

**Muscogee County School
District Columbus, Georgia**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2019

Muscogee County School District Columbus, Georgia

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019

**Prepared by:
Muscogee County Board of Education
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**MUSCOGEE COUNTY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Introductory Section



**To the Honorable Members
of the Muscogee County Board of
Education, the Citizens of Muscogee County, and the Financial Community:**

The Comprehensive Annual Financial Report (CAFR) of the Muscogee County School District (“the District”) for the fiscal year ending June 30, 2019, is submitted herewith. This report was prepared by the Division of Financial Services. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with management.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been reported.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes this transmittal letter, certificates, board composition, a list of administrative staff, and the Muscogee County School District's organizational chart. The Financial Section includes the Management's Discussion and Analysis (MD&A), the basic financial statements, the combining and individual fund financial statements, and the auditor's report on the financial statements. The Statistical Section includes financial trend data, debt capacity data, demographic and economic information, and operating information, generally presented on a multi-year basis.

The District is required to undergo an annual audit. The independent audit of the financial statements of Muscogee County School District is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Muscogee County School District's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE MUSCOGEE COUNTY SCHOOL DISTRICT

Created by Constitutional Amendment as a separate independent District and separate political subdivision of the state of Georgia, the Muscogee County School District was a merger of the school systems of the City of Columbus, Georgia and Muscogee County, Georgia. Upon approval by the voters in the general election of November 2, 1948, these two school systems merged January 2, 1950.

The District is a legally separate financial entity and is not included in any other entity's financial reports. Under the Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, the various Parent-Teacher Association (PTAs), Parent-Teacher Organizations (PTOs), booster clubs, Columbus Museum, Inc., and the Muscogee County Library Foundation, Inc. are not component units of the District, and their financial activities are not included in the District's financial statements.

The Muscogee County Board of Education is the official governing body of the District and as such is responsible for the operation of all public schools within Muscogee County, Georgia. In accordance with Board Policy BBA – Board Officers and Georgia Code (O.C.G.A. §20-02-0057), at its January board meeting each year the Board elects a Chair and Vice-Chair to serve a one-year term. Other Board personnel, which also requires annual election in accordance to referenced board policy and Georgia code, includes the Secretary, Parliamentarian and Treasurer. The Superintendent of Education serves as the Board Secretary. The School Board Attorney serves as Board Parliamentarian and the Chief Financial Officer serves as the Board Treasurer.

The Muscogee County Board of Education and Superintendent of Education form the governance leadership team, with a focus on improving student achievement and organizational effectiveness. The Muscogee County Board of Education believes that legislation and adoption of policies is the foremost responsibility of a school board and that the execution of the policies should rest with the Superintendent.

The Superintendent of Education is appointed by the Board and serves as the Chief Executive Officer. For a term defined by the Board, the Superintendent has general supervisory and administration responsibility for the day-to-day operations of all departments and personnel of the District. The Georgia Constitution provides that the management and control of the district rest with the Board of Education. The nine elected Board members have policy and decision-making authority.

The Muscogee County School District proudly embraces a long history of academic achievement, a beacon of excellence, and remains committed to providing the programs and services to students and staff in our efforts to become a premier school district. This long standing commitment to providing a quality education started years ago. For example, in 1905, Muscogee County Schools was the first public school system in the nation to offer kindergarten as part of the instructional program. It also was the first school system in the nation to have a vocational high school program. The District has a pervasive belief that it is through this commitment to providing educational excellence that we can inspire *all* students, regardless of socio-economic status, race,

neighborhood or family structure to achieve their fullest life potential. Through the continued investment in students and staff, the foundation is laid for further positive returns, which equates to community growth and an improved quality of life for the citizens of Muscogee County.

The District is comprised of 57 schools, centers, and programs, along with two other entities. Service is provided to approximately 31,859 grades pre-K through 12 students. Of these students, 78.6% are eligible for free and reduced price meals. Roughly 92% of all school-aged children in Muscogee County attend Muscogee County Schools. As of June 30, 2019, the District encompassed the following facilities:

- ✓ 32 Elementary Schools (Grades Pre-K through 5)
- ✓ 12 Middle Schools (Grades 6-8)
- ✓ 10 High Schools (Grades 9-12)
- ✓ 3 Centers and Programs
- ✓ Columbus Museum
- ✓ Chattahoochee Valley Libraries

Muscogee County School District is the only school district in the state of Georgia with facilities that include both a public museum and public library. Of these referenced schools facilities, the earliest date of occupation is from 1918, which was prior to the merger of the school system of the city of Columbus and Muscogee County in 1950, and most recent 2019. Refer to Statistical section for listing of all schools through fiscal year 2019.

For the fiscal year ending 2019, the District employed 5,350 employees, including roughly 2,020 classroom teachers; ranking as the second principal employer in Muscogee County. As of June 30, 2019, the composition of the certificated staff consisted of staff that held doctorates (total 87) as well as personnel that are identified as National Board Certified Teachers and Georgia Master Teachers.

The District provides the curricular required by both local, state, and federal policies and statutes with an emphasis on student achievement. A breadth of services are provided, which include the following: regular and special education instructional programs at the elementary, middle, and secondary levels; additional services in prekindergarten; regional public library services; a public art gallery museum; and numerous other programs and services that are designed to further propel student achievement to heightened levels.

Other highlights of the Muscogee County School District include the following academics and enrichments:

- Academic Competitions
- Advanced Placement
- After-School Programs
- Arts and Humanities
- Athletics
- Career, Technology, and Agricultural Education (CTAE)
- Early Success Centers

- English for Speakers of Other Languages (ESOL) Instruction
- Gifted Education
- Guidance
- Health and Fitness
- Homeless Children Program
- Instructional Technology
- Junior Reserve Officer Training Corps (JROTC)
- Magnet and Charter Schools
- Mentoring Program
- Parenting Workshops and Services
- Positive Behavioral Interventions & Supports (PBIS)
- Professional Learning
- Reading Literacy
- Special Education Instruction
- Teacher Keys Effectiveness System (TKES)

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Muscokee County School District Columbus, Georgia

Mission

Our mission is to inspire and equip all students to achieve unlimited potential.

Vision

The MCSD is a beacon of educational excellence where all are known, valued, and inspired.

Values

MCSD fosters a healthy organization where...

WE embrace equity and diversity

WE hold ourselves and others to the same high standards

WE commit to continuous learning and improvement

WE treat everyone with dignity and respect

...as WE serve the needs of others.

Strategic Anchors

WE will make decisions...

that benefit student achievement

that are fiscally responsible with an eye on Return on Investment

that invest in stakeholders

that promote equity and access

ECONOMIC CONDITION AND OUTLOOK

The Muscogee County Schools, like school districts from around the country, continue to be challenged economically. We wrestle with securing the necessary funding to meet the ever-increasing needs of our student population, while striving to provide a high-quality education for all students that boosts student achievement and ensures postsecondary success.

The economic outlook of the state of Georgia has a significant impact on defining the ability of the state to participate in the funding of public education. Statewide, particularly for the past six consecutive fiscal years (FY 2014 – FY 2019). As with the last fiscal year end, there have been continued economic recovery. Most of the recovery continues to be primarily focused in the counties identified as the Atlanta Metropolitan area. Muscogee County, however, continues to be one of the few counties outside of this area to also experience economic recovery. This modest upward trend is evident by the increase in consumer spending, which results in an increase in tax revenues. Tax revenues, as with other state governments, are the primary funding source for the state of Georgia. Tax revenues serve as the foundation for defining the extent of the state's overall participation in the sharing in the funding of public education.

Governor Nathan Deal announced on July 8, 2019 that through June 2019, Georgia's year-to-date, Net Tax Revenue Collections totaled almost \$23.79 billion. This represented an overall increase of \$1.09 billion or 4.8 percent in comparison to June 2018, where Net Tax Revenues totaled almost \$22.71 billion. Year-over-year, monthly Net Tax Collections (individual income tax, sales and use tax, corporate income tax, and motor vehicle tag & title fees) for the state of Georgia have been up for the most part. For the month of June 2019, Net Tax Collections totaled \$2.12 billion, up \$146 million or 7.4% from June 2018. Georgia's Net Tax Collections for the periods July 2018 through June 2019 are reflected below:

Net Tax Collections Trends		
July 2018 - June 2019		
Period	Net Tax Collections	Year-over-Year Change
Jul-18	\$1.78 billion	3.50%
Aug-18	\$1.8 billion	7.00%
Sep-18	\$2.23 billion	7.40%
Oct-18	\$2.01 billion	17.70%
Nov-18	\$1.83 billion	-0.70%
Dec-18	\$2.16 billion	-4.50%
Jan-19	\$2.25 billion	-12.20%
Feb-19	\$1.30 billion	5.50%
Mar-19	\$1.67 billion	7.00%
Apr-19	\$2.87 billion	24.20%
May-19	\$1.76 billion	0.10%
Jun-19	\$2.12 billion	7.40%

This upward trend in the state economy was again passed down to school districts in the form of the funding of the state mid-year budget for FY 2018. For school districts, the mid-year budget is primarily dedicated to the funding of any actual enrollment gains realized during the fiscal year given that the initial state funding was based on projected enrollments. For FY 2019, the Governor continued to pass along this positive growth in the economy by again funding more of its share of the State Quality Basic Education (QBE) Funding. This additional funding was shown as a reduction in the Austerity Reductions. For the first time since the introduction of Austerity Reductions in 2003, school districts from around the state saw this line item reduction completely eliminated for FY 2019. This marked the first time in the last sixteen years that the state has fully funded its share of public education. With this historical change, Austerity Reductions for the District for FY 2019 dropped to \$0 or declined 100% from FY 2018.

However, given that local boards of education staff much above the funding predicated by the State QBE funding formula to primarily address the ever increasing student academic needs, there remains a growing divide between the funding received and the actual funding needed. This increasing divide or disconnect has worked to increase the amounts that local boards of education, like Muscogee County Schools, have to expend from their local tax revenues to share in the funding of public education.

As reflected in the chart below, for fiscal years 2003 through 2019, the District realized \$192.6 million in Austerity Reductions.

Fiscal Year	Austerity Reductions	Cumulative Reductions
2003	\$ 3,120,951	\$ 3,120,951
2004	\$ 6,504,569	\$ 9,625,520
2005	\$ 7,643,084	\$ 17,268,604
2006	\$ 7,643,015	\$ 24,911,619
2007	\$ 3,639,342	\$ 28,550,961
2008	\$ 2,947,041	\$ 31,498,002
2009	\$ 10,604,723	\$ 42,102,725
2010	\$ 29,126,485	\$ 71,229,210
2011	\$ 23,159,128	\$ 94,388,338
2012	\$ 24,074,612	\$ 118,462,950
2013	\$ 23,840,635	\$ 142,303,585
2014	\$ 21,238,578	\$ 163,542,163
2015	\$ 14,404,918	\$ 177,947,081
2016	\$ 8,749,798	\$ 186,696,879
2017	\$ 3,013,669	\$ 189,710,548
2018	\$ 2,951,039	\$ 192,661,587
2019	\$ -	\$ 192,661,587



Property Tax Digest, Levies, and Revenues
Actual FY 2013-FY 2019

Fiscal Year	Calendar Year Mill Levy	Net M&O Tax Digest	Net M&O Tax Digest Change	Percent Change	Mill Levy	Property Tax Collections	Property Tax Collections Change (Dollars)	Change (Percent)
2013	2012	4,200,525,525	144,223,104	3.56%	23.37	\$102,163,235	\$1,562,010	1.55%
2014	2013	4,224,773,550	24,248,025	0.58%	23.37	\$104,142,654	\$1,979,419	1.94%
2015	2014	4,336,677,026	111,903,476	2.65%	23.37	\$105,910,345	\$1,767,691	1.70%
2016	2015	4,416,380,018	79,702,992	1.84%	23.37	\$106,923,792	\$1,013,447	0.96%
2017	2016	4,508,513,165	92,133,147	2.09%	23.37	\$107,241,615	\$317,823	0.30%
2018	2017	5,075,766,466	567,253,301	12.58%	23.321	\$110,725,553	\$3,483,938	3.25%
2019	2018	5,038,769,249	-36,997,217	-0.73%	23.321	\$113,852,340	\$3,126,787	2.82%

From a local revenues perspective, the changes in the Net Maintenance and Operations (M&O) Tax Digest as well as the changes in Property Tax Collections are reflected above. Overall, the District has realized year-over-year positive gains in both measurements. In regards to the Net M&O Tax Digest, the most noteworthy change occurred in CY 2017, FY 2018. During this period, the digest grew by \$567.2 million or 12.58% over CY 2016, FY 2017. This growth was due to the complete revaluation of properties county-wide. However, the county experienced over 11,000 appeals to the initial property tax assessments. The final property tax assessments resulted in significant cuts in values, overwhelmingly reducing the tax digest whereby for the following year the digest reported a year-over-year decline in value. At the conclusion of the appeal process, the final values derived served as the basis for property values for both CY 2018, FY 2019 and CY 2019, FY 2020. As reflected in the chart above, for FY 2019 the Net M&O Tax Digest was \$5.0 billion, representing a decline of 36.9 million or 0.73% in relation to FY 2018.

