ANNUAL FINANCIAL REPORT • FISCAL YEAR 2022

Marion County Board of Education

Buena Vista, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department of Audits & Accounts

Marion County Board of Education

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and fiduciary activities of the Marion County Board of Education (School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 fiduciary activities of the School District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The School District restated beginning balances for the effect of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

March 28, 2023

MARION COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The Management's Discussion and Analysis ("MD&A") of the Marion County Board of Education's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this MD&A is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- ✓ The School District's financial status remained stable during fiscal year 2022. In total, net position increased $5.0 million from fiscal year 2021. This total increase was due to governmental activities since the School District has no business-type activities. This increase was primarily due to the increase in operating grants and the decrease in instructional expense.

- ✓ General revenues accounted for $6.9 million, or 32.1%, of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $14.7 million, or 67.9%, of total revenues. Total revenues were $21.7 million.

- ✓ The School District had $16.7 million in expenses related to governmental activities; these expenses were offset by $14.7 million in program specific charges for services, grants or contributions. General revenues and taxes of $6.9 million also provided for these programs.

- ✓ Among major funds, the General Fund had $20.0 million in revenues and $19.7 million in expenditures and other financing uses. The General Fund's fund balance increased from $5.1 million to $5.4 million.

Using the Basic 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 the School District as a financial whole, or as an entire operating entity.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a long-term view of those finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the

School District's most significant funds with all other nonmajor funds, if any, presented in total in one column. In the case of the School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While these documents contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and all liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net position* and *changes in net position*. This change in net position is important because it tells the reader whether, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has one distinct type of activity:

- Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, after school program, school activity accounts and various others.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Capital Projects Fund and the Debt Service Fund.

Governmental Funds

All of the School District's activities are reported in *governmental funds,* which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and 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 you 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.

Fiduciary Funds

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

The School District as a Whole

The perspective of the Statement of Net Position is of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2022, compared to fiscal year 2021.

Table 1
Net Position

	2022	2021 (1)
Current and other assets	$ 14,967,408	$ 12,863,997
Capital & right to use assets	30,638,698	30,049,435
Total assets	45,606,106	42,913,432
Deferred outflows of resources	6,380,763	7,266,160
Long-term liabilities outstanding	29,901,499	42,954,391
Other liabilities	1,815,999	1,787,523
Total liabilties	31,717,498	44,741,914
Deferred inflows of resources	14,011,885	4,175,548
Net position:		
Net investment in capital assets	15,183,807	14,229,633
Restricted	8,207,164	6,122,413
Unrestricted (deficit)	(17,133,485)	(19,089,916)
Total net position	$ 6,257,486	$ 1,262,130

(1) Fiscal Year 2021 balances do not reflect the effect of the restatement of balances.
See Note 6 and Note 8 in the Notes to the Basic Financial Statements for additional information.

Table 2 shows the changes in net position for fiscal year 2022, compared to fiscal year 2021. The total net position increased $5.0 million for fiscal year 2022, compared to $0.8 million increase for fiscal year 2021. The increase in fiscal year 2022 was due to increase in operating grants and contributions, capital grants and contributions, sales tax collections and other miscellaneous revenues as well as a decrease in expenses.

Table 2
Changes in Net Position

	2022	2021 (1)
Revenues		
Program revenues:		
Charges for services	**$ 135,666**	$ 99,314
Operating grants and contributions	**13,944,756**	10,665,912
Capital grants and contributions	**629,826**	575,143
General revenues:		
Property taxes		
For maintenance and operations	**3,605,923**	3,559,920
For debt service	**355,745**	346,041
Sales taxes	**660,348**	597,382
Other taxes	**92,610**	89,769
Grants and contributions not restricted to specific programs	**1,776,475**	1,730,778
Investment income	**127,093**	125,563
Miscellaneous	**334,132**	197,762
Total revenues	**21,662,574**	17,987,584
Expenses		
Instruction	**8,592,363**	9,560,136
Support services		
Pupil services	**425,336**	489,255
Improvement of instructional services	**650,533**	702,488
Educational media services	**205,313**	235,919
General administration	**295,806**	358,542
School administration	**985,380**	1,190,816
Business administration	**215,738**	237,389
Maintenance and operations	**1,771,969**	1,574,375
Student transportation services	**1,469,040**	1,116,978
Central support services	**159,195**	187,531
Other support services	**84,468**	94,437
Operations of non-instructional services		
Food service operations	**1,079,701**	817,729
Enterprise operations	**125,684**	38,731
Interest on long-term debt	**606,692**	619,801
Total expenses	**16,667,218**	17,224,127
Increase in net position	**4,995,356**	763,457
Net position, beginning of year	**1,262,130**	498,673
Net position, end of year	**$ 6,257,486**	$ 1,262,130

(1) Fiscal Year 2021 balances do not reflect the effect of the restatement of balances.
See Note 6 and Note 8 in the Notes to the Basic Financial Statements for additional information.

Governmental Activities

Direct instruction comprises 51.6% of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Comparative data from fiscal year 2021 is also presented.

Table 3
Governmental Activities

	Total Cost of Services		Net (Cost) of Services	
	Fiscal Year 2022	Fiscal Year 2021 (1)	**Fiscal Year 2022**	Fiscal Year 2021 (1)
Instruction	**$ 8,592,363**	$ 9,560,136	**$ (25,054)**	$ (2,031,475)
Support Services:				
Pupil services	**425,336**	489,255	**(225,734)**	(295,896)
Improvement of instructional services	**650,533**	702,488	**90,738**	(483,276)
Educational media services	**205,313**	235,919	**8,477**	(59,862)
General administration	**295,806**	358,542	**141,861**	67,715
School administration	**985,380**	1,190,816	**371,166**	(592,976)
Business administration	**215,738**	237,389	**(205,770)**	(232,004)
Maintenance and operations	**1,771,969**	1,574,375	**(1,176,069)**	(1,015,929)
Student transportation services	**1,469,040**	1,116,978	**(596,469)**	(534,582)
Central support services	**159,195**	187,531	**(150,874)**	(184,539)
Other support services	**84,468**	94,437	**(70,679)**	(75,749)
Food service operations	**1,079,701**	817,729	**269,317**	(162,014)
Enterprise operations	**125,684**	38,731	**(125,684)**	(38,731)
Interest on long-term debt	**606,692**	619,801	**(262,196)**	(244,440)
Total Expenses	**$ 16,667,218**	$ 17,224,127	**$ (1,956,970)**	$ (5,883,758)

(1) Fiscal Year 2021 balances do not reflect the effect of the restatement of balances.
See Note 6 and Note 8 in the Notes to the Basic Financial Statements for additional information.

