continued)

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness, or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2021, the School District had deposits with a carrying amount of \$13,060,110, and a bank balance of \$13,641,568. The bank balances insured by Federal depository insurance were \$1,359,856. 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, 2021 are as follows:

<u>Custodial Credit Risk Category</u>	<u>Bank Balance</u>
1	\$ -
2	-
3	12,281,711
Total	<u>\$ 12,281,711</u>

JUNE 30, 2021

Note 4—Deposits, cash equivalents, and investments (continued)

Categorization of Cash Equivalents – The School District reported investments of \$136,636,522 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2021 was 36 days.

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

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.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 6—Capital assets

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

	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 11,510,054	\$ -	\$ -	\$ 11,510,054
Construction in Progress	9,064,401	19,272,544	5,396,198	22,940,747
Total Capital Assets Not Being Depreciated	20,574,455	19,272,544	5,396,198	34,450,801
Capital Assets Being Depreciated				
Buildings and Improvements	420,821,082	5,690,249	73,308	426,438,023
Equipment	68,708,781	6,155,152	4,512,954	70,350,979
Land Improvements	15,650,327	202,377	-	15,852,704
Total Capital Assets Being Depreciated	505,180,190	12,047,778	4,586,262	512,641,706
Less Accumulated Depreciation for:				
Buildings and Improvements	123,720,875	10,449,890	62,806	134,107,959
Equipment	44,618,921	6,441,841	4,246,648	46,814,114
Land Improvements	2,967,984	1,101,519	-	4,069,503
Total Accumulated Depreciation	171,307,780	17,993,250	4,309,454	184,991,576
Total Capital Assets, Being Depreciated - Net	333,872,410	(5,945,472)	276,808	327,650,130
Governmental Activities Capital Assets - Net	\$354,446,865	\$ 13,327,072	\$ 5,673,006	\$362,100,931

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 6—Capital assets (continued)

Current year depreciation expense by function is as follows:

Instruction		\$ 14,745,834
Support Services:		
Pupil Services	\$ 12,553	
Improvements of Instructional Services	54,997	
Educational Media Services	62,195	
General Administration	36,701	
School Administration	240,700	
Business Administration	39,111	
Maintenance and Operation of Plant	598,722	
Student Transportation Services	1,748,285	
Central Support Services	8,798	
Other Support Services	1,791	
Community Services	<u>145,687</u>	2,949,540
Food Services		<u>297,876</u>
		<u>\$ 17,993,250</u>

Note 7—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.

Workers' 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.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 7—Risk management – insurance (continued)

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2020	\$ 367,577	\$ 1,017,614	\$ 777,573	\$ 607,618
2021	\$ 607,618	\$ 1,574,094	\$ 1,165,622	\$ 1,016,090

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 purchased surety bonds to provide additional insurance coverage as follows:

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 50,000
All employees	\$ 100,000

Note 8—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 School 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.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 8—Long-term liabilities (continued)

The School District passed the sixth ESPLOST on March 22, 2019, which gave the Board authorization to issue up to \$160,000,000 in general obligation bonds. The Board issued \$52,670,000 in general obligation bonds on March 18, 2020.

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2015	2.25% - 5.00%	November 2015	October 2022	\$ 55,000,000	\$ 21,800,000
General Government - Series 2020	3.00% - 5.00%	March 2020	October 2027	52,670,000	52,670,000
				<u>\$ 107,670,000</u>	<u>\$ 74,470,000</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2022	\$ 14,375,000	\$ 3,010,163	\$ 2,219,120
2023	11,885,000	2,337,631	1,721,477
2024	9,345,000	1,960,950	1,452,523
2025	10,090,000	1,628,100	1,151,396
2026	10,895,000	1,190,175	826,163
2027	11,740,000	691,025	475,085
2028	6,140,000	153,500	105,011
Total Principal and Interest	<u>\$ 74,470,000</u>	<u>\$ 10,971,544</u>	<u>\$ 7,950,775</u>

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation (G.O.) Bonds	\$ 88,185,000	\$ -	\$ 13,715,000	\$ 74,470,000	\$ 14,375,000
Compensated Absences ⁽¹⁾	740,182	-	70,817	669,365	-
Unamortized Bond Premiums	10,590,928	-	2,640,153	7,950,775	2,219,120
	<u>\$ 99,516,110</u>	<u>\$ -</u>	<u>\$ 16,425,970</u>	<u>\$ 83,090,140</u>	<u>\$ 16,594,120</u>