The Property Tax Collections, however, have realized continued year-over-year gains for all periods reported. Even after factoring in the assessed 2.5% administrative processing fee and an almost 99% collection rate, the District has realized year-over-year percentage gains as high as 3.25% as in FY 2018. These collection gains are all attributed to the continued modest growth in the Net M&O Tax Digest. The District still managed to realize a year-over-year increase in Local Property Tax Revenues for FY 2019, which totaled \$113.8 million. This represents an increase of \$3.1 million or 2.82% over FY 2018.

The District, as in prior years, continues to make a concerted effort to achieve the proper balance between financial resources and expenditures while yet ensuring funding for those programs and enrichment initiatives that will propel student learning to heightened levels. This is all done in our efforts to be a premier school district. To address the continued reduction in state funding, the District remains fiscally responsible by closely monitoring expenditures, which includes evaluating programs for effectiveness and assessing the need for the closure and/or consolidation of schools. This is all done while taking into consideration population shifts and the age of existing facilities.

According to the U.S. Census Bureau, for 2018 the population of the Columbus MSA was 194,160 versus 194,058 for 2017, an increase of 102 or .05%. The labor work force for September 2018 was 124,051 and the unemployment rate was 4.2%. For June 2019, the labor work force was 124,422 and the unemployment rate was 5.7%. The year-over-year decrease of 371 in the labor work force and the 1.5% drop in the unemployment rate were attributed to the year-over-year decline in population and the continued full employment realized nation-wide where the conditions continue to allow for those that are able and willing to work to be gainfully employed. This continues to mirror the employment rate nationwide.

The Major Industries – Industry Mix reporting for 1st quarter 2019, which was the most recent statistic available, reflects the average monthly number of employees located in Muscogee County as 94,629. For this same period, the largest major industry sector was Health Care and Social Assistance, accounting for 13.1% of the average monthly number of employees. This was followed by Accommodation and Food Service at 12.0% and Retail Trade at 10.8%. These three industries dominated the major industry stats in some form for 2018 as well.

STUDENT ENROLLMENT

The State QBE Act, which is the current mechanism used by the state of Georgia to provide funding for public education, requires school districts to report student enrollments in terms of Full-Time Equivalent (FTE) students. The funding weight or value assigned to each direct instructional program times the number of students enrolled equals the total State QBE funding earned by a school district. Since State QBE funding accounts for over 58% of the District's General Fund Total Revenues for FY 2019, the accuracy of the student enrollment count is critical to the District's continued solvency.

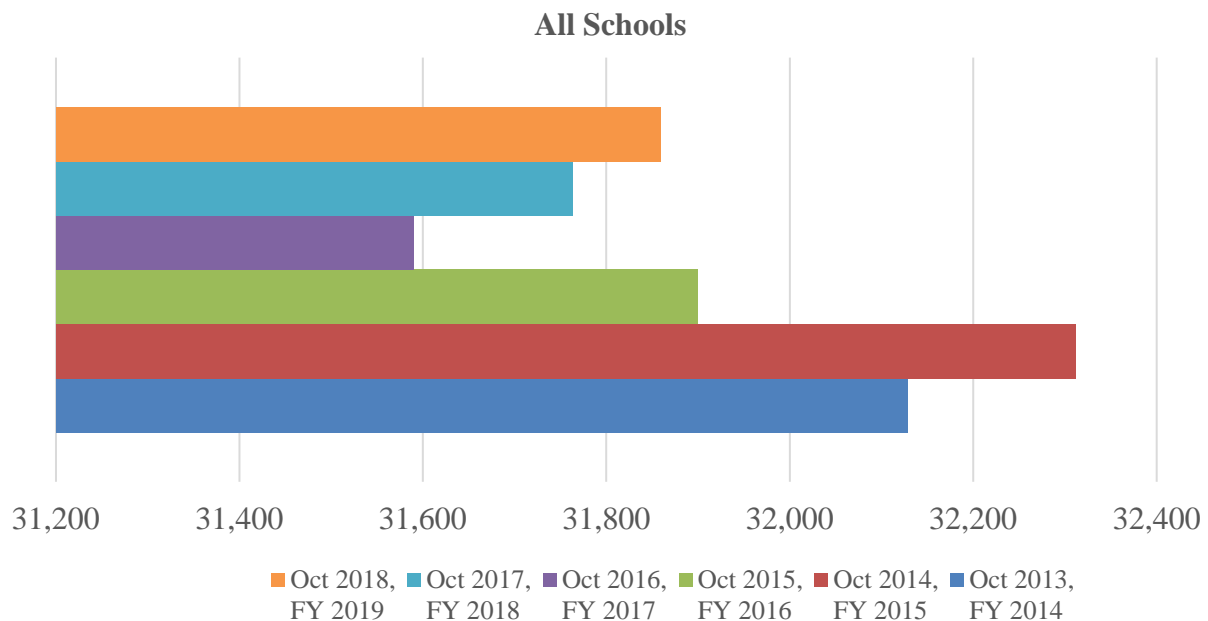
Of the school-aged children in Muscogee County, approximately 92% attend Muscogee County Schools. For the fiscal year ending June 30, 2019, the pupil teacher ratio is basically identical to the prior fiscal year ending. The District continues to primarily dedicate more and more resources to the classroom by funding additional teacher allocations, particularly for the most challenged schools. The District also continued to strategically focus resources to improve overall student achievement. The year-over-year academic gains realized in both state and national assessments is evident that the Muscogee County Schools once again remain postured for success.

The District's Student Enrollment trends for FY 2014 through FY 2019 for grades Pre-K through Grade 12 are reflected on the following page. In comparison to FY 2018, for FY 2019, the District realized a year-over-year growth in enrollment of 96 or 0.30%. This increased enrollment resulted in an increase in State QBE Earnings for FY 2019. As reflected, this is the second consecutive year in the last twelve years that the District has realized a growth in enrollment. This is primarily attributed to the transient nature of the student population.

The average student enrollment for grades Pre-K through Grade 12 for FY 2014 through FY 2019 is 31,925. The District is projecting comparable enrollments for future fiscal years.

**Muscogee County Schools
Enrollment Summary - All Schools**

FTE Enrollment By School						
	Oct 2013, FY 2014	Oct 2014, FY 2015	Oct 2015, FY 2016	Oct 2016, FY 2017	Oct 2017, FY 2018	Oct 2018, FY 2019
All Schools						
Elementary Schools	16,127	16,367	16,168	15,887	15,887	15,726
Middle Schools	7,005	6,884	6,674	6,714	6,539	6,946
High Schools	8,996	9,061	9,057	8,989	9,337	9,187
Total - All Schools	32,128	32,312	31,899	31,590	31,763	31,859
Annual Growth	-44	184	-413	-309	173	96
Year-over-Year Percentage Change	-0.1%	0.6%	-1.3%	-1.0%	0.5%	0.3%
Average Enrollment (FY 2014-FY 2019) 31,925						



MAJOR INITIATIVES

The District remains committed to addressing its challenges as it strives toward reaching the goal of becoming a premier district in Georgia. The district's top three challenges in prioritized order include:

- Ensuring high expectations in support of all students achieving graduation and success beyond
- Ensuring flexible and formalized staffing and operational processes in support of student achievement
- Ensuring the system's culture reflects the transition from compliance to commitment as evidenced through engaged stakeholders

Some of the initiatives, as indicated in the updated Strategic Plan, and achievements earned through Fiscal Year 2019 include:

Initiatives:

- Implementation of Achieve3000 reading and literacy program in all schools
- Launched implementation of Canvas, a new district-wide Learning Management System
- Turnitin, which is an automated digital learning program focused on accelerating literacy, is being implemented in grades 4-12
- Facilitated district-wide book study, Better Learning through Structured Teaching, with all Principals, Assistant Principals, Academic Coaches, Local Education Agency (LEA) Facilitators, and select district staff
- Completion of all Phase I 2015 E-SPLOST projects and significant completion of Phase II projects. Notable 2015 E-SPLOST projects substantially completed and their estimated budget include the following:
 - ✓ Replacement of Spencer High School, \$56 million
 - ✓ Rainey-McCullers School of the Arts program enhancements, \$6 million
 - ✓ Replacement of Gym at Fort Middle School, \$3.6 million
 - ✓ Upgrading Kinnett Stadium, \$3.5 million
- Continued to address issues of under-representation of minority students in gifted education program
- Continued district-wide implementation of Positive Behavior Intervention Strategies (PBIS) to improve discipline and reduce out-of-school suspensions
- Increased the number of fine arts and physical education teachers at the elementary level
- Increased the number of assistant principals at the elementary level
- Initiated the second phase to alleviate the salary compression within the non-certificated personnel compensation plan
- Continued rollout of Salary Compensation Study for non-certificated personnel district-wide
- Initiated new technology solution TalentEd, for recruitment, application processing, and hiring

- Initiated redesign of the school district website
- Continued process management training across all divisions by Project Management team using gradual release model
- Approval of the district's Strategic Waiver Application by the State Board of Education
- Reading Wonders, an elementary Reading and English Language Arts (ELA) instructional materials program (core and intervention)
- enVision Math, an elementary Mathematics instructional materials program (core and intervention)
- Georgia Collections, a secondary English Language Arts (ELA) instructional materials program (core and intervention)
- Go Math, a middle school Mathematics instructional materials program (core and intervention)
- AGA, a high school Mathematics instructional materials program (core and intervention)
- Leveled Learning Intervention (LLI), a secondary English Language Art Intervention materials program (core and intervention)
- Continued redesign of School Improvement Plans (SIP) to include detailed plans beginning with FY 2017 for professional development days, coaching cycles, monitoring, and evaluation processes
- Continued implementation of zero-based budgeting model, strategically aligning overarching needs with available funding in an effort to improve the financial health of the District in light of continued funding shortfalls

Achievements:

- Board of Education recognized as Distinguished Board for 2019
- During the 2018-2019 school year, the district increased or maintained its percentage of students identified as Proficient and Distinguished Learners in 75% (18 out of 24) of the content areas assessed by the 2018 Georgia Milestones End of Grade (EOG) and End of Course (EOC) tests. The district also decreased or maintained its numbers of students identified as Beginning Learners in 75% of those areas and outperformed the other Tier II Districts in 17 out of 24 assessed areas.
- In 2019, the District's graduation four year cohort graduation rate of 86.1 surpassed the state rate of 82.0. This is the fifth consecutive year that the District's graduation rate has surpassed the state of Georgia at a higher rate.
- The 2019 American College Test (ACT) composite and subject results for the Muscogee County School District were the highest set of scores for the District to date. In addition, the number of students tested in Muscogee County increased year-to-date for the 2018-2019 school year. Additionally, the Muscogee County School District 2019 SAT results saw improvements in the District's composite and reading and writing scores. The District's reading and writing scores exceeded both the state and national averages for the second time.