Although program revenues make up a majority of the revenues, the School District is still dependent upon tax revenues for governmental activities. Approximately 0.3% of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 11.7%.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $22.7 million and expenditures and other financing uses of $20.7 million. There was an increase in fund balance of approximately $894 thousand in the Capital Projects Fund. A transfer of $1.2 million was made to cover local costs for our fiscal year 2022 State Capital Outlay project. The fund balance of the General Fund had an increase of approximately $302 thousand due to salaries and benefits coming in under budget. There was an increase in fund balance of approximately $824 thousand in the Debt Service Fund. This was because Special Purpose Local Option Sales Tax ("SPLOST") III funds are being accumulated for sinking fund payments due annually in January.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2022, the School District amended its General Fund budget as needed. The School District uses function-based budgeting. The budgeting systems are designed to tightly control total function budgets but provide flexibility for site management.

For the General Fund, budgeted revenues increased from $19.5 million to $22.3 million, while budgeted expenditures increased from $19.9 million to $22.8 million. The School District had additional grants which increased budgeted revenues and expenditures.

The School District uses a strategic waiver system. One of our waivers is the state's 65% rule for Minimum Direct Classroom Expenditures.

Capital Assets and Intangible Right to Use Assets

At the end of fiscal year 2022, the School District had $30.6 million invested in capital and intangible right to use assets (net of depreciation and amortization), all in governmental activities. Table 4 indicates balances at June 30, 2022. Comparisons to fiscal year 2021 are also included.

Table 4
Capital Assets and Right to Use Assets (Net of Depreciation/Amortization)

	2022	2021
Land	**$ 581,159**	$ 581,159
Construction in progress	**213,847**	50,380
Land improvements	**377,200**	691,604
Buildings and improvements	**28,373,314**	27,669,563
Equipment	**1,055,692**	1,056,729
Intangible right to use equipment	**37,486**	-
Total	**$ 30,638,698**	$ 30,049,435

Fiscal year 2021 balances does not reflect the effects of the implementation of GASB 87, Leases. See note 6 in the Notes to Basic Financial Statements for more information.

Long-Term Liabilities

At fiscal year ended June 30, 2022, the School District had $29.9 million in long-term liabilities outstanding. Table 5 summarizes the School District’s changes in long-term liabilities for the fiscal year.

Table 5
Long-term Liabilities

	Restated Balance July 1, 2021	**Additions**	**Reductions**	**Balance June 30, 2022**	**Due Within One Year**
Governmental activities:					
Bonds payable	$ 15,845,000	$ -	$ (80,000)	$ 15,765,000	$ 80,000
Leases	407,104	-	(369,231)	37,873	29,262
Financed Purchases	41,987	-	(41,987)	-	-
Net pension liability	13,992,702	630,783	(9,606,183)	5,017,302	-
Net OPEB liability	12,734,651	-	(3,653,327)	9,081,324	-
Governmental activities Long-term liabilities	$ 43,021,444	$ 630,783	$ (13,750,728)	$ 29,901,499	$ 109,262

Fiscal year 2021 balances does not reflect the effects of the implementation of GASB 87, Leases. See note 6 in the Notes to Basic Financial Statements for more information.

Current Issues

The School District's current operating millage rate is 14.981 mills. The bond millage rate is 1.761 mills. Management and the Board of Education hope to hold this level for a few years so as not to place a hardship on the property owners in Marion County.

SPLOST revenues and school bond ad valorem taxes, along with Federal subsidy payments, are used to service debt for the 2010B, the 2020 bonds, and the sinking fund (for the principal payments of the 2010B Bonds).

Three issues that the school district is currently facing are employee retention[1], school safety[2], and learning loss due to COVID[3].

[1]In fiscal year 2022, the school district issued retention bonuses totaling $3,000 for full-time employees, $1,500 for part-time employees, and $1,470 for 49% employees. The school district plans to issue retention bonuses again in fiscal year 2023. The school district has also implemented the use of mentor teachers to help guide new teachers.

[2]In fiscal year 2022, the school district continued to follow CDC guidelines to ensure the health and well-being of students and employees and faced increased costs associated with that. For example, the district purchased supplies such as sanitizer, masks, and sanitizing wipes, and it also used ESSER funds to hire additional custodians. The school district is also focusing on the physical security of buildings--replacing locks, adding enhanced security measures such as buzzers to get into the building, employee training, contracting with the Sheriff's Office to have a full-time dedicated School Resource Officer for each school.

[3]To address learning loss, the school district employs intervention specialists at both schools. The school district also offers both an after-school program and a summer school program. The school district also purchased subscriptions to programs such as Discovery Education, Nearpod, Flocabulary, and BrainPop, which students can use both in the classroom and at home.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Nicole Price, Director of Finance, 1697 Pineville Road, Buena Vista, Georgia 31803. You may also email your questions to price.nicole@marion.k12.ga.us.

Marion County Board of Education

MARION COUNTY BOARD OF EDUCATION

EXHIBIT "A"

STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	7,392,645
Investments		5,410,657
Receivables, net:		
Taxes		424,621
Intergovernmental:		
State		1,165,664
Federal		532,469
Inventory		41,352
Right to use assets (net of accumulated amortization)		37,486
Capital assets (nondepreciable)		795,006
Capital assets (net of accumulated depreciation)		29,806,206
Total assets		45,606,106
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan		3,644,131
Deferred loss on refunding		385,468
Related to OPEB plan		2,351,164
Total deferred outflows of resources		6,380,763
LIABILITIES		
Accounts payable		160,241
Salaries and benefits payable		1,412,544
Accrued interest payable		243,214
Bonds payable due within one year		80,000
Bonds payable due in more than one year		15,685,000
Leases due within one year		29,262
Leases due in more than one year		8,611
Net pension liability, due in more than one year		5,017,302
Net OPEB liability, due in more than one year		9,081,324
Total liabilities		31,717,498
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan		7,981,074
Related to OPEB plan		6,030,811
Total deferred inflows of resources		14,011,885
NET POSITION		
Net investment in capital assets		15,183,807
Restricted for:		
Bus replacement		77,220
Continuation of federal programs		528,116
Capital projects		1,464,240
Debt service		6,137,588
Unrestricted (deficit)		(17,133,485)
Total net position	$	6,257,486