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

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 9—Significant commitments

Commitments Under Construction Contracts - The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2021, together with funding available:

Project	Unearned Executed Contracts ⁽¹⁾	Payments through June 30, 2021 ⁽²⁾	Funding Available From State ⁽¹⁾
New High School Campus	\$ 1,444,775	\$ 1,238,400	\$ -
Support Department Complex	14,769,958	11,169,724	-
Harlem Middle School Addition	156,500	11,275	789,851
Columbia Middle School Addition	134,875	36,184	789,851
Greenbrier Middle School Addition	2,013,435	1,174,591	789,851
Harlem High School Addition	6,500,747	1,801,972	1,400,612
Grovetown High School Addition	4,705,972	545,438	1,400,612
	\$ 29,726,262	\$ 15,977,584	\$ 5,170,777

⁽¹⁾ The amounts described are not reflected in the basic financial statements.

⁽²⁾ Payments include Contracts and Retainages Payable at year-end.

Note 10—Significant contingent liabilities

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

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

Note 11—Other postemployment benefits

Georgia School Personnel Postemployment Health Benefit Fund

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

JUNE 30, 2021

Note 11—Other postemployment benefits (continued)

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$5,108,209 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB: At June 30, 2021, the School District reported a liability of \$198,507,253 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 1.351523%, which was an increase of 0.018465% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$9,599,593. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,670,829
Changes of assumptions	32,828,691	17,662,876
Net difference between projected and actual earnings on OPEB plan investments	517,385	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	7,340,814	-
School District contributions subsequent to the measurement date	5,108,209	-
Total	\$ 45,795,099	\$ 39,333,705

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 11—Other postemployment benefits (continued)

School District contributions subsequent to the measurement date of \$5,108,209 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ended June 30,</u>	<u>OPEB</u>
2022	\$ (2,231,011)
2023	(2,244,895)
2024	(1,253,005)
2025	1,735,206
2026	4,022,938
2027	1,323,952
	<u>\$ 1,353,185</u>

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

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

- *For TRS members:* The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- *For PSERS members:* The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement. Rates of mortality in active service was based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvement in the tables used by the plan.

JUNE 30, 2021

Note 11—Other postemployment benefits (continued)

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.50%
Equities	70.00%	9.20%
Total	<u>100.00%</u>	

*Net of Inflation

Discount rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cashflows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

JUNE 30, 2021

Note 11—Other postemployment benefits (continued)

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

	<u>1% Decrease (1.22%)</u>	<u>Current Discount Rate (2.22%)</u>	<u>1% Increase (3.22%)</u>
School District's proportionate share of the net OPEB liability	\$233,213,273	\$ 198,507,253	\$170,752,131

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$165,277,242	\$ 198,507,253	\$241,530,465

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the 2020 State of Georgia Comprehensive Annual Financial Report which is publically available at: <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

Note 12—Retirement plans

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

Teachers Retirement System of Georgia (TRS)

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

JUNE 30, 2021

Note 12—Retirement plans (continued)

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. § 47-3-63, the employer contributions for certain full-time public-school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School District payroll, of which 99.95% of payroll was required from the School District and 0.05% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$29,785,825 and \$13,471 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of \$15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 12—Retirement plans (continued)

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 \$536,826.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the School District reported a liability of \$288,148,060 for its proportionate share of the net pension liability for. The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public-school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net OPEB liability	\$288,148,060
State of Georgia's proportionate share of the net OPEB liability associated with the School District	<u>307,644</u>
Total	<u>\$288,455,704</u>

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

At June 30, 2020, the School District's TRS proportion was 1.189519%, which was an increase of 0.020193% from its proportion measured as of June 30, 2019.

At June 30, 2021, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$3,246,435. For the year ended June 30, 2021, the School District recognized pension expense and revenue for support provided by the State of Georgia of \$653,294.