- For the fiscal year ending June 30, 2019, due to the District's continued conscientious efforts in being fiscally responsible, which includes continuation of the zero-based budgeting model, the General Fund Unassigned Fund Balance was \$30 million. This represents 35.55 days of operations, which is a reduction of 3.59 days in relation to the previous fiscal year ending June 30, 2018, as reflected in the chart below. The Government Finance Officers Association (GFOA) recommends that governments, regardless of size, maintain unrestricted fund balance in their General Fund, at a minimum of 60 days. The Muscogee County Schools, in relation to comparable sized school districts, has been able to maintain a favorable fund balance while still providing the resources and services to meet the ever-changing needs of its students and staff.

The Unassigned Fund Balance and Days of Operations for FY 2012-FY 2019 is reflected below:

Fiscal Year	Fund Balance, Unassigned	Change (Dollars)	Cumulative Change	Fund Balance, Unassigned Days of Operational Expenditures+Transfers Out (Future Year)
2012	\$ 24,380,930	\$ (4,072,547)		31.86
2013	\$ 21,397,814	\$ (2,983,116)	-12.24%	28.86
2014	\$ 24,557,670	\$ 3,159,856	14.77%	33.86
2015	\$ 39,459,441	\$ 14,901,771	60.68%	53.59
2016	\$ 48,834,736	\$ 9,375,295	23.76%	64.90
2017	\$ 40,193,786	\$ (8,640,950)	-17.69%	50.80
2018	\$ 32,462,389	\$ (7,731,397)	-19.24%	39.14
2019	\$ 30,048,885	\$ (2,413,504)	-7.43%	35.55

Source: Comprehensive Annual Financial Report (CAFR) and School District Records

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The District's financial statements for all governmental fund types are presented on the modified accrual basis of accounting, with the revenues being recorded when available and measurable, and expenditures being recorded when the goods or services are received and the liabilities are incurred. There is one major exception to this rule: Expenditures for principal and interest on long-term debt are recognized when due.

The General Fund budget, as adopted by the Board of Education for the fiscal year, is a non-appropriated budget. The General Fund is used to account for all financial resources of the District not otherwise accounted for in another fund. The operating budget contains proposed Expenditures and the means for financing them. The District is not legally required to stay within the budget, but under State law it must not end any fiscal year with a general fund deficit fund balance. It is prepared on the cash basis of accounting. Under the cash basis, certain revenues and the related assets are recognized when received rather than when earned; and certain expenses are recognized when paid rather than when the obligation is incurred.

In developing and evaluating the District's accounting system, consideration is given to the accuracy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use and/or disposition and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived and
- the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary control is maintained at the function level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

LONG-TERM FINANCIAL PLANNING

Long-term financial planning is one of the major components of the District's capital outlay program. This planning includes the five-year facility plan, which works to ensure that the District's needs regarding capital outlay are met. Capital expenditures plans are formalized in consideration of programmatic needs, enrollment forecasts, current facility assessments, and anticipated annual receipts of capital outlay funds from the state of Georgia. The monitoring and assessment of anticipated capital outlay needs and securing the necessary funding is an ongoing process within the district.

Beginning with the fiscal year 2016 budget cycle, the District began the process of extending the long-term financial planning process in an effort to ensure the funding needed to achieve district-wide long-term or multi-year operational needs.

INDEPENDENT AUDIT

As required by law, an annual audit of the financial records, books of account, and financial affairs of the District has been made by an independent auditor. The auditor's opinion, as prepared by Robinson, Grimes & Company, P.C., is included within the Financial Section of this report.

An audit is also performed of the various programs for which the District receives federal funding. This required audit is performed in accordance with the Title II U.S. Code of Federal Regulation ("CFR") Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The performance of the annual audit works to provide the additional level of review and assurance regarding the accountability and management of all funds.

AWARDS

Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials International (ASBO) awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, respectively, to the Muscogee County School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

This marks the thirty-third and twenty-sixth consecutive year that the District has submitted and successfully achieved the prestigious Certificate of Achievement for Excellence in Financial Reporting from GFOA and the Certificate of Excellence in Financial Reporting from ASBO, respectively. To be awarded these awards, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that meets the prescribed program standards required by each organization. The report must also satisfy both generally accepted accounting principles and other legal requirements and regulations. Both certificates, the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, are only valid for a period of one year. The District will submit the CAFR for the current fiscal year to both GFOA and ASBO for consideration. We are confident that the document continues to meet the standards for award.

Budget Presentation - The Association of School Business Officials International (ASBO) recognized Muscogee County School District for excellence in budget presentation by awarding the Pathway to the Meritorious Budget Award (MBA) for the 2018-2019 fiscal year for its FY 2019 Official Budget Document. This award is to promote and recognize best budget presentation practices in school districts. Most of all, it reflects the District's commitment to sound fiscal management and budgetary policies. It marks the first time in the history of the District that this prestigious recognition was earned. Muscogee County School District was one of six school districts internationally and the only school district in the state of Georgia to earn this esteemed recognition. This award is valid for a period of one year.

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to the Muscogee County School District for its FY 2017 Official Budget Document for the fiscal year beginning July 1, 2016. This award represents a significant achievement for the District. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. For fiscal year 2017, Muscogee County School District was one of five school districts in the state of Georgia to achieve this award. It marked the first year that the District has received this prestigious award. The award is valid for a period of one year. As of the document publication, the District is still awaiting for award status of the FY 2018 submission to GFOA.

Procurement - For 2019, the Muscogee County School District was awarded the nationally recognized Achievement of Excellence in Procurement Award by the National Procurement Institute, Inc. (NPI). This esteemed award is earned by public organizations that demonstrate

excellence in the areas of innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement process.

Attainment of this award was the result of the District's system-wide implementation of procurement best practices. Muscogee County School District is proud to be one of only 13 agencies in the state of Georgia and one of only 23 school districts in the United States and Canada to earn this prestigious recognition. This marks the second year, with fiscal year 2017 being the first, that the District has earned this distinguished award. The District remains committed to continuous improvement regarding its purchasing policies and procedures and will pursue the award for future fiscal years.

ACKNOWLEDGMENT

This document could not have been made possible without the hard work and dedication of the entire staff of the Division of Financial Services. We also extend a special thanks to the many persons from across the District that assisted with this endeavor. Thanks for your thoughts and efforts and once again coming through for us.

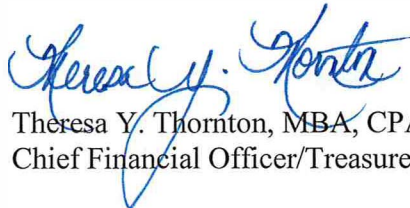
To the citizens of Muscogee County, we thank you and are honored to serve you. Please accept our appreciation for your continued support of the Muscogee County School District.

Finally, we would also like to thank the members of the Muscogee County Board of Education for their leadership, commitment, and unfailing support as we work together to become a premier school district; optimizing our financial resources to invest in the future of Muscogee County, our students.

Respectfully submitted,



Dr. David F. Lewis
Superintendent of Education



Theresa Y. Thornton, MBA, CPA
Chief Financial Officer/Treasurer

December 2, 2019



**The Certificate of Excellence in Financial Reporting
is presented to**

Muscogee County School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Muscogee County School District
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Pathway to the MBA Award is presented to

MUSCOGEE COUNTY SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2018-2019.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Muscogee County School District
Georgia**

For the Fiscal Year Beginning

July 1, 2016

Christopher P. Morrell

Executive Director



August 6, 2019

Mr. Edwin Joseph
Director of Purchasing and Supply Management
Muscogee County School District
Muscogee County Public Education Center, 2960 Macon Road
Columbus, GA 31906

Subject: 2019 Achievement of Excellence in Procurement® Award

Dear Mr. Joseph,

I'm pleased to inform you that your agency's procurement department has earned the 2019 Achievement of Excellence in Procurement® Award.

We've attached your copy of the formal announcement letter sent to the organization official identified in your application, and your scorecard (ID 1291) is enclosed.

A beautiful AEP Award trophy will be shipped to your organization in the coming weeks.

Congratulations on the 2019 Achievement of Excellence in Procurement® Award!

Sincerely,

Brian P. Garrity, CPSM, C.P.M., CPPB
Achievement of Excellence in Procurement® Award Officer

The Achievement of Excellence in Procurement® recognizes organizational excellence in public and non-profit procurement. The award criteria are designed to measure innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. The Achievement of Excellence in Procurement® is sponsored by the National Procurement Institute (NPI), the California Association of Public Procurement Officials (CAPPO), the Florida Association of Public Procurement Officials (FAPPO), the Institute for Supply Management (ISM), NIGP: The Institute for Public Procurement, the National Association of Educational Procurement (NAEP), the National Association of State Procurement Officials (NASPO), the Texas Public Purchasing Association (TxPPA), and the Canadian Public Procurement Council / Conseil canadien des marchés publics.

NATIONAL PROCUREMENT INSTITUTE, INC.
PO Box 2774, Rockport, TX 78381
Tel: 702.989.8095 Fax: 702.967.0744 Toll Free: 866.877.7641
www.npiconnection.org



MUSCOGEE COUNTY BOARD OF EDUCATION

FUNCTION AND COMPOSITION

All matters relating to the education and operations of the Muscogee County School District are governed and controlled by the Muscogee County Board of Education, as provided by Georgia law.

The Board has the responsibility to maintain a reasonable uniform system of public schools providing quality education for all young people of Muscogee County. With the advice of the Superintendent, it must determine the policies and prescribe the rules and regulations for the proper management of the school district.

The Board is legally responsible for the operation of the District and for establishing all related policy. The Board currently consists of nine elected members, eight elected from single member districts and one elected at-large. The members are elected to staggered four-year terms. The Board has independent taxing authority, which began in fiscal year 1995.

Regular meetings are held on the third Monday of each month at 6:00 p.m. in the Board Room at the Muscogee County Public Education Center. All meetings are open to the public. Special meetings may be called at other times by the Board Chairperson. At all meetings, a majority of the entire membership constitutes a quorum. The Board annually elects a Chairperson and Vice-Chairperson from its members.