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

MARION COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 8,592,363	$ 103,412	$ 8,343,897	$ 120,000	$ (25,054)
Support services:					
Pupil services	425,336	-	199,602	-	(225,734)
Improvement of instructional services	650,533	-	741,271	-	90,738
Educational media services	205,313	-	213,790	-	8,477
General administration	295,806	-	437,667	-	141,861
School administration	985,380	-	1,356,546	-	371,166
Business administration	215,738	-	9,968	-	(205,770)
Maintenance and operation of plant	1,771,969	10,800	585,100	-	(1,176,069)
Student transportation services	1,469,040	-	707,241	165,330	(596,469)
Central support services	159,195	-	8,321	-	(150,874)
Other support services	84,468	-	13,789	-	(70,679)
Enterprise operations	125,684	-	-	-	(125,684)
Food services operations	1,079,701	21,454	1,327,564	-	269,317
Interest on long-term debt	606,692	-	-	344,496	(262,196)
Total governmental activities	$ 16,667,218	$ 135,666	$ 13,944,756	$ 629,826	(1,956,970)

General revenues:	
Taxes:	
Property taxes, levied for maintenance and operations	3,605,923
Property taxes, levied for debt service	355,745
Sales taxes, for debt service	660,348
Intangible taxes	46,678
Transfer taxes	25,656
Railroad equipment tax	20,276
Grants and contributions not restricted to specific programs	1,776,475
Unrestricted investment earnings	127,093
Miscellaneous	334,132
Total general revenues	6,952,326
Change in net position	4,995,356
Net position, beginning of year	1,262,130
Net position, end of year	$ 6,257,486

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

MARION COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Debt Service	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,893,824	$ 1,464,240	$ 1,034,581	$ 7,392,645
Investments	144,088	-	5,266,569	5,410,657
Receivables, net:				
Taxes	338,376	-	86,245	424,621
Intergovernmental:				
State	1,165,664	-	-	1,165,664
Federal	532,469	-	-	532,469
Inventory	41,352	-	-	41,352
Total assets	$ 7,115,773	$ 1,464,240	$ 6,387,395	$ 14,967,408
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 160,241	$ -	$ -	$ 160,241
Salaries and benefits payable	1,412,544	-	-	1,412,544
Total liabilities	1,572,785	-	-	1,572,785
DEFERRED INFLOWS				
Unavailable revenue - property taxes	102,998	-	11,951	114,949
Total deferred inflows	102,998	-	11,951	114,949
FUND BALANCES				
Nonspendable:				
Inventory	41,352	-	-	41,352
Restricted:				
Federal programs	486,764	-	-	486,764
Bus replacement	77,220	-	-	77,220
Capital projects	-	1,464,240	-	1,464,240
Debt service	-	-	6,375,444	6,375,444
Assigned:				
Student activities	132,181	-	-	132,181
Subsequent years' budget	612,896	-	-	612,896
Unassigned	4,089,577	-	-	4,089,577
Total fund balances	5,439,990	1,464,240	6,375,444	13,279,674
Total liabilities, deferred inflows and fund balances	$ 7,115,773	$ 1,464,240	$ 6,387,395	$ 14,967,408

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

MARION COUNTY BOARD OF EDUCATION

EXHIBIT "D"

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Total fund balances - governmental funds		$ 13,279,674
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 43,412,117	
Less accumulated depreciation/amortization	(12,773,419)	30,638,698
Other long-term assets are not available to pay for current period expenditures and		
Property taxes		114,949
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds	$ (15,765,000)	
Deferred loss on refunding	385,468	
Leases	(37,873)	
Net pension liability	(5,017,302)	
Net OPEB liability	(9,081,324)	
Deferred outflows - pensions	3,644,131	
Deferred inflows - pensions	(7,981,074)	
Deferred outflows - OPEB	2,351,164	
Deferred inflows - OPEB	(6,030,811)	
Accrued interest	(243,214)	(37,775,835)
Net position of governmental activities		$ 6,257,486

MARION COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 3,558,557	$ -	$ 350,387	$ 3,908,944
Sales taxes	64,726	-	667,956	732,682
Other taxes	20,276	-	-	20,276
State funds	10,160,947	-	-	10,160,947
Federal funds	5,754,655	-	344,496	6,099,151
Charges for services	135,666	-	-	135,666
Investment earnings	414	-	126,679	127,093
Miscellaneous	330,528	-	-	330,528
Total revenues	20,025,769	-	1,489,518	21,515,287
EXPENDITURES				
Current:				
Instruction	9,277,953	-	-	9,277,953
Support Services:				
Pupil services	472,794	-	-	472,794
Improvement of instructional services	742,112	-	-	742,112
Educational media services	236,353	-	-	236,353
General administration	340,208	-	-	340,208
School administration	1,155,093	-	-	1,155,093
Business administration	253,865	-	-	253,865
Maintenance and operation of plant	1,682,246	127,320	-	1,809,566
Student transportation services	1,528,191	34,620	-	1,562,811
Central support services	188,097	-	-	188,097
Other support services	84,468	-	-	84,468
Enterprise operations	125,684	-	-	125,684
Food services operations	1,086,511	-	-	1,086,511
Capital outlay	1,277,612	143,858	-	1,421,470
Debt service:				
Principal retirement	71,167	-	80,000	151,167
Interest and fees	1,490	-	585,673	587,163
Total expenditures	18,523,844	305,798	665,673	19,495,315
Excess of revenue over (under) expenditures	1,501,925	(305,798)	823,845	2,019,972
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,200,000	-	1,200,000
Transfers out	(1,200,000)	-	-	(1,200,000)
Total other financing sources (uses)	(1,200,000)	1,200,000	-	-
Net change in fund balances	301,925	894,202	823,845	2,019,972
FUND BALANCES, beginning of year	5,138,065	570,038	5,551,599	11,259,702
FUND BALANCES, end of year	$ 5,439,990	$ 1,464,240	$ 6,375,444	$ 13,279,674

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

MARION COUNTY BOARD OF EDUCATION

EXHIBIT "F"

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 2,019,972
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net effect of the amount by which capital outlay exceeded depreciation and amortization is to increase net position.		
Capital outlay	$ 1,723,066	
Amortization expense	(29,567)	
Depreciation expense	(954,842)	738,657
Capital assets purchased for the School District by the Marion County Board of Commissioners, are not reported in the governmental funds. However, in the Statement of Activities, the donated assets are shown as capital grants and contributions		120,000
Net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, donations, etc.) is to decrease net position.		(336,447)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		52,724
Issuance of long-term debt provides current financial resources to governmental funds, while 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. This amount is the net effect of these differences in the treatment of long-term debt and related		
Principal payments - leases	$ 369,231	
Principal payments - financed purchases	41,987	
Principal payments - bonds	80,000	
Adjustments related to pensions	1,534,209	
Adjustments related to OPEB	394,552	
Amortization of deferred loss on refunding	(21,768)	2,398,211
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest		2,239
		$ 4,995,356