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

For the year ended June 30, 2021, the School District recognized pension expense of \$51,398,167 and revenue of \$25,655 for TRS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 12—Retirement plans (continued)

At June 30, 2021, the School District reported deferred outflows of resources related to pensions from the following sources:

	<u>TRS</u> <u>Deferred</u> <u>Outflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 12,546,938
Changes of assumptions	29,665,617
Net difference between projected and actual earnings on pension plan investments	6,940,094
Changes in proportion and differences between School District contributions and proportionate share of contributions	5,463,918
School District contributions subsequent to the measurement date	29,785,825
	<u>\$ 84,402,392</u>

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

<u>Years Ended June 30,</u>	<u>TRS</u>
2022	\$ 12,299,857
2023	17,587,565
2024	17,557,525
2025	7,187,585
	<u>\$ 54,632,532</u>

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

Teachers Retirement System:

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

JUNE 30, 2021

Note 12—Retirement plans (continued)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System:

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment of return and the assumed rate of inflation.

Public School Employees Retirement System:

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

JUNE 30, 2021

Note 12—Retirement plans (continued)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

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

Asset Class	TRS Target Allocation	ERS/PSERS Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	30.00%	-0.10%
Domestic large equities	51.00%	46.20%	8.90%
Domestic small equities	1.50%	1.30%	13.20%
International developed market equities	12.40%	12.40%	8.90%
International emerging market equities	5.10%	5.10%	10.90%
Alternatives	0.00%	5.00%	12.00%
Total	100.00%	100.00%	

* Rates shown are net of the 2.70% assumed rate of inflation with the exception of TRS, which assumed a rate of 2.50% rate of inflation.

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

JUNE 30, 2021

Note 12—Retirement plans (continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25)
School District's proportionate share of the net pension liability	\$456,934,037	\$ 288,148,060	\$149,791,952

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 five 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:

<u>Fiscal Years</u>	
2021	\$ 212,446
2020	219,262
2019	201,317

COLUMBIA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Exhibit J

JUNE 30, 2021

Note 13—Restatement of prior year net position and fund balance

Effective July 1, 2020, the School District adopted GASB Statement No. 84, *Fiduciary Activities*. This Statement addresses a change in how fiduciary activities are identified and reported of all state and local governments. The School District determined that School Activity Accounts, previously reported as an agency fund, do not meet the criteria to be reported as a fiduciary activity under GASB Statement No. 84 due to the School District’s extent of administrative involvement. As a result, the School Activity Accounts are now presented within the General Fund of the School District. These accounts are administered for the general welfare of the students and completion of certain planned objectives and special programs of school groups. Funds Held for Others of \$1,986,972 were reclassified to Net Position and Fund Balance (General Fund).

Net Position, July 1, 2020 as previously reported	\$ 23,411,666
Prior Period Adjustment - Implementation of GASB No. 84 School Activity Account Reclassification	<u>1,986,972</u>
Net Position, July 1, 2020, as restated	<u><u>\$ 25,398,638</u></u>
Fund Balance (General Fund), July 1, 2020, as previously reported	\$ 60,270,966
Prior Period Adjustment - Implementation of GASB No. 84 School Activity Account Reclassification	<u>1,986,972</u>
Fund Balance (General Fund), July 1, 2020, as restated	<u><u>\$ 62,257,938</u></u>
Net Position (Fiduciary Funds), July 1, 2020 as previously reported	\$ 1,986,972
Prior Period Adjustment - Implementation of GASB No. 84: Restatement for Custodial Funds Beginning Net Position	<u>(1,986,972)</u>
Net Position (Fiduciary Funds), July 1, 2020, as restated	<u><u>\$ -</u></u>