For fiscal year ending June 30, 2019, the Board Members and terms are as follows:

Name and Office Held	Term Started	Expiration of Term	Number of Years in Office	Principal Occupation
Patricia Hugley-Green, Chair	01/01/2005	12/31/2020	14	Insurance Agent
Laurie McRae, Vice-Chair	01/01/2017	12/31/2020	2	Attorney
Naomi Buckner	01/01/2003	12/31/2022	16	Educator
Mark Cantrell	01/01/2011	12/31/2022	8	Business
Kia Chambers	01/01/2015	12/31/2022	4	Realtor
Dr. Michael Edmondson	01/01/2019	12/31/2022	0	Retired MCSD Educator
Vanessa Jackson	01/01/2017	12/31/2020	2	Business
*Dr. Philip T. Schley, Sr.	01/01/2019	12/31/2022	0	Retired Urologist
**Cathy Williams	01/01/2017	12/31/2020	2	Business

*Prior to current term, Dr. Schley served 21 years (1972-1981 and 1998-2010)

**Prior to current term, Mrs. Williams served 7 years (2007-2014)

School Board Members



Patricia Hugley-Green ✉
Board Chair
District 1
Term Ends: 2022
706-587-2888
706-748-2002 Fax
P. O. Box 6177
Columbus, GA 31917



Laurie C. McRae ✉
Board Vice Chair
District 5
Term Ends: 2022
706-617-6119
706-748-2002 Fax
1825 Preston Drive
Columbus, GA 31906



Kia Chambers ✉
Committee Member
At Large Member
Term Ends: 2022
706-577-3218
706-748-2002 Fax
5856 Veterans Parkway
Columbus, GA 31904



Dr. Michael H. Edmondson ✉
Committee Member
District 2
Term Ends: 2022
706-587-4864
706-748-2002 Fax
P.O. Box 2427
Columbus, GA 31902



Vanessa K. Jackson ✉
Committee Member
District 3
Term Ends: 2022
706-617-7985
706-748-2002 Fax
3751 Robin Road
Columbus, GA 31906



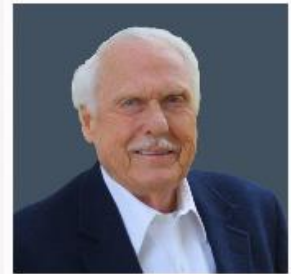
Naomi Buckner ✉
Committee Member
District 4
Term Ends: 2022
706-563-2258
706-748-2002 Fax
620 Barclay Way
Columbus, GA 31907



Mark Cantrell ✉
Committee Member
District 6
Term Ends: 2022
706-393-4000
706-748-2002 Fax
5724-25 McKee Road
Upatoi, GA 31829



Cathy Williams ✉
Committee Member
District 7
Term Ends: 2022
706-617-9488
706-748-2002 Fax
731 1st Avenue
Columbus, GA 31901



Dr. Phillip T. Schley, Sr. ✉
Committee Member
District 8
Term Ends: 2022
706-530-8923
706-748-2002 Fax
P.O. Box 2427
Columbus, GA 31902



Dr. David F. Lewis
Superintendent of Education
Muscogee County School District

Dr. David F. Lewis began his career with Polk County Public Schools in 1979 as band director at Fort Meade Middle-Senior High School. He became Assistant Principal at Fort Meade Middle-Senior and also served as Assistant Principal at Frostproof Middle-Senior High School. He served as Principal at Frostproof Middle-Senior High School for ten years.

While at Frostproof High School, Dr. Lewis was the recipient of numerous local and state awards to include: School-to-Work Administrator of the Year, Florida Music Educators' Association Administrator of the year, Polk County Outstanding High School Principal, Frostproof Chamber of Commerce's Man of the Year, Education Commissioner's Award for Outstanding Leadership, Polk County's Principal Achievement Award, and Florida Principal of the Year.

In 2004, Governor "Jeb" Bush made an official visit to Frostproof Middle School in recognition of the school's successful reading initiatives under Dr. Lewis. In 2005, Dr. Lewis was promoted to the district level position of Senior Director of High Schools and was appointed Senior Director of Secondary Education in 2009. Effective September 1, 2010, Dr. Lewis was appointed as the Associate Superintendent for Learning of the Polk County District where he provided direct oversight for the curriculum and learning needs of 95,000 students, 6,000 teachers, and a \$126 million budget.

During his tenure in this leadership role, the district achieved seven consecutive years of improved graduation rates and was recognized as College Board's large District of the Year for the greatest increase in both student participation and performance on Advanced Placement assessments, particularly that of under-represented populations. Other leadership positions held by Dr. Lewis include President of the Division of Instructional Leaders for the Florida Association of School Administrators and President of the Florida School Music Association.

On July 23, 2013, Dr. David F. Lewis was appointed to the position of Superintendent of Education for the Muscogee County School District. On December 4, 2014, Dr. Lewis completed his dissertation to earn his doctorate degree in Educational Leadership. On June 12, 2015, Dr. Lewis received his doctorate degree in Educational Leadership. He is married to Karen, his wife of 35 plus years. Karen Lewis is a retired educator. They have three children, Monica, Douglas, and Stephanie, and one grandson, Noah David.

**MUSCOGEE COUNTY SCHOOL DISTRICT
ADMINISTRATIVE STAFF
AS OF JUNE 30, 2019**

EXECUTIVE ADMINISTRATION

Dr. David Lewis	Superintendent of Education
Vacant	Assistant Superintendent
Gregory Arp	Chief of Police
Joseph Slaughter, III	Director - Internal Audit
Mercedes Parham	Director - Communications

TECHNOLOGY and INFORMATION SERVICES

Ronald Pleasant	Chief Information Officer
Casey Hergett	Senior Director - Enterprise Technology
Michael Barden	Senior Director - Technology, Learning & Support

INSTRUCTIONAL SERVICES

Keith Seifert	Chief Academic Officer
Terry Baker	Region Chief - West
Dr. Ronald Wiggins	Region Chief - East
James Wilson	Region Chief - Central
Lorrie Watt	Executive Director - K-12 Curriculum
Dr. Timothy Smith	Executive Director - Federal Programs
Roger Barros	Director - J.R.O.T.C.
Christine Hull	Director - Advanced Learning and Gifted Programs
Victoria Thomas	Director - Career, Technical and Agricultural Education
Vacant	Director - Early Success Centers
Robbie Holt	Director - Arts and Humanities
Patrick Knopf	Director - Research, Accountability and Assessment
Vacant	Director - GaTAPP Program

FINANCIAL SERVICES

Theresa Thornton, MBA, CPA	Chief Financial Officer/Treasurer
Janice Bloodworth, CPA	Senior Director - Accounting
Edwin Joseph	Director - Purchasing and Supply Management

HUMAN RESOURCES

Kathy Tessin	Chief Human Resources Officer
Brenda Reed	Director - Human Resources
Tracy Fox	Director - Risk Management

STUDENT SERVICES

Dr. Angela Vickers	Chief Student Services Officer
Vacant	Executive Director - Programs for Exceptional Children
Sarah Sillitto	Senior Director - Regulatory Compliance
Kevin Scott	Director - Student Services
LaChrista Thornton	Director - Woodall Center
Dr. Trikella Nelson	Director - Guidance
Jeffrey Battles	Director - System-Wide Athletics
Dr. Kenya Gilmore	Director - Georgia Project AWARE & PBIS

BUSINESS AFFAIRS

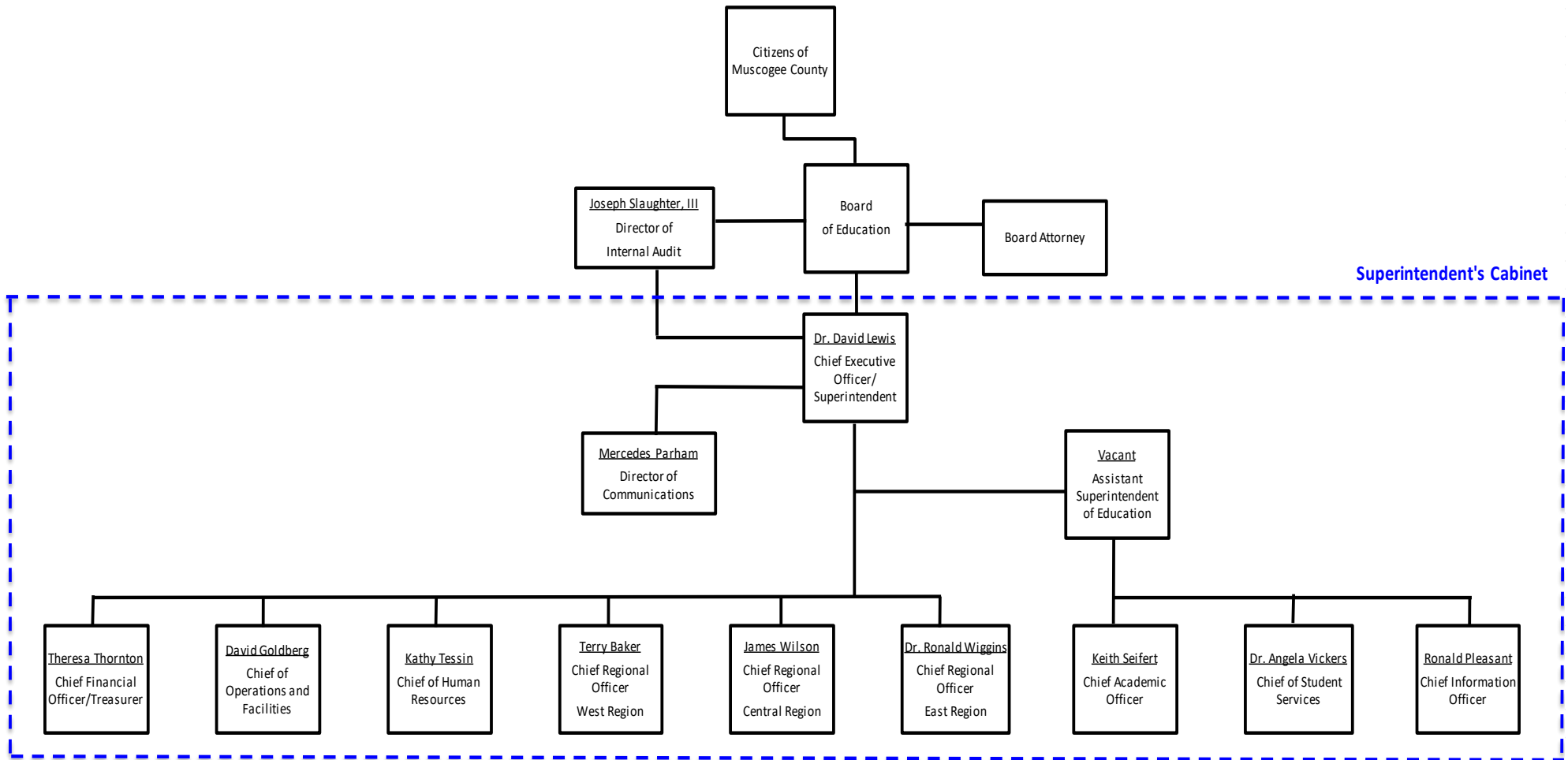
David Goldberg	Chief Operations and Facilities Officer
Herbert Hill	Director - Transportation
James Odom, Jr.	Director - Plant Services
Susan Schlader	Director - School Nutrition Program

COMMUNITY SERVICES

R. Allen Harkness	Director - Chattahoochee Valley Libraries
Marianne Richter	Director - Columbus Museum



**Muscookee County School District
Organizational Chart
June 30, 2019**



Financial Section

Independent Auditor's Report

The Board of Education
Muscogee County School District
Columbus, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Muscogee County School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Muscogee County School District, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and the Federal and State Programs Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Muscogee County School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical tables and the Schedule of Expenditures of Federal Awards, required by the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2019 on our consideration of the Muscogee County 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 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 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 Muscogee County School District's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 2, 2019

**MUSCOGEE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The discussion and analysis of Muscogee County School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, the financial statements and the notes to the basic financial statements to enhance their understanding of Muscogee County School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- Fourth consecutive year that the District has dedicated funding to allow for salary and wage increases for staff district-wide, primarily addressing the inequity in pay and relieving the salary compression within pay grade for non-certificated staff. For FY 2019, this impacted all certificated staff and approximately 60% of non-certificated staff district-wide. This included a 2% increase for certificated staff, which was reflected as an increase to the local supplement, effective September 1, 2018. In addition, the District continued its long standing practice of passing along the step increase within the current state of Georgia teacher salary schedule.

Funding for the new campus Police Department of \$1.7 million to proactively address the need for increased security presence throughout all facilities in response to rising school violence that has been increasing nationwide at alarming rate.

For the General Fund alone total expenditures grew to \$290.2 million from \$275 million, an increase of \$15.2 million or 5.51% over FY 2018.