MARION COUNTY BOARD OF EDUCATION

EXHIBIT "G"

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2022

ASSETS		Custodial Fund
Cash	$	3,157
Investments		30,430
Total assets	$	33,587
NET POSITION		
Restricted for students and student organizations	$	33,587

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

MARION COUNTY BOARD OF EDUCATION

EXHIBIT "H"

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2022

	Custodial Fund
ADDITIONS	
Local sources	$ 2,387
Investment earnings	77
Total additions	2,464
DEDUCTIONS	
Collections disbursed	2,117
Change in net position	347
NET POSITION	
Net position, beginning of year	33,240
Net position, end of year	$ 33,587

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION

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

Government-Wide Statements

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

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

1. **Net investment in capital assets** consists of the School District's total investment in capital assets, net of accumulated depreciation/amortization, 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Government-Wide Statements (Continued)

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

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

- The *General Fund* is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

- The *Capital Projects Fund* accounts for and reports financial resources including the Education Special Purpose Local Option Sales Tax ("ESPLOST") bond proceeds, and grants from the 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

The School District reports the following fiduciary fund type:

- *Custodial Fund* is used to report resources held by the School District in a purely custodial capacity.

Basis of Accounting

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under 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 position available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Basis of Accounting (Continued)

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education ("QBE") Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a 12-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same 12-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in GASB Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

New Accounting Pronouncements

In fiscal year 2022, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of the government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The beginning balances for intangible right to use assets and long-term liabilities were restated for the effect of GASB Statement No. 87.

Cash and Cash Equivalents

Composition of Deposits – Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia's 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. The 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Investments

Composition of 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 does not have a formal policy regarding investment policies that address credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

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

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

Receivables

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

Inventories

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Construction in Progress	All	N/A
Land Improvements	$ 5,000	15 to 80 Years
Buildings and Improvements	5,000	10 to 80 Years
Equipment	5,000	5 to 14 Years
Intangible Assets	100,000	15 to 80 Years

Intangible Right to Use Assets

Leases, as a lessee, are included in intangible right to use assets and lease obligations on the Statement of Net Position. An intangible right to use asset represents the School District's right to use an underlying asset for the lease term. Lease obligations represent the School District's liability to make lease payments arising from lease agreement. Intangible right to use assets and lease obligations are recognized on the present value of lease payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to exceed or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right to use assets are amortized using a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Intangible Right to Use Assets (Continued)

Capitalization thresholds of intangible right to use assets reported in the government-wide statements are as follows:

	Capitalization Policy
Land	All
Land Improvements	$ 5,000
Buildings and Improvements	5,000
Equipment	5,000

Deferred Outflows/Inflows of Resources

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Pensions

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

Post-employment Benefits Other Than Pensions ("OPEB")

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

Fund Balance

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:

Non-spendable consists of resources that cannot be spent, either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Balance

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

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

Use of Estimates

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

Property Taxes

The Marion County Board of Commissioners adopted the property tax levy for the 2021 tax digest year (calendar year) on October 21, 2021 (levy date), based on property values as of January 1, 2021. Taxes were due on February 16, 2022 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. The Marion County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for maintenance and operations and debt service, amounted to $3,151,976 and $350,387, respectively.

The tax millage rates levied for the 2021 tax year (calendar year) for the School District were as follows (one mill equals $1 per thousand dollars of assessed value):

School Operations	14.981	mills
School Bonds	1.761	mills
Total	16.742	mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for maintenance and operations, amounted to $406,581.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Sales Taxes

ESPLOST, at the fund reporting level, during the year amounted to $660,348 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 reauthorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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 fund is anticipated to be more than 5% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds $100,000 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstances is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND 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 ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to and not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
(7) Bonds, bills, notes, certificates of indebtedness or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by 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 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, 2022, the School District had deposits with a carrying value of $7,570,324 and bank balances were $7,985,972, which include $174,518 classified as certificates of deposit. The bank balances insured by Federal depository insurance were $494,304.

At June 30, 2022, $7,491,668 of the School District's bank balance was exposed to custodial credit risk and included in the State's Secure Deposit Program.

The School District participates in the State's Secure Deposit Program ("SDP"), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of the State Treasurer ("OST") sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits, 25%, 50%, 75%, and 110%. The

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Categorization of Deposits (Continued)

SDP also provides for collateral levels to be increased to the amount of up to 125% if economic or financial conditions warrant. The program lists the type of eligible collateral. The OST approves authorized custodians.

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

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

Cash and cash equivalents	
Statement of Net Position	$ 7,392,649
Statement of Fiduciary Net Position	3,157
Total cash and cash equivalents	7,395,806
Add:	
Deposits with original maturity of three months or more reported as investments	174,518
Total carrying value of deposits – June 30, 2022	$ 7,570,324

Categorization of Investments

At June 30, 2022, the School District had the following investments:

Investment	Maturities	Rating*	Fair Value	Cost-Based
Ameris Bank Certificate of Deposit	May 14, 2023	N/A	$ -	$ 30,430
Ameris Bank Certificate of Deposit	February 1, 2023	N/A	-	144,088
Deutsche Bank repurchase	January 28, 2007	N/A	-	4,418,156
Fidelity Institutional Government (money market mutual fund)	28-day weighted average	AAAm	848,413	-
			$ 848,413	$ 4,592,674

**Rating as per Standard & Poor's*

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements – The School District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and
Level 3: Unobservable inputs.

Fidelity Institutional Government (money market mutual fund) investments are valued at Level 1.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

As of June 30, 2022, $5,266,569 of the School District's applicable investments were held by the investment's counterparty, not in the School District's name.

Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed by O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk. More than 5% of the School District's investments are in the Fidelity Institutional Government Money Market Mutual Fund and the Deutsche Bank repurchase. The repurchase agreement represents 81% of the School District's total investments and the Money Market Mutual Fund represents 16% of the School District's total investments.