COLUMBIA COUNTY BOARD OF EDUCATION

Schedule 1

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL - GENERAL FUND**

YEAR ENDED JUNE 30, 2021

	<u>NONAPPROPRIATED BUDGETS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL (1)</u>	<u>FINAL (1)</u>	<u>AMOUNTS</u>	<u>OVER/UNDER</u>
REVENUES				
Property Taxes	\$ 104,404,004	\$ 106,204,004	\$ 106,794,609	\$ 590,605
Local Taxes	3,075,000	5,275,000	6,081,299	806,299
State Funds	145,188,433	153,188,579	155,957,259	2,768,680
Federal Funds	14,871,274	32,794,405	26,175,210	(6,619,195)
Charges for Services	5,950,000	2,450,000	10,944,269	8,494,269
Investment Earnings	501,700	501,700	39,981	(461,719)
Miscellaneous	312,000	312,000	789,994	477,994
Total Revenues	<u>274,302,411</u>	<u>300,725,688</u>	<u>306,782,621</u>	<u>6,056,933</u>
EXPENDITURES				
Current				
Instruction	185,642,926	197,901,921	190,558,595	7,343,326
Support Services				
Pupil Services	6,587,833	7,038,702	7,314,079	(275,377)
Improvement of Instructional Services	10,653,479	11,161,674	9,734,583	1,427,091
Educational Media Services	4,535,253	4,667,662	4,846,503	(178,841)
General Administration	898,431	1,010,494	998,975	11,519
School Administration	16,938,233	17,463,118	18,560,716	(1,097,598)
Business Administration	2,216,065	2,254,280	1,982,305	271,975
Maintenance and Operation of Plant	22,395,528	23,454,201	21,828,867	1,625,334
Student Transportation Services	13,340,856	14,036,404	12,533,896	1,502,508
Central Support Services	1,596,357	1,624,345	1,447,120	177,225
Other Support Services	20,000	20,884	20,884	-
Enterprise Operations	-	-	6,633,606	(6,633,606)
Food Services Operation	12,475,749	12,847,276	11,533,552	1,313,724
Total Expenditures	<u>277,300,710</u>	<u>293,480,961</u>	<u>287,993,681</u>	<u>5,487,280</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,998,299)</u>	<u>7,244,727</u>	<u>18,788,940</u>	<u>11,544,213</u>
OTHER FINANCING SOURCES (USES)				
Other Uses	(900,000)	(900,000)	-	900,000
Total Other Financing Sources (Uses)	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>	<u>900,000</u>
Net Change in Fund Balances	(3,898,299)	6,344,727	18,788,940	12,444,213
Fund Balances - Beginning, as restated	60,271,782	60,271,782	62,257,938	1,986,156
Adjustments	-	-	-	-
Fund Balances - Ending	<u>\$ 56,373,483</u>	<u>\$ 66,616,509</u>	<u>\$ 81,046,878</u>	<u>\$ 14,430,369</u>

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$8,659,363 and \$8,029,657, respectively.

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

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

Schedule 2

TEACHERS RETIREMENT SYSTEM OF GEORGIA

<u>Year Ended</u>	<u>School District's proportion of the net pension liability</u>	<u>School District's proportionate share of the net pension liability</u>	<u>State of Georgia's proportionate share of the net pension liability associated with the School District</u>	<u>Total</u>	<u>School District's covered-employee payroll</u>	<u>School District's proportionate share of the net pension liability as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	1.19%	\$ 288,148,060	\$ 307,644	\$ 288,455,704	\$ 153,607,007	187.59%	77.01%
2020	1.17%	251,436,709	308,779	251,745,488	142,912,498	175.94%	78.56%
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

<u>Year Ended</u>	<u>School District's proportion of the net pension liability</u>	<u>School District's proportionate share of the net pension liability</u>	<u>State of Georgia's proportionate share of the net pension liability associated with the School District</u>	<u>Total</u>	<u>School District's covered-employee payroll (1)</u>	<u>School District's proportionate share of the net pension liability as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.00%	\$ -	\$ 3,246,435	\$ 3,246,435	\$ 11,821,896	0.00%	84.45%
2020	0.00%	-	2,996,814	2,996,814	13,790,486	0.00%	85.02%
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)

Schedule 3

JUNE 30, 2021

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
2021	29,825,056	29,825,518	(462)	142,912,498	20.87%
2020	23,150,710	23,180,940	(30,230)	138,023,235	16.77%
2019	18,875,516	18,811,042	64,474	132,274,114	14.27%
2018	17,879,090	17,827,961	51,129	125,291,451	14.27%
2017	15,363,327	15,331,084	32,243	116,831,384	13.15%
2016	13,815,217	13,918,478	(103,261)	112,501,771	12.28%

PUBLIC SCHOOL EMPLOYEES 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
2021	\$ -	\$ -	\$ -	\$ 14,183,235	0.00%
2020	-	-	-	13,790,485	0.00%
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%

COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Schedule 4

JUNE 30, 2021

Year Ended	School District's proportion of the net OBEP liability	School District's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OBEP liability associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the net OBEP liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	1.35%	\$ 198,507,253	\$ -	\$ 198,507,253	\$ 167,721,509	N/A	3.99%
2020	1.33%	163,594,817	-	163,594,817	156,826,948	N/A	4.63%
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)

Schedule 5

JUNE 30, 2021

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
2021	\$ 5,108,209	\$ 5,108,209	\$ -	\$ 167,721,509	3.05%
2020	4,570,536	4,570,536	-	156,826,948	2.91%
2019	7,179,442	6,721,692	457,750	151,393,796	4.44%
2018	6,744,814	6,721,551	23,263	143,615,483	4.68%

JUNE 30, 2021

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 exception of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

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

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2012 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability, and mortality were adjusted to more closely reflect actual experience.

Public School Employees Retirement System

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

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

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

School OPEB Fund

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

Changes in assumptions:

- June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.
- The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule 7

YEAR ENDED JUNE 30, 2021

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	215GA324N1199	(1)
National School Lunch Program	10.555	215GA324N1199	\$ 10,090,457 (1), (3)
Total Child Nutrition Cluster			<u>10,090,457</u>
Total U. S. Department of Agriculture			<u>10,090,457</u>
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	35,513
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	6,466,350
Total Education Stabilization Fund			<u>6,501,863</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A190073	1,085
Grants to States	84.027A	H027A200073	4,643,508
Preschool Grants	84.173A	H173A200081	105,609
Total Special Education Cluster			<u>4,750,202</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	191,454
Education for Homeless Children and Youth	84.196A	S196A200011	58,051
English Language Acquisition State Grants	84.365A	S365A200010	105,977
Student Support and Academic Enrichment Program	84.424A	S424A190001	26,327
Student Support and Academic Enrichment Program	84.424A	S424A200011	129,747
Supporting Effective Instruction State Grants	84.367A	S367A190001	1,599
Supporting Effective Instruction State Grants	84.367A	S367A200001	400,948
Title I Grants to Local Educational Agencies	84.010A	S010A200010	2,705,534
Total Other Programs			<u>3,619,637</u>
Total U. S. Department of Education			<u>14,871,702</u>
Health and Human Services, U. S. Department of			
Child Care and Development Fund Cluster			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
Pre-K Lottery POWER Supplemental Payment	93.575		32,464
Total Child Care and Development Fund Cluster			<u>32,464</u>
Total U. S. Department of Health and Human Services			<u>32,464</u>
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.UNKNOWN	N/A	286,016
Department of the Navy			
R.O.T.C. Program	12.UNKNOWN	N/A	72,537
Total U. S. Department of Defense			<u>358,553</u>
Total Expenditures of Federal Awards			<u>\$ 25,353,176</u>

(1) Expenditures for the funds earned on the School Breakfast Program (\$1,631,772) were not maintained separately and are included in the 2021 National School Lunch Program

(2) Funds earned on the Impact Aid program, in the amount of \$816,909, do not require reporting of expenditures.

(3) During the year ended June 30, 2021, 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
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule 8

YEAR ENDED JUNE 30, 2021

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

Note 2—Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Subrecipients

During the year ended June 30, 2021 the board did not provide federal assistance to any sub recipient.

COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE AWARDS

Schedule 9

YEAR ENDED JUNE 30, 2021

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 1,512,315	\$ -	\$ 1,512,315
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	8,890,078	-	8,890,078
Kindergarten Program - Early Intervention Program	1,901,976	-	1,901,976
Primary Grades (1-3) Program	15,718,088	-	15,718,088
Primary Grades - Early Intervention (1-3) Program	10,140,088	-	10,140,088
Upper Elementary Grades (4-5) Program	8,338,031	-	8,338,031
Upper Elementary Grades - Early Intervention (4-5) Program	5,883,374	-	5,883,374
Middle Grades (6-8) Program	18,648,573	-	18,648,573
High School General Education (9-12) Program	17,414,760	-	17,414,760
Vocational Laboratory (9-12) Program	3,991,855	-	3,991,855
Students with Disabilities	18,823,159	-	18,823,159
Gifted Student - Category VI	11,980,106	-	11,980,106
Remedial Education Program	2,774,981	-	2,774,981
Alternative Education Program	1,342,869	-	1,342,869
English Speakers of Other Languages (ESOL)	799,087	-	799,087
Media Center Program	3,270,572	-	3,270,572
20 Days Additional Instruction	990,791	-	990,791
Staff and Professional Development	592,820	-	592,820
Principal Staff and Professional Development	8,769	-	8,769
Indirect Cost			
Central Administration	3,095,880	-	3,095,880
School Administration	6,028,542	-	6,028,542
Facility Maintenance and Operations	7,048,714	-	7,048,714
Mid-term Adjustment Hold-Harmless	194,643	-	194,643
Amended Formula Adjustment	(7,053,597)	-	(7,053,597)
Categorical Grants			
Pupil Transportation			
Regular	2,131,965	-	2,131,965
Military Counselors	89,399	-	89,399
Nursing Services	580,848	-	580,848
Vocational Supervisors	27,298	-	27,298
Education Equalization Funding Grant	8,185,195	-	8,185,195
Other State Programs			
Dual Enrollment Funding	-	-	-
Food Services	305,568	-	305,568
Hygiene Products in Georgia Schools	1,729	-	1,729
Math and Science Supplements	241,884	-	241,884
Preschool Disability Services	684,265	-	684,265
Pupil Transportation - State Bonds	308,880	-	308,880
School Security Grant	127,513	-	127,513
Teacher of the Year	-	-	-
Teachers Retirement	16,463	-	16,463
Vocational Education	185,084	-	185,084
Georgia Emergency Mangement Agency			
Donations to LEA for COVID	172,903	-	172,903
Office of the State Treasurer			
Public School Employees Retirement	536,826	-	536,826
OTHER	24,965	-	24,965
	<u>\$155,957,259</u>	<u>\$ -</u>	<u>\$155,957,259</u>

COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS

Schedule 10

YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET (as of 6-30-2015)	CURRENT BUDGET (as of 6-30-2021)	SPLOST 2017-2022				STATE AND LOCAL FUNDING Current Year	LOCAL FUNDING Prior Years	TOTAL	PERCENTAGE COMPLETION	ESTIMATED COMPLETION DATE
			BONDS		SALES TAX PROCEEDS						
			Current Year	Prior Years	Current Year	Prior Years					
Revenues											
Sales Tax 2017-2022 Proceeds	\$ 108,000,000	\$ 125,712,500	\$ -	\$ -	\$ 32,867,326	\$ 68,540,177	\$ -	\$ -	\$ 101,407,503	81%	
2015 Bond Proceeds	63,026,800	63,256,853	-	63,256,853	-	-	-	-	63,256,853	100%	
Federal Proceeds/Erate	-	2,865,675	-	-	-	-	-	2,865,675	2,865,675	100%	
State Proceeds	18,000,000	22,664,331	-	-	-	-	-	22,664,331	22,664,331	100%	
Local Proceeds	-	6,316,271	-	1,853	-	-	204,955	6,111,316	6,318,124	100%	
Interest	200,000	1,381,455	-	381,455	20,031	979,997	-	-	1,381,483	100%	
Total Revenue	189,226,800	222,197,085	-	63,640,161	32,887,357	69,520,174	204,955	31,641,322	197,893,969		
Expenditures											
Debt Payments	68,530,400	68,253,482	-	4,822,118	15,194,413	25,459,856	-	-	45,476,387	67%	10/1/2022
Audit and Election Fees	70,000	70,000	-	38,037	5,600	11,200	-	-	54,837	78%	10/1/2022
Capital Projects	80,000,000	90,202,699	-	45,841,171	20,625	10,397,885	-	21,922,823	78,182,504	87%	Various
Other Capital Outlays (equipment, buses, computers, etc.)	40,500,000	42,880,814	-	12,938,835	3,735,394	15,585,121	-	2,903,218	35,162,568	82%	Various
Total Expenditures	189,100,400	201,406,995	-	63,640,161	18,956,032	51,454,062	-	24,826,041	158,876,296		
Proceeds for Current and Future Projects	\$ 126,400	\$ 20,790,090	\$ -	\$ -	\$ 13,931,325	\$ 18,066,112	\$ 204,955	\$ 6,815,281	\$ 39,017,673		

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.