- The ending fund balance of the General Fund decreased \$4.6 million from \$56 million for FY 2018 to \$51.4 million for FY 2019. The District's continued conscientious effort to direct additional resources to the classroom in response to growing student needs resulted in the year-over-year draw on reserves of 8.2%. Fiscal year ending 2019 marks the third consecutive year that the District had to use reserves to balance the General Fund budget to address funding short falls.
- The collections for the 2015 Education Special Purpose Local Option Sales Tax (E-SPLOST) which expires July 2020, totaled \$36.8 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to the statements. These statements are organized so the reader can understand Muscogee County School District as a

financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of Muscogee County School District, the General Fund is by far the most significant fund. The Statement of Fiduciary Assets & Liabilities provides financial information about activities for which the District acts solely as an agent for the activities of various schools and other organizations within the District.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting. This is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in position. From the change in net position, the reader is able to determine the District's overall financial performance as a whole. Specifically, from the year-over-year comparison, the reader is able to ascertain if there was an improvement or decline in overall financial performance.

In the Statement of Net Position and the Statement of Activities, the District consists solely of governmental activities. The District's programs and services reported here include instruction, support services, operation and maintenance of plant, and pupil transportation.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District uses various funds to account for a multitude of financial transactions that are necessary for the successful day-to-day operations of the District. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, Capital Projects Fund, Federal and State Programs, and the Debt Service Fund.

Governmental Funds. All of the District's non-fiduciary activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year end that are available to meet future expenditure needs. The District's financial statements for all governmental fund types are presented on the modified accrual basis of accounting, with the revenues being recorded when available and measurable, and expenditures being recorded when the goods or services are received and the liabilities are incurred. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services that it provides. Governmental fund information helps determine if there are adequate 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 Fund. The District is the trustee, or fiduciary, for assets that belong to the various activities of schools and other locations. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

The District as a Whole

The Net Position for the District, which includes all financial activity of the District, increased by \$30.4 million, or 15.15% during FY 2019. This increase is evidenced by a decrease in the net pension and other post-employment benefits related liabilities of \$19.3 million and a decrease in bonds and short-term liabilities of \$23.1 million, which was offset by a decrease in total assets of \$12.2 million. The year-over-year increase in operating grants and contributions revenues of \$7.8 million also favorably impacted net position. In addition, for period ending June 30, 2019, the District realized an increase in local property taxes of \$2.1 million or 1.87%. Finally receipt of the sales tax proceeds associated with the 2015 Education Special Purpose Local Option Sales Tax (E-SPLOST) collections, which began July 1, 2015, also contributed to this increase in net position. Sales taxes revenues for the fiscal year ending June 30, 2019 increased to \$37.6 million, an increase of \$1.9 million or 5.42% over the previous fiscal year end. As in prior years, capital assets activity contributed to this increase as well.

General revenues accounted for \$155.6 million or 41.1% of all revenues, which was an increase of \$5.8 million or 3.88% from the previous year end. The balance of the revenues are identified as program specific revenues, such as charges for services, grants, and contributions. Program specific revenues accounted for \$223.0 million or 58.9% of total revenues of \$378.7 million.

The District realized \$348.3 million in expenses related to governmental activities; \$223.0 million of these expenses were offset by program specific charges for services, operating grants, and contributions. General revenues provided the necessary funding for these programs.

Below and on the following page are the condensed financial statements that were extracted from the government-wide financial statements.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Governmental Activities	
	2019	2018*
ASSETS		
Current and other assets	\$ 177,766,925	\$ 199,843,771
Capital assets, net of accumulated depreciation	<u>613,764,378</u>	<u>603,865,096</u>
Total assets	<u>791,531,303</u>	<u>803,708,867</u>
 DEFERRED OUTFLOWS OF RESOURCES	 69,349,119	 53,239,789
 LIABILITIES		
Current liabilities	74,676,912	78,975,596
Long-term liabilities	<u>485,902,512</u>	<u>527,569,935</u>
Total liabilities	<u>560,579,424</u>	<u>606,545,531</u>
 DEFERRED INFLOWS OF RESOURCES	 69,476,912	 49,942,535
 NET POSITION		
Net investment in capital assets	590,724,060	558,978,356
Restricted	62,262,027	78,539,910
Unrestricted	<u>(422,162,001)</u>	<u>(437,057,676)</u>
Total net position	<u>\$ 230,824,086</u>	<u>\$ 200,460,590</u>

* Restated; see Note VI.

MUSCOGEE COUNTY SCHOOL DISTRICT
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	Governmental Activities	
	2019	2018
Revenues		
Program Revenues		
Charges for services	\$ 3,316,581	\$ 3,637,850
Operating grants and contributions	218,721,084	210,907,040
Capital grants and contributions	989,570	1,446,153
General Revenues		
Property taxes	114,138,304	112,042,314
Sales taxes	37,646,096	35,710,611
Investment income	3,572,396	1,668,777
Other revenues	<u>275,825</u>	<u>404,266</u>
Total revenues	<u>378,659,856</u>	<u>365,817,011</u>
Expenses		
Instruction	205,962,242	208,664,235
Student support services	11,895,100	11,716,026
Instructional staff services	10,398,758	11,052,649
Educational media services	4,904,659	4,986,210
General administration	3,118,950	2,889,338
School administration	19,530,089	20,018,476
Business support	3,883,031	4,064,992
Plant maintenance and operation	30,785,791	28,717,632
Student transportation services	16,851,343	16,059,998
School nutrition	20,552,865	20,599,687
Other support services	20,283,045	20,022,906
Interest on long term debt	<u>130,487</u>	<u>707,812</u>
Total governmental activity expenses	348,296,360	349,499,961
Change in net position	30,363,496	16,317,050
Net Position-Beginning of year	<u>200,460,590</u>	<u>184,143,540</u>
Net Position-End of year	<u>\$ 230,824,086</u>	<u>\$ 200,460,590</u>

* Restated; see Note VI.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$380.0 million, other financing sources of \$1.0 million and expenditures of \$399.1 million. The net decrease in governmental fund balances for the year was \$18 million. The year-over-year increase in revenues of \$13.6 million, which was specifically due to the revenue gains realized for the General Fund of \$12.7 million and Capital Projects of \$951,993, all worked to soften the overall impact on the ending total fund balance. The decrease in ending fund balance, all funds is primarily due to the decline in the Capital Projects ending fund balance of \$12.9 million. Payment of the scheduled debt and interest payments of \$18.9 million associated with outstanding general obligation (GO) bonds resulted in the year-over-year reduction in total fund balance.

The largest governmental funds are the General Fund, Capital Projects Fund, the Federal and State Programs Fund and the Debt Service Fund. State Quality Basic Education (QBE) Formula Earnings and Local Property Taxes are the two main sources of revenue for the General Fund. For the Capital Projects Fund, Sales Taxes or Education Special Purpose Local Option Sales Tax (E-SPLOST) proceeds are the primary funding source. The Federal and State Programs Fund is funded by federal and state grants.

Among major funds, the General Fund had \$290.9 million in revenues and \$290.2 million in expenditures. After transfers-out of \$6.3 million and proceeds from the sale of capital assets of \$1.0 million, the ending fund balance of the General Fund decreased \$4.6 million from \$56 million for FY 2018 to \$51.4 million for FY 2019. A detailed discussion of these changes is presented below. See *General Fund Operations and Budgetary Highlights*.

The Capital Projects Fund had \$38 million in revenues and \$32.7 million in expenditures. The increase in revenues over the prior year of \$951,993 is the result of the increase realized in the 2015 E-SPLOST sales tax collections of \$1.8 million and a decrease in other revenues of \$897,754. For fiscal year 2019, actual E-SPLOST collections fell short of projections for ten of the twelve months in the reporting period. After transfers out of \$18.9 million to satisfy scheduled debt and interest payments for the outstanding GO bonds that were issued to provide funding to jump start the 2015 E-SPLOST projects, the ending fund balance of the Capital Projects Fund dropped \$12.9 million from \$36 million for FY 2018 to \$23.2 million for FY 2019.

For the Debt Service Fund transfers-in associated with the 2015 E-SPLOST collections accounted for much of the activity for FY 2019, which will be used to satisfy scheduled debt service interest and principal payments for the Series 2016 and Series 2017 GO Bonds. Transfers-in from the capital project fund total \$18.9 million. In addition, interest and a fiscal charge of \$1.2 million were made, primarily for the Series 2017 GO debt issuance.

The Federal and State Programs Fund continues to be reported as a major fund. The revenue and expenditures totaled \$27.8 and \$27.9 million, respectively, representing a decrease of \$1.1 million in revenue and \$1.0 million in expenditures from fiscal year 2018. The ending fund balance of the Federal and State Program Fund at June 30, 2019 was \$636,475, which represented a decline of \$154,628 or 19.5% from FY 2018.

GENERAL FUND OPERATIONS AND BUDGETARY HIGHLIGHTS

Revenues for the General Fund totaled \$290.9 million for fiscal year 2019. This represented an increase of \$12.7 million or 4.6% over FY 2018. Of this increase, \$7.8 million was attributed to an increase in State QBE Formula Earnings. Fiscal year 2019 marked the fourth consecutive year that the Governor dedicated significant funding, statewide, to the restoration of State QBE Formula Earnings to school districts. In addition, the Governor funded a 2% statewide salary increase for certificated staff. This equated to additional state QBE formula earnings, which worked to support the year-over-year gain in total general fund revenues. The gains realized in state revenue were strengthened by the growth in the local property taxes, which grew \$3.1 million or 2.8% over fiscal year 2018. Final resolution of the over 11,000 appeals associated with the calendar year 2017 county-wide revaluation resulted in increased assessments. These increased assessments generated additional property tax revenues for the District.

General Fund expenditures totaled \$290.2 million for fiscal year 2019, an increase of \$15.2 million, or 5.52% in comparison to fiscal year 2018. This growth was primarily attributed to the increase in Instructional Services, which include the following expenditure functions: Instruction, Student Support Services, Improvement of Instructional Services and Educational Media Services. Instructional Services Expenditures for FY 2019 and FY 2018, totaled \$208.8 million and \$198 million, respectively.

Fiscal Year 2019 marked the fourth consecutive year that the District funded salary and wage increases for staff, impacting all certificated staff and approximately 60% of non-certificated employees district-wide. These pay increases were to address inequity in pay for non-certificated staff as well as provide for a 2% increase for certificated personnel. Further, it included a continuation of the District's on-going commitment to pass along the step increase within the current state of Georgia teacher salary schedule. The FY 2019 budget, as in prior years, included funding for additional teacher supplements to address teacher shortages in high needs programmatic areas. It also included additional school instructional and support staff units geared towards boosting overall student achievements, particularly providing differentiated resources for challenged schools. The increase of 4.09% in the Teacher Retirement System employer rate to 20.90% from 16.81% effective July 1, 2018 also had a dramatic impact on General Fund expenditures. Since salary and benefits account for over 86% of the total General Fund Budget, the year-over-year increase in expenditures was due to the new compensation funding.

The District, as with FY 2018, like districts from across the state, continued to face increasing challenges in recruiting and retaining qualified certificated staff to meet programmatic needs. Districts around the nation have been forewarned that this will continue to be an ongoing challenge for years to come as K-12 staffing needs continue to outpace the pool of qualified certificated applicants. The District, however, is committed to dedicating resources to attract, hire, and retain a qualified staffing pool to assist in its efforts to provide a learning environment conducive to meeting the academic needs of the students of Muscogee County, district-wide.

The General Fund's Total Fund Balance decreased by \$4.6 million over FY 2018. The General Fund Unassigned Fund Balance is \$30.0 million or 35.55 days of operations anticipated at June 30, 2019.