NOTE 5: NON-MONETARY TRANSACTIONS

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

NOTE 6: CAPITAL ASSETS AND INTANGIBLE RIGHT TO USE ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 581,159	$ -	$ -	$ -	$ 581,159
Construction in progress	50,380	1,486,421	-	(1,322,954)	213,847
Total	631,539	1,486,421	-	(1,322,954)	795,006
Capital assets, being depreciated:					
Buildings and improvements	35,731,459	49,200	-	1,322,954	37,103,613
Equipment	3,773,879	240,448	-	-	4,014,327
Land improvements	1,760,941	66,997	(395,820)	-	1,432,118
Total	41,266,279	356,645	(395,820)	1,322,954	42,550,058
Less accumulated depreciation for:					
Buildings and improvements	(8,061,896)	(668,403)	-	-	(8,730,299)
Equipment	(2,717,150)	(241,485)	-	-	(2,958,635)
Land improvements	(1,069,337)	(44,954)	59,373	-	(1,054,918)
Total	(11,848,383)	(954,842)	59,373	-	(12,743,852)
Total capital assets, being depreciated, net	29,417,896	(598,197)	(336,447)	1,322,954	29,806,206
Governmental activities capital assets, net	$ 30,049,435	$ 888,224	$ (336,447)	$ -	$ 30,601,212

Current year depreciation expense by function is as follows:

Instruction		$ 690,890
Support Services		
Improvement of Instructional Services	$ 4,266	
School Administration	10,816	
Maintenance and Operations	41,433	
Student Transportation	166,310	222,825
Food Services		41,127
Total Depreciation Expense		$ 954,842

NOTE 6: CAPITAL ASSETS AND INTANGIBLE RIGHT TO USE ASSETS (CONTINUED)

The following is a summary of the changes in the intangible right to use assets for governmental activities during the year:

	Beginning Balance (Restated)	Increases	Decrease	Ending Balance
Governmental activities:				
Intangible right to use assets				
Equipment	$ 67,053	$ -	$ -	$ 67,053
Total	67,053	-	-	67,053
Less accumulated amortization for:				
Equipment	-	(29,567)	-	(29,567)
Total	-	(29,567)	-	(29,567)
Governmental activities Intangible right to use assets, net	$ 67,053	$ (29,567)	$ -	$ 37,486

Current year amortization expense by function is as follows:

Instruction		$ 18,600
Support Services		
Pupil Services	$ 1,431	
Educational Media Services	2,862	
General Administration	2,225	
School Administration	4,449	$ 10,967
Total Amortization Expense		$ 29,567

NOTE 7: LEASES

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2021, the School District entered into a 25 month lease as lessee for the use of a copier. An initial lease liability was recorded in the amount of $58,287. As of June 30, 2022, the value of the lease liability is $31,426. The School District is required to make monthly fixed payments of $2,249. The lease has an interest rate of 0.3080%. The equipment's estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of $58,287 with accumulated amortization of $27,287 is included with equipment in the leased asset table below.

On July 1, 2021, the School District entered into a 46 month lease as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of $2,922. As of June 30, 2022, the value of the lease liability is $2,149. The School District is required to make quarterly fixed payments of $197. The lease has an interest rate of 0.5600%. The equipment's estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of $2,922 with accumulated amortization of $760 is included with equipment in the leased asset table below.

On July 1, 2021, the School District entered into a 46-month lease as lessee for the use of a postage machine. An initial lease liability was recorded in the amount of $2,922. As of June 30, 2022, the value of the lease liability is $2,149. The School District is required to make quarterly fixed payments of $197. The lease has an interest rate of 0.5600%. The equipment's estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of $2,922 with accumulated amortization of $760 is included with equipment in the leased asset table below.

On July 1, 2021, the School District entered into a 46-month lease as lessee for the use a postage machine. An initial lease liability was recorded in the amount of $2,922. As of June 30, 2022, the value of the lease liability is $2,149. The School District is required to make quarterly fixed payments of $197. The lease has an interest rate of 0.5600%. The equipment's estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of $2,922 with accumulated amortization of $760 is included with equipment in the leased asset table below.

	Governmental Activities
Equipment	$ 67,053
Less: Accumulated Amortization	(29,567)
	$ 37,486

NOTE 7: LEASES (CONTINUED)

Principal and interest requirements to maturity for the lease liability as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	$ 29,262	$ 90
2024	6,842	20
2025	1,769	5
Total Principal and Interest	$ 37,873	$ 115

NOTE 8: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 consisted of the following:

	Transfers From
Transfers To	General Fund
Capital Projects Fund	$ 1,200,000

Transfers are used to move property tax revenues collected by the General Fund to the Capital Projects Fund as a required match or supplemental funding source for capital construction projects.

NOTE 9: LONG-TERM LIABILITIES

Changes in Long-term Liabilities

The changes in long-term liabilities during the fiscal year ended June 30, 2022, for governmental activities, were as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Qualified School Construction Bonds	$ 7,595,000	$ -	$ -	$ 7,595,000	$ -
General Obligation Bonds	8,250,000	-	(80,000)	8,170,000	80,000
Leases	407,104	-	(369,231)	37,873	29,262
Financed Purchases	41,987	-	(41,987)	-	-
Net Pension Liability	13,992,702	630,783	(9,606,183)	5,017,302	-
Net OPEB Liability	12,734,651	-	(3,653,327)	9,081,324	-
Total	$ 43,021,444	$ 630,783	$ (13,750,728)	$ 29,901,499	$ 109,262

General Obligation Debt Outstanding

The School District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semi-annually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The School District repays general obligation bonds from voter-approved property and sales taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

NOTE 9: LONG-TERM LIABILITIES (CONTINUED)

General Obligation Debt Outstanding (Continued)

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2022. In the event the entity is unable to make the principal and interest payments using proceeds from the ESPLOST, the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service account custodian for the payment of debt.

During fiscal year 2020, the School District issued $8,310,000 in general obligation refunding bonds to advance the refund of $7,715,000 of the 2010C Series Bonds. The bond issue of $8,310,000 less underwriters and estimated bond issue cost of $165,996, provided net proceeds of $8,144,004. The total net proceeds of $8,144,004 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on portions of the 2010C bond issues. As a result, the 2010C Series Bonds are considered defeased and the liability has been removed from the Government-wide Statement of Net Position.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Refunding Bond Series 2020	2.45%	April 17, 2020	February 1, 2040	$ 8,310,000	$ 8,170,000

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

Fiscal Year Ending June 30,	Principal	Interest
2023	$ 80,000	$ 200,165
2024	80,000	198,205
2025	85,000	196,245
2026	85,000	194,163
2027	90,000	192,080
2028 - 2032	2,750,000	818,300
2033 - 2037	3,030,000	467,214
2038 - 2040	1,970,000	97,143
Total Principal and Interest	$ 8,170,000	$ 2,363,515

NOTE 9: LONG-TERM LIABILITIES (CONTINUED)

Qualified School Construction Bonds ("QSCB")

Section 1521 of the American Recovery and Reinvestment Act ("ARRA") of 2009 QSCB provides for a source of capital at no or at nominal interest rates for costs incurred by the School Districts in connection with the construction, rehabilitation or repair of a public school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows school districts to borrow without incurring interest costs.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the School District may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. To qualify for this subsidy, the School District is required to periodically file appropriate documents with the Internal Revenue Service. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. The interest subsidy received by the School District in fiscal year 2022 was $344,496, which funded all but $39,052 of interest expense due on the QSCB.