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 SPLOST proceeds.

COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS

Schedule 10

YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET (as of 6-30-2020)	CURRENT BUDGET (as of 6-30-2021)	SPLOST 2022-2027						TOTAL	PERCENTAGE COMPLETION	ESTIMATED COMPLETION DATE
			BONDS		SALES TAX PROCEEDS		STATE AND LOCAL FUNDING				
			Current Year	Prior Years	Current Year	Prior Years	Current Year	Prior Years			
Revenues											
Sales Tax 2017-2022 Proceeds	\$ 138,800,000	\$ 138,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2020 Bond Proceeds	61,408,824	61,408,824	-	61,408,824	-	-	-	-	61,408,824	-	100%
State Proceeds	6,600,000	12,070,777	-	-	-	-	-	-	-	-	0%
Local Proceeds	-	58,000	-	-	-	-	58,000	-	58,000	-	100%
Interest	1,250,000	1,250,000	37,482	100,281	-	-	-	-	137,763	-	11%
Total Revenue	<u>208,058,824</u>	<u>213,587,601</u>	<u>37,482</u>	<u>61,509,105</u>	<u>-</u>	<u>-</u>	<u>58,000</u>	<u>-</u>	<u>61,604,587</u>	<u>-</u>	
Expenditures											
Debt Payments	64,928,715	64,928,715	2,264,266	-	-	-	-	-	2,264,266	-	3% 10/1/2027
Audit and Election Fees	70,000	70,000	-	-	-	-	-	-	-	-	0% 10/1/2027
Capital Projects	64,405,000	84,762,343	17,257,470	491,963	-	-	-	-	17,749,433	-	21% Various
Other Capital Outlays (equipment, buses, computers, etc.)	51,000,000	50,010,870	1,663,466	8,510,866	-	-	-	-	10,174,332	-	20% Various
Total Expenditures	<u>180,403,715</u>	<u>199,771,928</u>	<u>21,185,202</u>	<u>9,002,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,188,031</u>	<u>-</u>	
Proceeds for Current and Future Projects	<u>\$ 27,655,109</u>	<u>\$ 13,815,673</u>	<u>\$(21,147,720)</u>	<u>\$ 52,506,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,000</u>	<u>\$ -</u>	<u>\$ 31,416,556</u>	<u>-</u>	

The voters of Columbia County approved the imposition of a 1% sales tax (ESPLOST) for 2022-2027 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 estimates as specified in the resolution for the 2022-2027 ESPLOST were approved (1) debt service in the maximum amount of \$94,000,000 on such bonds; and (2) the cost of the following capital outlay projects of the School District: (a) acquiring, constructing, and equipping three new elementary schools, two new middle schools, and one new high school, (b) acquiring land for future schools and other facilities, instructional and administrative technology improvements, school buses and other vehicles, and safety, security, and maintenance equipment, (c) adding to, renovating, repairing, improving, and equipping existing school buildings, administration buildings, athletic facilities, and other buildings and facilities useful or desirable in connection therewith, and (d) acquiring any necessary property therefore, both real and personal, and providing funds to pay a portion of the cost of the capital outlay projects described in clauses (1) and (2) above, to pay capitalized interest incident thereto, and to pay expenses incident to accomplishing the foregoing. The School District sold bonds for \$52,670,000 on March 18, 2020. The principal and interest on the \$52,670,000 will be paid with SPLOST proceeds.

**Report of Independent Auditor 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 Columbia County Board of Education (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 14, 2022.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Chung Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia
March 14, 2022

Report of Independent Auditor 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 (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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.

A handwritten signature in black ink that reads "Chung Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia
March 14, 2022

**COLUMBIA COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported
- Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a) of the Uniform Guidance ___ yes X no

Identification of Major Programs

The programs tested as major programs of Columbia County Board of Education included:

<u>CFDA #</u>	<u>Name of Federal Program</u>
10.553-CL	Child Nutrition Cluster
84.425D	COVID19 Elementary and Secondary School Emergency Relief Fund

The dollar threshold for Type A programs was \$750,000.

The School District qualified as a low-risk auditee.

Section II. Findings in Relation to the Audit of the Financial Statements

None reported.

Section III. Federal Awards Findings and Questioned Costs

None reported.