Committed and Assigned Fund Balance as of June 30, 2019 is \$20.3 million. In comparison to FY 2018, days of operations dropped by 3.59 days from 39.14 days. There was a decrease in the Assigned Fund Balance of \$2.2 million. These funds are dedicated to meet the projected fund balance usage for FY 2019.

The District's budget is prepared according to Georgia law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Original budgeted revenues totaled \$284.3 million and final budgeted revenues totals \$285.2 million. Actual revenues received in accordance to cash basis were \$290 million. Original budgeted expenditures totaled \$297.2 million and final budgeted expenditures were \$298.4 million. Actual expenditures were \$287.1 million. The variance in budget to actual expenditures was a result of the staffing challenges discussed above as well as the on-going conscientious effort of the District to monitor expenditures throughout the fiscal year.

CAPITAL PROJECTS FUND OPERATIONS

During the year, the District expended \$32.7 million on renovations, new construction, and other E-SPLOST expenditures. Current year expenditures for projects in excess of \$2 million were primarily dedicated to the following:

- New Athletic Facilities
- Replacement of Spencer High School
- Renovation of Shaw High School
- Upgrading of Ball Fields

The Fund Balance of the Capital Projects Fund dropped \$12.9 million or 35.7% in comparison to FY 2018. This reduction was due to the drawdown of the necessary funding to meet the outstanding E-SPLOST projects, as authorized by the 2015 E-SPLOST referendum and the transfer of funds to repay a portion of the General Obligation (GO) bonds authorized by the resolution.

DEBT ADMINISTRATION

During FY 2019, the District made a principal payment of \$14,895,000 on the 2017 Series GO Bonds along with the last principal payment on the 2016 Series GO Bond totaling \$2,810,000. More detailed information on debt service activity may be found in Note II. E. to the Basic Financial Statements.

CAPITAL ASSETS

On June 30, 2019, the District had \$613.8 million of capital assets (net of depreciation) as scheduled below. The increase in building and improvements is the result of the completion of several projects, with the main project being the replacement of Spencer High School. The items related to the new Spencer High School, resulted in an increase in replacement of equipment. Construction in Progress for FY 2019 is mainly related to the upgrades to ball fields, Shaw High School renovation, and new athletic facilities. More detailed information on capital asset activity may be found in Note II. B. to the Basic Financial Statements.

The following shows the changes in capital assets for the District.

	2019	2018
Land and improvements	\$ 40,257,443	\$ 40,180,656
Construction in progress	21,927,609	52,516,317
Buildings and improvements	517,639,634	480,455,399
Equipment	32,769,470	29,004,613
Intangible assets	1,170,222	1,708,111
Total	<u>\$ 613,764,378</u>	<u>\$ 603,865,096</u>

Contacting the District's Financial Services Division

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Details regarding the District's accountability for the various financial resources that it receives in carrying out the day-to-day operations of the District are provided. Please direct questions about this report to:

Theresa Y. Thornton, MBA, CPA
Chief Financial Officer/Treasurer
Muscogee County School District
P.O. Box 2427, Columbus, GA 31902-2427
Email: Thornton.Theresa.Y@Muscogee.k12.ga.us

MUSCOGEE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

<u>ASSETS</u>	
Cash and cash equivalents	\$ 82,399,427
Property taxes receivable	13,518,478
Due from other governments	32,044,247
Investment income receivable	70,123
Other receivables	167,655
Inventories	909,097
Investments	23,406,105
Prepaid assets	599,930
Restricted cash held by fiscal agent	24,651,863
Capital assets, not depreciable	62,185,052
Capital assets, net of accumulated depreciation	<u>551,579,326</u>
Total assets	<u>791,531,303</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to defined benefit pension plans	57,249,464
Related to OPEB plans	<u>12,099,655</u>
Total deferred outflows of resources	<u>69,349,119</u>
 <u>LIABILITIES</u>	
Accounts payable and other current liabilities	54,144,328
Accrued interest	184,150
Current portion of long-term liabilities	20,348,434
Long-term liabilities due after one year	
Bonds and other long-term liabilities	3,932,074
Net pension liability	264,108,631
Net OPEB liability	<u>217,861,807</u>
Total liabilities	<u>560,579,424</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to defined benefit pension plans	24,670,394
Related to OPEB plans	<u>44,806,518</u>
Total deferred inflows of resources	<u>69,476,912</u>
 <u>NET POSITION</u>	
Net investment in capital assets	590,724,060
Restricted for:	
Capital projects	25,582,066
Debt service	18,599,150
Permanent funds-expendable	235,809
Permanent funds-non expendable	5,254,798
Special revenue funds-continuation of federal and state programs	12,590,204
Unrestricted	<u>(422,162,001)</u>
Total net position	<u>\$ 230,824,086</u>

The Notes to the Basic Financial Statements are an integral part of this Statement.

**MUSCOGEE COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 205,962,242	\$ 213,929	\$ 158,471,968	\$ 572,559	\$ (46,703,786)
Student support services	11,895,100	-	2,788,880	-	(9,106,220)
Instructional staff services	10,398,758	124,967	7,496,403	-	(2,777,388)
Educational media services	4,904,659	-	3,577,463	-	(1,327,196)
General administration	3,118,950	-	2,974,144	-	(144,806)
School administration	19,530,089	-	8,241,061	-	(11,289,028)
Business support	3,883,031	52,359	2,353,484	-	(1,477,188)
Plant maintenance and operation	30,785,791	58,080	8,810,485	-	(21,917,226)
Student transportation services	16,851,343	57,381	3,509,278	186,440	(13,098,244)
School nutrition	20,552,865	2,212,292	18,696,845	230,571	586,843
Other support services	20,283,045	597,573	1,801,073		(17,884,399)
Interest on long term debt and fiscal charges	130,487	-	-	-	(130,487)
Total governmental activities	<u>\$ 348,296,360</u>	<u>\$ 3,316,581</u>	<u>\$ 218,721,084</u>	<u>\$ 989,570</u>	<u>(125,269,125)</u>
General revenues					
Taxes:					
Property taxes levied for general purpose					114,138,304
Special purpose local option sales taxes and other sales taxes					37,646,096
Investment earnings					3,572,396
Other revenue					<u>275,825</u>
Total general revenues					155,632,621
Change in net position					30,363,496
Net position - beginning*					<u>200,460,590</u>
Net position - ending					<u>\$ 230,824,086</u>

*Restated, see Note VI.

The Notes to the Basic Financial Statements are an integral part of this Statement.

MUSCOGEE COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND
ASSETS		
Cash and cash equivalents	\$ 51,858,902	\$ 17,189,780
Due from other funds	162,829	5,789,525
Receivables		
State Department of Education	23,509,529	-
State of Georgia Department of Revenue	-	3,144,032
Property tax	13,518,478	-
Other governmental agencies	99,836	-
Investment income receivable	15,668	77
Other receivables	52,319	11,905
Inventories	476,808	-
Investments	18,359,838	-
Prepaid assets	599,930	-
Restricted cash held by a fiscal agent	-	114,668
	<u>-</u>	<u>114,668</u>
Total assets	<u>\$ 108,654,137</u>	<u>\$ 26,249,987</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable and other current liabilities	\$ 3,527,238	\$ 600,809
Due to other funds	-	-
Accrued salaries and related employee benefits	33,919,741	-
Withholdings payable	7,653,093	-
Liability for compensated absences	31,257	-
Construction contracts payable	-	2,446,759
	<u>-</u>	<u>2,446,759</u>
Total liabilities	<u>45,131,329</u>	<u>3,047,568</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	12,082,857	-
	<u>12,082,857</u>	<u>-</u>
Fund balances		
Nonspendable		
Inventory	476,808	-
Prepays	599,930	-
Permanent funds	-	-
Spendable		
Restricted	-	22,594,045
Committed	2,270,932	608,374
Assigned	18,043,396	-
Unassigned	30,048,885	-
Total fund balances	<u>51,439,951</u>	<u>23,202,419</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 108,654,137</u>	<u>\$ 26,249,987</u>

The Notes to the Basic Financial Statements are an integral part of this Statement.

FEDERAL AND STATE PROGRAMS FUND	DEBT SERVICE FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 13,350,745	\$ 82,399,427
-	-	-	5,952,354
4,884,117	-	259,742	28,653,388
-	-	-	3,144,032
-	-	-	13,518,478
146,991	-	-	246,827
-	35,630	18,748	70,123
50,713	-	52,718	167,655
-	-	432,289	909,097
-	-	5,046,267	23,406,105
-	-	-	599,930
-	24,537,195	-	24,651,863
<u>\$ 5,081,821</u>	<u>\$ 24,572,825</u>	<u>\$ 19,160,509</u>	<u>\$ 183,719,279</u>
\$ 394,429	\$ -	\$ 449,506	\$ 4,971,982
162,829	5,789,525	-	5,952,354
3,172,064	-	1,032,125	38,123,930
715,692	-	232,872	8,601,657
332	-	1,670	33,259
-	-	-	2,446,759
<u>4,445,346</u>	<u>5,789,525</u>	<u>1,716,173</u>	<u>60,129,941</u>
-	-	-	12,082,857
-	-	432,289	909,097
-	-	-	599,930
-	-	5,254,798	5,254,798
636,475	18,783,300	11,757,249	53,771,069
-	-	-	2,879,306
-	-	-	18,043,396
-	-	-	30,048,885
<u>636,475</u>	<u>18,783,300</u>	<u>17,444,336</u>	<u>111,506,481</u>
<u>\$ 5,081,821</u>	<u>\$ 24,572,825</u>	<u>\$ 19,160,509</u>	<u>\$ 183,719,279</u>

MUSCOGEE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds	\$	111,506,481
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Taxes that are not available to pay for current period expenditures are deferred in the funds.		12,082,857
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Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in
governmental funds.

Cost of capital assets	\$	819,947,810	
Accumulated depreciation and amortization		<u>(206,183,432)</u>	613,764,378

Net pension liability not due and payable in the current period and, therefore, are not reported in the funds		(264,108,631)
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Net OPEB liability not due and payable in the current period and, therefore, are not reported in the funds		(217,861,807)
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Deferred outflows and inflows of resources related to
pensions and OPEB are applicable to future periods and,
therefore, are not reported in the governmental funds.

Deferred outflows related to Pensions	\$	57,249,464	
Deferred outflows related to OPEB		12,099,655	
Deferred inflows related to Pensions		(24,670,394)	
Deferred inflows related to OPEB		<u>(44,806,518)</u>	(127,793)

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

Accrued interest	\$	184,150	
Bonds payable		18,415,000	
Unamortized bond premium		202,102	
Capital Lease		2,043,564	
Compensated absences		1,896,372	
Workers' compensation		<u>1,690,211</u>	<u>(24,431,399)</u>

Total net position - governmental activities	\$	<u>230,824,086</u>
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The Notes to the Basic Financial Statements are an integral part of this Statement.