In the event the amount of funds lawfully available is not sufficient to pay the QSCB payments when due in any year, the School District shall levy an ad valorem tax on all taxable property located within the boundaries of the School District subject to taxation for such purposes, at such rate or rates as may be necessary to produce in each calendar year, revenues which shall be sufficient to fulfill the School District's obligations. Additionally, the State Board is authorized and directed to withhold from any state appropriations to which the School District may be entitled and apply so much thereof as shall be necessary to the payment of the principal and interest on such indebtedness then due.

Debt currently outstanding QSCB are as follows:

Purpose	Interest	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
QSCB - Series 2010B	5.05%	September 2, 2010	February 1, 2027	$ 7,595,000	$ 7,595,000

The following is a schedule of total QSCB payments:

Fiscal Year Ending June 30,	Principal	Interest
2023	$ -	$ 383,548
2024	-	383,548
2025	-	383,548
2026	-	383,548
2027	7,595,000	383,548
Total Principal and Interest	$ 7,595,000	$ 1,917,740

NOTE 10: RISK MANAGEMENT

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

The School District has elected to self-insure for all potential losses of property related to natural disasters. The School District has not experienced any losses related to this risk in the past three years.

The School District has purchased additional insurance coverage for all employees and board members in the amount of $250,000 for dishonesty, and $250,000 for forgery, alterations, theft, disappearance, destruction, and robbery.

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

Position Covered	Amount
Superintendent	$ 50,000
Board Chair	12,000

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description. Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A). are provided OPEB through the School OPEB Fund – a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (the "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.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Georgia School Personnel Post-Employment Health Benefit Fund (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 the 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 $294,518 for the year ended June 30, 2022. 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, 2022, the School District reported a liability of $9,081,324 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021, 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, 2021. At June 30, 2021, the School District's proportion was 0.083847%, which was a decrease of 0.002856% from its proportion measured as of June 30, 2020.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2022, the School District recognized OPEB expense of ($100,141). At June 30, 2022, 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	$ -	$ 4,146,504
Changes in assumptions	1,662,930	741,030
Net difference between projected and actual earnings on OPEB plan investments	-	14,400
Changes in proportion and differences between School District contributions and proportianate share of contributions	393,716	1,128,877
School District contributions subsequent to the measurement date	294,518	-
Total	$ 2,351,164	$ 6,030,811

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	OPEB
2023	$ (883,932)
2024	(878,993)
2025	(791,946)
2026	(627,713)
2027	(621,595)
2028	(169,986)

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Actuarial assumptions. The total OPEB liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020 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, 2021:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible	5.13%
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, as follows:

- For TRS members: 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 year prior to the ultimate rate. The Pub-2010 Techers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Actuarial assumptions (Continued)

- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post- retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Actuarial assumptions (Continued)

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

Asset Class		Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income		30.00%	0.14%
Equities		70.00%	9.20%
	Total	100.00%	

*Net of Inflation

Discount rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. 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 (2.16% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 2.20%, 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 (1.20%) or 1-percentage-point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School District's proportionate share of the net OPEB liablity	$ 10,381,990	$ 9,081,324	$ 7,992,543

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liablity	$ 7,705,855	$ 9,081,324	$10,800,767

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

NOTE 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia ("TRS")

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

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

Contributions. Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2022. The School District's contractually required contribution rate for the year ended June 30, 2022, was 19.81% of annual School District payroll. The current year contribution was $1,474,339.

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 TRS. The ERS Board of Trustees, plus two additional trustees, administer 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.

NOTE 13: RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System ("PSERS") (Continued)

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

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

Individuals who became members prior to July 1, 2012, contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012, contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $29,321.

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

At June 30, 2022, the School District reported a liability of $5,017,302 for its proportionate share of the net pension liability for TRS.

The net pension liability for TRS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021, 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, 2021.

At June 30, 2021, the School District's TRS proportion was 0.056729%, which was a decrease of 0.001035% from its proportion measured as of June 30, 2020.

At June 30, 2022, 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 $26,607.

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

The PSERS net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021, 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 of Georgia during the fiscal year ended June 30, 2021.

For the year ended June 30, 2022, the School District recognized pension expense of ($59,870) for TRS, $280 for PSERS and revenue of $280 for PSERS. The revenue is support provided by the State of Georgia.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,197,288	$ -
Changes in assumptions	971,082	-
Net difference between projected and actual earnings on pension plan investments	-	7,338,895
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,422	642,179
School District contributions subsequent to the measurement	1,474,339	-
Total	$ 3,644,131	$ 7,981,074

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

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 ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	TRS
2023	$ (1,219,803)
2024	(1,180,493)
2025	(1,570,553)
2026	(1,840,433)
Thereafter	-

Actuarial Assumptions: The total pension liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

Public School Employees Retirement System

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Set Back (-)	Adjustment to Rates
Service Retirees	General Healthy Below-Median Anuuitant	Male: +2, Female: +2	Male: 101%, Female: 103%
Disability Retirees	General Disabled	Male: -3, Female: 0	Male: 103%, Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2, Female: +2	Male: 104%, Female: 99%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

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

Asset Class	TRS Target Allocation	Long-term Expected Real Rate of Return*	PSERS Target Allocation	Long-term Expected Real Rate of Return*
Fixed Income	30.00%	(0.80)%	30.00%	(1.50)%
Domestic large stocks	46.30%	9.30%	46.40%	9.20%
Domestic small stocks	1.20%	13.30%	1.10%	13.40%
International developed market stocks	11.50%	9.30%	11.70%	9.20%
International emerging market stocks	6.00%	11.30%	5.80%	10.40%
Alternative	5.00%	10.60%	5.00%	10.60%
Total	100.00%		100.00%	

* Rates shown are net of the assumed rate of inflation.

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total PSERS pension liability was 7.00%. 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 non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liablity	$ 13,515,281	$ 5,017,302	$(1,946,206)

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

NOTE 14: SUBSEQUENT EVENT

In May 2022, the citizens of Marion County voted to renew the 1% Special Purpose Local Option Sales Tax ("SPLOST") III, which expired in December 2022. Collections on SPLOST IV began on January 1, 2023.

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MARION COUNTY BOARD OF EDUCATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year							
	2015	2016	2017	2018	2019	2020	2021	**2022**
School District's proportion of the net pension liability	0.068161%	0.065672%	0.062577%	0.062996%	0.062156%	0.061445%	0.057764%	**0.056729%**
School District's proportionate share of the net pension liability	$ 8,611,243	$ 9,997,910	$ 12,910,333	$ 11,708,001	$ 11,537,485	$ 13,212,336	$ 13,992,702	$ **5,017,302**
School District's covered payroll	$ 6,953,819	$ 6,958,471	$ 6,883,616	$ 7,451,451	$ 7,685,229	$ 7,474,359	$ 7,386,887	$ **7,346,375**
School District's proportionate share of the net pension liability as a percentage of its covered payroll	123.83%	143.68%	187.55%	157.12%	150.13%	176.77%	189.43%	**68.30%**
Plan fiduciary net position as a percentage of the total pension	84.03%	81.44%	76.06%	79.33%	80.27%	78.56%	77.01%	**92.03%**

Note: The measurement period for the year ended June 30, 2022, is June 30, 2021. The Schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available. The Schedule includes all significant plans and funds administered by the Marion County Board of Education.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "2"

SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year							
	2015	2016	2017	2018	2019	2020	2021	**2022**
Contractually required contribution	$ 915,039	$ 982,292	$ 1,063,322	$ 1,291,887	$ 1,562,141	$ 1,561,588	$ 1,400,219	**$ 1,474,339**
Contributions in relation to the contractually required contribution	915,039	982,292	1,063,322	1,291,887	1,562,141	1,561,588	1,400,219	**1,474,339**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
School District's covered payroll	$ 6,958,471	$ 6,883,616	$ 7,451,451	$ 7,685,229	$ 7,474,359	$ 7,386,887	$ 7,346,375	**$ 7,348,283**
Contributions as a percentage of covered payroll	13.15%	14.27%	14.27%	16.81%	20.90%	21.14%	19.06%	20.06%

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

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "3"

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year							
	2015	2016	2017	2018	2019	2020	2021	**2022**
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	**0.000000%**
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
State of Georgia's proportionate share of the net pension liability associated with the School District	98,846	107,498	162,208	142,951	158,239	157,477	177,817	**26,607**
	$ 98,846	$ 107,498	$ 162,208	$ 142,951	$ 158,239	$ 157,477	$ 177,817	**$ 26,607**
School District's covered payroll	$ 340,799	$ 335,232	$ 371,411	$ 407,062	$ 404,641	$ 427,148	$ 457,481	**$ 491,913**
School District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**
Plan fiduciary position as a percentage of the total pension liability	88.29%	87.00%	81.00%	85.69%	85.26%	85.02%	84.45%	**98.00%**

Note: The measurement period for the year ended June 30, 2022, is June 30, 2021. The Schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year				
	2018	2019	2020	**2021**	**2022**
School District's proportion of the net OPEB liability	0.091746%	0.094649%	0.092607%	0.086703.%	**0.083847%**
School District's proportionate share of the net OPEB liability	$ 12,890,276	$ 12,029,598	$ 11,364,866	$ 12,734,651	**$ 9,081,324**
School District's covered-employee	$ 7,750,486	$ 7,865,573	$ 7,933,809	$ 7,928,736	**$ 8,075,133**
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	166.32%	152.94%	143.25%	160.61%	**112.46%**
Plan fiduciary net position as a percentage of the total OPEB liability	1.61%	2.93%	4.63%	3.99%	**6.14%**

Note: The measurement period for the year ended June 30, 2022, is June 30, 2021. The Schedule above is intended to show information for the last ten fiscal years. Additional years will be displayed as they become available. The Schedule includes all significant plans and funds administered by the Marion County Board of Education.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "5"

SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30,

	Fiscal Year					
	2017	2018	2019	2020	2021	**2022**
Contractually required contribution	$ 478,372	$ 490,553	$ 498,758	$ 293,209	$ 311,896	$ **294,518**
Contributions in relation to the contractually required contribution	478,372	490,553	498,758	293,209	311,896	**294,518**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	**$ -**
School District's covered-employee payroll	$ 7,750,486	$ 7,865,573	$ 7,933,809	$ 7,928,736	$ 8,075,133	**$ 9,092,612**
Contributions as a percentage of covered-employee payroll	6.17%	6.24%	6.29%	3.70%	3.86%	**3.24%**

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

Teachers Retirement System

Changes of assumptions:

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

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

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 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 of assumptions:

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 the 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 the projection scale BB (set forward three years for males and two years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. 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 and

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund

Changes of assumptions:

For the June 30, 2020 actuarial valuation, the decremental assumptions were changed to reflect the Employees' Retirement Systems experience study. Approximately 0.10% of employees are members of the Employees Retirement System.

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.

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

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

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.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "7"

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget			Variance With
	Original (1)	Final (1)	Actual	Final Budget
REVENUES				
Property taxes	$ 3,385,533	$ 3,385,533	$ 3,558,557	$ 173,024
Sales taxes	50,000	50,000	64,726	14,726
Other taxes	-	-	20,276	20,276
State funds	9,312,185	9,304,506	10,160,947	856,441
Federal funds	6,749,162	9,483,836	5,754,655	(3,729,181)
Charges for services	35,575	35,575	135,666	100,091
Investment earnings	50	50	414	364
Miscellaneous	3,000	3,000	330,528	327,528
Total revenues	19,535,505	22,262,500	20,025,769	(2,236,731)
EXPENDITURES				
Current:				
Instruction	9,637,080	12,028,035	9,277,953	2,750,082
Support services:				
Pupil services	680,470	608,354	472,794	135,560
Improvement of instructional services	1,153,148	1,277,415	742,112	535,303
Educational media services	269,553	326,643	236,353	90,290
General administration	449,998	502,208	340,208	162,000
School administration	1,614,393	1,265,732	1,155,093	110,639
Business administration	234,269	234,269	253,865	(19,596)
Maintenance and operation of plant	1,902,199	2,087,662	1,682,246	405,416
Student transportation services	1,381,038	1,548,005	1,528,191	19,814
Central support services	160,134	197,881	188,097	9,784
Other support services	75,749	125,366	84,468	40,898
Enterprise operations	-	-	125,684	(125,684)
Food services operations	1,036,424	1,218,164	1,086,511	131,653
Capital outlay	1,335,150	1,335,150	1,277,612	57,538
Debt service:				
Principal retirement	-	-	71,167	(71,167)
Interest and fees	-	-	1,490	(1,490)
Total expenditures	19,929,605	22,754,884	18,523,844	4,231,040
Excess (deficiency) of revenues over (under) expenditures	(394,100)	(492,384)	1,501,925	1,994,309
OTHER FINANCING SOURCES (USES)				
Transfers in	-	115,937	-	(115,937)
Transfers out	(500,000)	(615,937)	(1,200,000)	(584,063)
Total other financing sources (uses)	(500,000)	(500,000)	(1,200,000)	(700,000)
Net change in fund balances	(894,100)	(992,384)	301,925	1,294,309
FUND BALANCE, beginning of year	5,138,065	5,138,065	5,138,065	-
FUND BALANCE, end of year	$ 4,243,965	$ 4,145,681	$ 5,439,990	$ 1,294,309

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

(1) Original and final budget amounts do not include budgeted revenues ($380,299) or expenditures ($358,268) of the various school activity accounts.