MUSCOGEE COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	FEDERAL AND STATE PROGRAMS FUND
REVENUES			
State sources	\$ 169,804,262	\$ 456,351	\$ 4,444,860
Property taxes	113,852,340	-	-
Sales taxes	892,310	36,753,786	-
Federal sources	1,713,729	-	22,325,653
Investment income	2,019,352	710,700	-
Charges for meals	-	-	-
Other revenue	2,618,158	58,080	979,863
Total revenues	<u>290,900,151</u>	<u>37,978,917</u>	<u>27,750,376</u>
EXPENDITURES			
Current operating			
Instruction	189,634,950	1,880,023	14,531,421
Student support services	9,905,229	-	2,088,258
Improvement of instructional services	4,050,415	-	6,938,205
Educational media services	5,232,477	-	40,991
General administration	1,548,276	-	2,198,920
School administration	20,657,367	-	384,261
Business support	3,674,110	-	-
Plant maintenance and operation	28,394,573	797,183	656
Student transportation services	15,537,102	339,889	1,095,883
School nutrition services	-	-	-
Other support services	11,486,596	-	626,409
Capital outlay			
Facilities acquisition and construction	-	29,430,267	-
Debt service			
Principal retirement	45,062	149,189	-
Interest and fiscal charges	15,241	66,958	-
Total expenditures	<u>290,181,398</u>	<u>32,663,509</u>	<u>27,905,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>718,753</u>	<u>5,315,408</u>	<u>(154,628)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the sale of capital assets	1,032,220	-	-
Transfers in	-	700,363	-
Transfers out	(6,336,435)	(18,894,706)	-
Total other financing sources (uses)	<u>(5,304,215)</u>	<u>(18,194,343)</u>	<u>-</u>
Net change in fund balances	(4,585,462)	(12,878,935)	(154,628)
Fund balance, beginning	<u>56,025,413</u>	<u>36,081,354 *</u>	<u>791,103</u>
Fund balance, ending	<u>\$ 51,439,951</u>	<u>\$ 23,202,419</u>	<u>\$ 636,475</u>

*Restated, see Note IV

The Notes to the Basic Financial Statements are an integral part of this Statement.

DEBT SERVICE FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 1,419,362	\$ 176,124,835
-	-	113,852,340
-	-	37,646,096
-	17,902,527	41,941,909
229,455	612,889	3,572,396
-	2,212,292	2,212,292
-	1,035,965	4,692,066
229,455	23,183,035	380,041,934
-	-	206,046,394
-	-	11,993,487
-	-	10,988,620
-	-	5,273,468
-	-	3,747,196
-	-	21,041,628
-	-	3,674,110
-	1,205,678	30,398,090
-	-	16,972,874
-	20,699,745	20,699,745
-	7,574,197	19,687,202
-	-	29,430,267
17,705,000	-	17,899,251
1,172,136	-	1,254,335
18,877,136	29,479,620	399,106,667
(18,647,681)	(6,296,585)	(19,064,733)
-	-	1,032,220
18,894,706	5,792,935	25,388,004
-	(156,863)	(25,388,004)
18,894,706	5,636,072	1,032,220
247,025	(660,513)	(18,032,513)
18,536,275	18,104,849	129,538,994
\$ 18,783,300	\$ 17,444,336	\$ 111,506,481

**MUSCOGEE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Total net change in fund balances - governmental funds	\$	(18,032,513)
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Governmental funds report pension/OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension/OPEB benefits earned net of employee contributions is reported as pension/OPEB expense.

District pension contributions	\$ 35,788,051	
District OPEB contributions	9,418,547	
Pension contribution-State support	704,846	
Cost of benefits earned net of employee contributions	(17,670,694)	
OPEB expense	(8,995,039)	19,245,711

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		285,964
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period.

Capital expenditures	\$ 28,711,001	
Net contribution of capital assets	322,997	
Net book value of disposed capital assets	(4,221,074)	
Depreciation expense	(14,913,642)	9,899,282

Repayment of bonds and capital lease payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		17,899,250
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds. These activities consist of:

Increase in compensated absences	\$ (21,662)	
Increase in worker's compensation liability	(36,384)	(58,046)

When debt is first issued the bond premium is reported as other financing sources in the Government fund, but is reported as part of the debt on the Statement of Net Position and amortized over the term of the debt. This amount is the amortization for the current year.

	\$ 909,561	909,561
--	------------	---------

Interest expense reported in the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.

		214,287
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Change in net position of governmental activities.	\$	30,363,496
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**MUSCOGEE COUNTY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
State sources	\$ 169,452,335	\$ 169,345,335	\$ 168,807,049	\$ (538,286)
Property taxes	109,096,408	109,096,408	114,511,031	5,414,623
Sales taxes	892,310	892,310	892,310	-
Federal sources	1,630,000	1,630,000	1,713,729	83,729
Investment income	650,000	650,000	1,382,774	732,774
Other revenue	2,570,000	3,600,953	2,690,519	(910,434)
Total revenues	<u>284,291,053</u>	<u>285,215,006</u>	<u>289,997,412</u>	<u>4,782,406</u>
EXPENDITURES				
Instruction	194,831,370	194,564,880	187,971,543	6,593,337
Student support services	10,478,809	10,606,137	9,912,481	693,656
Improvement of instructional services	5,000,414	5,040,780	4,006,531	1,034,249
Educational media services	5,004,378	5,033,391	5,209,079	(175,688)
General administration	2,024,527	2,024,772	1,679,174	345,598
School administration	20,128,359	20,128,359	20,622,162	(493,803)
Business support	3,420,312	3,656,987	3,401,272	255,715
Plant maintenance and operation	28,914,145	28,955,172	27,856,198	1,098,974
Student transportation services	13,509,418	14,341,295	15,153,642	(812,347)
Other support services	13,913,166	14,074,508	11,247,947	(373,233)
Debt service				
Principal retirement	-	-	45,062	(45,062)
Interest and fiscal charges	-	-	15,241	(15,241)
Total expenditures	<u>297,224,898</u>	<u>298,426,281</u>	<u>287,120,332</u>	<u>11,305,949</u>
Excess (deficiency) of revenues over (under) expenditures	(12,933,845)	(13,211,275)	2,877,080	16,088,355
OTHER FINANCING USES				
Proceeds from the sale of capital assets	-	-	1,032,220	1,032,220
Transfers out	(7,093,041)	(7,136,541)	(6,336,435)	800,106
Total other financing uses	<u>(7,093,041)</u>	<u>(7,136,541)</u>	<u>(5,304,215)</u>	<u>1,832,326</u>
Net change in fund balances	(20,026,886)	(20,347,816)	(2,427,135)	17,920,681
FUND BALANCE				
July 1, (Budget Basis)	<u>65,134,774</u>	<u>65,134,774</u>	<u>65,134,774</u>	
FUND BALANCE				
June 30, (Budget Basis)	<u>\$ 45,107,888</u>	<u>\$ 44,786,958</u>	62,707,639	
Adjustments from budgetary basis to generally accepted accounting principles:				
Fair market value adjustment			20,837	
Revenues				
June 30, accruals			25,112,973	
Expenditures				
June 30, accruals			<u>(36,401,498)</u>	
FUND BALANCE JUNE 30, (GAAP Basis)			<u>\$ 51,439,951</u>	

The Notes to the Financial Statements are an integral part of this Statement.

**MUSCOGEE COUNTY SCHOOL DISTRICT
FEDERAL AND STATE PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL AMOUNTS	POSITIVE (NEGATIVE)
REVENUES				
State sources	\$ 4,541,117	\$ 4,541,117	\$ 4,443,930	\$ (97,187)
Federal sources	21,969,153	25,244,706	22,963,963	(2,280,743)
Other revenue	228,000	228,000	950,217	722,217
Total revenues	26,738,270	30,013,823	28,358,110	(1,655,713)
EXPENDITURES				
Instruction	14,128,948	16,253,093	14,552,419	1,700,674
Student support services	2,224,045	2,369,602	2,196,489	173,113
Improvement of instructional services	6,903,938	7,805,459	7,089,955	715,504
Educational media services	31,627	48,744	40,131	8,613
General administration	2,329,872	2,494,308	2,133,532	360,776
School administration	389,285	389,285	380,797	8,488
Plant maintenance and operation	-	655	656	(1)
Student transportation services	897,096	976,518	1,084,672	(108,154)
Other support services	1,000	11,200	581,360	(570,160)
Total expenditures	26,905,811	30,348,864	28,060,011	2,288,853
Excess (deficiency) of revenues over (under) expenditures	(167,541)	(335,041)	298,099	633,140
Net change in fund balances	(167,541)	(335,041)	298,099	633,140
FUND BALANCE				
July 1, (Budget Basis)	(1,176,620)	(1,176,620)	(1,176,620)	
FUND BALANCE				
June 30, (Budget Basis)	\$ 1,176,620	\$ (1,511,661)	(878,521)	
Adjustments from budgetary basis to generally accepted accounting principles:				
Revenues				
June 30, accruals			5,081,821	
Expenditures				
June 30, accruals			(3,566,825)	
FUND BALANCE JUNE 30, (GAAP Basis)			\$ 636,475	

*The original and final budgets include budgeted revenues and expenditures for certain grants for which the ending date extends past the fiscal year.

The Notes to the Financial Statements are an integral part of this Statement.

MUSCOGEE COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2019

	ACTIVITY FUND
ASSETS	
Cash and cash equivalents	\$ 2,249,327
Accounts receivable	<u>3,822</u>
Total assets	<u>\$ 2,253,149</u>
LIABILITIES	
Accounts payable and other current liabilities	\$ 102,561
Amounts due to student and other groups	<u>2,150,588</u>
Total liabilities	<u>\$ 2,253,149</u>

The Notes to the Basic Financial Statements are an integral part of this Statement.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Muscogee County School District have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), specifically as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant District accounting policies are described below.

A: Reporting Entity

Created by Constitutional Amendment as a separate independent district and separate political subdivision of the state of Georgia, the Muscogee County School District was a merger of the school systems of the City of Columbus, Georgia and Muscogee County, Georgia. Upon approval by the voters in the general election of November 2, 1948, these two school systems merged January 1, 1950.

The District operates under the guidance of the Board of Education of the Muscogee County School District consisting of nine members elected by the voters of Muscogee County. The District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the District is a primary government and consists of all the organizations that compose its legal entity.

The Muscogee County School District is not considered to be a component unit of the Consolidated Government of Columbus, Georgia. Neither is the Consolidated Government of Columbus, Georgia considered to be a component unit of the Muscogee County School District. Under the Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, the various Parent-Teacher Associations (PTAs) and booster clubs, Columbus Museum, Inc. and the Muscogee County Library Foundation, Inc. are not component units of the District, and their financial activities are not included in these financial statements.

B: Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are allocated proportionally among the functions.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B: Government-wide and Fund Financial Statements (continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

Taxes and other items not properly included among program revenues are reported as general revenues.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C: Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when the related fund liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The fiduciary fund is reported on the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the liability is incurred.

Property taxes, sales taxes, grant funds, and interest associated with the current fiscal year are all considered to be susceptible to accrual as revenue of the current fiscal year, and, therefore, have been recognized as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The State of Georgia reimburses the District for teachers' salaries and operating costs through the Quality Basic Education Formula Earnings program (QBE). Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve month contract period, generally September 1 through August 31.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C: Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

In accordance with the respective rules and regulations of the QBE program, the State of Georgia reimburses the District over the same twelve month period in which teachers are paid. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year is accrued. Since the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, the District recognizes its portion of that reimbursement as a receivable and revenue, consistent with symmetrical recognition.

The District reports the following major governmental funds:

General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used in the acquisition, construction, or improvement of major capital facilities.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related expenses.

Federal and State Programs Fund - The Federal and State Programs Fund is a special revenue fund used to account for the revenues and expenditures associated with various federal and state grants.

The District reports the following non-major funds:

Non Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Included in the District's Special Revenue Funds are the School Nutrition Fund and the Library Fund.

The School Nutrition Fund is used to account for the revenues and expenses associated with the operations of school cafeterias.

The Library Fund is used to account for the revenues and expenditures associated with the operations of the Columbus Public Library and its various branches. Management classifies the Library Fund as a Special Revenue Fund due to the funding it receives from outside sources as well as the internal transfer of tax revenues.

Permanent Funds - Permanent Funds are used to account for assets held by the District in a trustee capacity for other government and private organizations.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C: Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

The Permanent Funds apply the current financial resources measurement focus and modified accrual basis of accounting. The District's Permanent Funds are expendable or non-expendable. Expendable permanent funds consist of various donations of cash and securities from which both the income and corpus may be spent. Non-expendable permanent funds account for assets of which the principal may not be spent. These funds are restricted to the support of teachers, libraries, and cultural arts.