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.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "8"

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Funding Agency Program/Grant	Assistance Listing Number	Pass-Through Entity ID Number	Expenditures In Period
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	225GA324N1099	$ 291,447
COVID-19 National School Lunch Program	10.555	225GA324N1099	102,270
COVID-19 National School Lunch Program	10.555	225GA324N1099	31,723
National School Lunch Program	10.555	225GA324N1099	537,169
Total Child Nutrition Cluster			962,609
State Administrative Expenses	10.560	195GA904N2533	5,331
Total U.S. Department of Agriculture			967,940
Education, U.S. Department of			
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027	H027A210073	277,929
COVID-19 Grants to States	84.027X	H027X210073	57,556
Preschool Grants	84.173	H173A210081	6,318
COVID-19 Preschool Grants	84.173X	H173X210081	3,510
Total Special Education Cluster			345,313
Other Programs			
Pass-Through From Georgia Department of Education			
Migrant Education - State Grant Program	84.011	S011A210011	5,732
Migrant Education - State Grant Program	84.011	S011A200011	4,038
Rural Education	84.358	S358B200010	1,559
Rural Education	84.358	S358B210010	28,044
Title I Grants to Local Educational Agencies	84.010	S010A200010-20A	139,361
Title I Grants to Local Educational Agencies	84.010	S010A210010-21A	632,583
Career and Technical Education - Basic Grants to States	84.048	V048A200010	1,945
Career and Technical Education - Basic Grants to States	84.048	V048A210010	15,227
COVID-19 Education Stabilization Funds	84.425D	S425D210012	1,689,078
COVID-19 Education Stabilization Funds	84.425D	S425D200012	1,419
COVID-19 Education Stabilization Funds	84.425U	S425U210012	1,435,261
COVID-19 Homeless Children and Youth (ARP-HCY)	84.425W	S425W210011	1,098
			3,955,345
Total U.S. Department of Education			4,300,658
Federal Communications Commission, U.S.			
Direct			
COVID-19 - Emergency Connectivity Fund Program	32.009	N/A	217,584
Total U.S. Federal Communications Commission			217,584
Health and Human Services, U.S. Department of			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	N/A	12,174
Total U.S. Department of Health and Human Services			12,174
Total Expenditures of Federal Awards			$ 5,498,356

N/A - Not applicable/available

MARION COUNTY BOARD OF EDUCATION

SCHEDULE "8"

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

The School District did not provide federal assistance to any subrecipient.

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Marion County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2022. 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).

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* , wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

During the year ended June 30, 2022, $115,937 was transferred to Title I, Grants to Local Educational Agencies from Supporting Effective Instruction State Grants ($69,332) and the Student Support and Academic Enrichment Grant ($46,605). Expenditures of transfers are reflected within the receiving program.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE OF STATE REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Agency/Funding	Governmental Fund Type General Fund
Grants	
Bright from the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 342,313
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost:	
Kindergarten Program	471,895
Kindergarten Program - Early Intervention Program	82,648
Primary Grades (1-3) Program	940,859
Primary Grades - Early Intervention (1-3) Program	222,170
Upper Elementary Grades (4-5) Program	484,939
Upper Elementary Grades - Early Intervention (4-5) Program	135,978
Middle School (6-8) Program	817,066
High School General Education (9-12) Program	903,703
Vocational Laboratory (9-12) Program	214,219
Students with Disabilities	818,826
Program for Intellectually Gifted Students - Category VI	153,686
Remedial Education Program	233,280
Alternative Education Program	65,055
English Speakers of Other Languages ("ESOL")	104,412
Media Center Program	154,883
20 Days Additional Instruction	49,767
Staff and Professional Development	26,239
Principal, Staff and Professional Development	592
Indirect Cost:	
Central Administration	372,426
School Administration	335,189
Facility Maintenance and Operations	329,526
Categorical Grants:	
Pupil Transportation	376,119
Sparsity	47,813
Nursing Services	45,000
Mid-Term Hold Harmless	6,806
Vocational Supervisors	5,835
Education Equalization Funding Grant	1,776,475
Food Services	27,890
Vocational Education	34,560
Amended Formula Adjustment	46,139
Other State Programs:	
Hygiene Products in Georgia Schools	863
Bus Purchases - State Allotment	88,110
One Time Salary Adjustment	339,125
Pupil transportation - State Bonds	77,220
Total Grants from Georgia Department of Education	10,131,626
Office of the State Treasurer	
Public School Employees Retirement	29,321
	$ 10,160,947

See notes to the basic financial statements.

MARION COUNTY BOARD OF EDUCATION

SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost [(1)]	Current Estimated Costs [(2)]	Expended In Current Year [(3) (4)]	Expended In Prior Years [(3) (4)]	Total Completion Cost	Estimated Completion Date
To retire a portion of the principal and interest on the School District's previously incurred general obligation Series 2010B and 2010C Bonds coming due in the years 2018 through 2023.	$ 2,500,000	$ 2,500,000	$ -	$ -	$ -	December 2022
(i) Making system-wide technology improvements, including, but not limited to, the acquisition and installation of instruction technology, security, and information system hardware and associated software accessories, and infrastructure at all schools and selected other facilities; (ii) Improving school facilities, purchasing school buses, school equipment, and acquiring safety and security equipment.	500,000	500,000	-	-	-	December 2022
	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	

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

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

(3) The voters of Marion County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

(4) $585,673 Interest & $80,000 Principal paid on Bonds in FY2022; $344,496 from Federal Subsidy; $304,872 from property taxes; $16,305 from Sales Tax.

(5) Sinking Fund Payment of $468,652 was paid from sales tax.

See notes to the basic financial statements.

Section II

Compliance and Internal Control Reports

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

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

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Marion County Board of Education (School District) as of and for the year ended June 30, 2022, 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 28, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Greg S. Griffin
State Auditor

March 28, 2023

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Marion County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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*.

In our opinion, the School District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

March 28, 2023

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

MARION COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

MARION COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	
Governmental Activities, Each Major Fund, and Fiduciary Activities	Unmodified
Internal control over financial reporting:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	
All major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
84.425	Education Stabilization Fund
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	750,000
Auditee qualified as low-risk auditee?	Yes

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.