The District reports a fiduciary fund (agency fund) which accounts for assets held by the District as an agent for various funds, or individuals. This fund primarily consists of the assets of the school student activity organizations and other organizations within the District.

D: Assets, Liabilities, and Net Position or Equity

1. Cash, Cash Equivalents and Investments

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

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

Investments made by the District in nonparticipating interest-earning contracts (such as certificates of deposit) are reported at cost. Georgia Fund 1 is valued at the pool's share price, \$1.00 per share. 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.

2. 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.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

2. Receivables (continued)

Amounts listed as receivable from the Consolidated Government of Columbus, Georgia are property taxes, intangibles taxes, and fuel costs receivable. Amounts due from the state of Georgia reflect QBE allotments related to unpaid contract salaries in the General Fund and sales tax revenue in the Capital Projects Fund.

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

3. Inventories and prepaid assets

Inventories consist of school and maintenance supplies and food commodities. All are stated at cost using the first-in, first-out method. The cost is recorded as expenditure at the time individual items are used. Donated commodities are reported at their federally assigned value. At year end, the inventory balance is comprised of purchased inventories and USDA commodities.

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

4. Capital Assets

On the government-wide financial statements, capital assets are recorded at cost. Donated capital assets are recorded at the acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized.

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.

Certain capital assets are not depreciated. These include land, construction in progress, and works of art or historical treasures. These capital assets are placed on the books at historical cost or at acquisition value as of the date of donation.

During the fiscal year ending June 30, 2019, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the District.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

4. Capital Assets (continued)

Depreciable capital assets of the District are depreciated using the straight line method 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:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings, permanent	75	\$ 100,000
Buildings, temporary	25	20,000
Building improvements	20	100,000
Equipment and vehicles	5-20	5,000
Library collection	7	all
Software	10	1,000,000

5. Compensated Absences

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

Vacation leave of 12 days is awarded on a calendar year basis to all full-time personnel on twelve-month contracts. No other employees are eligible to earn vacation leave. One additional day is awarded for each year of service over 10 up to a maximum vacation leave of 20 days. Vacation leave must be utilized during the calendar year. Vacation leave not utilized during the calendar year may be carried over to the next calendar year, provided such vacation leave does not exceed 5 days. Generally, unused vacation exceeding 5 days is forfeited. It is the District's policy to accrue all vested compensated absences that are payable within 60 days of year end to terminated employees at the fund level. All compensated absences at year end are accrued at the government-wide level.

6. Long-term Obligations

In the District's government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums 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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

6. Long-term Obligations (continued)

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 District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

7. Deferred Outflows/Inflows of Resources

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

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

8. 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 fiduciary net position of the Teachers' Retirement System of Georgia ("TRS"), the Employees' Retirement System of Georgia ("ERS") and the Public School Employees Retirement System ("PSERS") and additions to/deductions from TRS/ERS/PSERS fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. 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.

9. Postemployment Benefits Other than Pensions (OPEB)

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

10. Fund Balances and Net Position

The District's fund balances are classified as follows:

Non-spendable – Amounts 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 – Constraints are placed on the use of resources are either (1) externally imposed conditions by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

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

Assigned – Amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. The Board of Education may assign fund balance. In addition, the Board has an established policy which authorizes the Superintendent or Chief Financial Officer to assign amounts to be used for specific purposes.

Unassigned – The residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use for the same purpose, the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

When committed, assigned and unassigned resources are available for use for the same purpose, the District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

10. Fund Balances and Net Position (continued)

Fund balances of the governmental funds at June 30, 2019, are as follows:

	General Fund	Capital Projects Fund	Federal and State Programs Fund	Debt Service	Non Major Governmental funds	Total Governmental Funds
Nonspendable	\$ 1,076,738	\$ -	\$ -	\$ -	\$ 5,687,087	\$ 6,763,825
Restricted						
E-SPLOST funded capital projects	-	22,594,045	-	-	-	22,594,045
Continuation of grant programs	-	-	636,475	-	-	636,475
Debt service obligations	-	-	-	18,783,300	-	18,783,300
Continuation of other projects	-	-	-	-	11,757,249	11,757,249
Total restricted	-	22,594,045	636,475	18,783,300	11,757,249	53,771,069
Committed						
Employee benefits	496,500	-	-	-	-	496,500
Continuation of capital projects	-	608,374	-	-	-	608,374
Board approved encumbrances	1,774,432	-	-	-	-	1,774,432
Total committed	2,270,932	608,374	-	-	-	2,879,306
Assigned						
Amounts designated for next fiscal year	17,974,940	-	-	-	-	17,974,940
School distribution	40,592	-	-	-	-	40,592
Other encumbrances	27,864	-	-	-	-	27,864
Total assigned	18,043,396	-	-	-	-	18,043,396
Unassigned	30,048,885	-	-	-	-	30,048,885
Total governmental fund balances	\$ 51,439,951	\$ 23,202,419	\$ 636,475	\$ 18,783,300	\$ 17,444,336	\$ 111,506,481

Amounts of fund balance reserved for encumbrances have been presented throughout the restricted, committed, and assigned fund balance classifications above. The breakdown of the committed board approved encumbrances by function includes instruction, plant maintenance and operation, and other support services totaling \$843,876, \$362,995, and \$567,561, respectively. Total encumbrances by fund type are as follows:

General fund	\$ 1,802,297
Capital projects fund	14,110,817
Federal and State Programs	6,250
Other non major governmental funds	3,170
Total encumbrances	<u>\$ 15,922,534</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D: Assets, Liabilities, and Net Position or Equity (continued)

10. Fund Balances and Net Position (continued)

The District's net position in the District-wide Statements is classified as follows:

Net investment in capital assets - This represents the District's total investment in capital assets, net of 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.

Restricted net position - This represents resources for which the District is legally or contractually obligated to spend including resources for capital projects, expendable and non-expendable permanent funds, and continuation of federal and state programs, in accordance with restrictions imposed by external third parties.

Unrestricted net position - Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of Investment of Capital Assets and Restricted net position.

The District-wide Statement of Net Position includes a deficit Unrestricted Net Position at June 30, 2019. The balance of Unrestricted Net Position is as follows:

	<u>2019</u>	<u>2018</u>
Net Pension Obligations affecting Net Position	\$ (231,529,561)	\$ (250,351,767)
Net OPEB Obligations affecting Net Position	(250,568,670)	(250,992,178)
Unrestricted Net Position, non pension and OPEB related	<u>59,936,230</u>	<u>64,286,269</u>
Net Position, Unrestricted, June 30	<u>\$ (422,162,001)</u>	<u>\$ (437,057,676)</u>

E: Budgetary Information

1. General Budget Policies

Prior to the May regular meeting of the Board of Education, the Administration submits to the Board of Education the proposed Operating Budget for the General Fund for the fiscal year commencing the following July 1. The Operating Budget includes proposed expenditures and the means of financing them. The tentative budget is advertised as required, by State regulations, at least one time in the general area of the local unit of administration, and public hearings are conducted to obtain taxpayer questions and comments. At the next regular or special meeting (as advertised by date, time, and place) the budget, including revisions made by the Board, is adopted.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E: Budgetary Information (continued)

1. General Budget Policies (continued)

The millage rate necessary to fund the budget is forwarded to the Tax Commissioner of Muscogee County to levy, collect, and disburse the taxes to the District.

The budgeted amounts reflected in the accompanying financial statements recognize budget revisions made during the year, including changes in anticipated revenues from federal, state, and local sources, and transfers between certain classifications of expenditures within the funds. The Board of Education may legally amend the budget at any time during the year without the approval of the Georgia Department of Education. The legal level of budgetary control is the function level. Functions describe the activities for which services or materials are acquired to accomplish the objectives of an enterprise, and are classified into broad categories to include, but not limited to, Instruction, Support Services, and Operation of Non-Instructional Services.

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, the Special Revenue Funds, and the Capital Projects Fund. Encumbrances outstanding at year-end are reported as components of spendable fund balance. They are reappropriated in the subsequent fiscal year since appropriations lapse at year end.

3. Budgetary Reporting

Annual budgets are prepared for all governmental fund types except for capital projects, permanent and agency funds. These budgets are prepared on a cash basis (budget basis). Georgia State law prohibits deficit financing at the fund level. Actual results on all budget statements have been presented on the cash basis at the fund level. Reappropriations of GAAP fund balances are used to fund any deficits. If these are insufficient, the General Fund will fund the difference. Capital projects funds are prepared on a project length basis.

F. Revenues and Expenditures

1. Property Taxes

Ad valorem property taxes for the fiscal year ending June 30, 2019, were levied on July 1, 2018, on assessed valuations as of January 1, 2018. Taxes were due on October 1, 2018, and could be paid in two installments, the last of which was due December 1, 2018. The enforceable lien date for unpaid property taxes was December 20, 2018. Taxes collected within the current fiscal year or within 60 days after year end are reported as revenue in the current fiscal year.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenues and Expenditures (continued)

1. Property Taxes (continued)

According to GASB codification section P 70.103, the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was levied, provided the "available" criteria are met.

Available means due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. At the fund level, amounts not collected within 60 days of year end have been recorded as deferred inflows of resources. Total property tax revenues reported for the fiscal year amounted to \$113.8 million, including \$13.5 million listed as taxes receivable of which \$12.1 million is reflected as unavailable revenue in the General Fund.

2. Non-Monetary Transactions

The District receives from the United States Department of Agriculture ("USDA") commodities for school breakfast and lunch programs. The value of items received and consumed have been reflected in the financial statements as revenues and expenditures in the School Nutrition Fund.

Other non-monetary transactions consist of on-behalf payments. The State Department of Education paid \$80,950 to the Teachers' Retirement System and \$585,105 to the Public School Employees Retirement System on behalf of the District for the fiscal year ending June 30, 2019. These on-behalf payments were reported in the General Fund and the School Nutrition Program Fund, as both revenues and expenditures. Funds paid on behalf of the District are reported in governmental funds. See Note IX - Retirement Plans for the State support related to the Net Pension Liability.

G: Interfund Activity and Balances

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers and balances between funds are made to accomplish various provisions of law.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H: 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.

I: New Accounting Pronouncements

In fiscal year 2019, the District adopted the following Governmental Accounting Standards Board (GASB) statements:

- **Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations.** This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The adoption of this statement does not have a significant impact on the District's financial statement.
- **Governmental Accounting Standards Board (GASB) Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.** The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this statement does not have a significant impact on the District's financial statement.

II. DETAIL NOTES ON FUNDS

A: Cash and Cash Equivalents and Investments

The District maintains a cash and investment pool that is available for use by all governmental funds. Each fund type's portion of this pool is included in "Cash and cash equivalents." In addition, deposits are separately held by several of the District's funds.

MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

II. DETAIL NOTES ON FUNDS (continued)

A: Cash and Cash Equivalents and Investments (continued)

As of June 30, 2019, the District's cash and cash equivalents, and investments are displayed below.

Cash and Cash Equivalents	Maturities	General Fund	Capital Projects Fund	Debt Service Fund	Non Major Governmental Funds	Total Governmental Funds	Fiduciary Fund
Bank deposits	open	\$ 9,905,390	\$ 580,649	\$ -	\$ 13,350,745	\$ 23,836,784	\$ 2,249,327
Money Market Account	open	826,756	-	-	-	826,756	-
Georgia Fund 1	18 days	41,126,756	16,609,131	-	-	57,735,887	-
Total cash and cash equivalents		51,858,902	17,189,780	-	13,350,745	82,399,427	2,249,327
<u>Restricted cash equivalents</u>							
Federated Gov't Obligations Fund	open	-	67,113			67,113	
Federated Money Market Fund	open	-	47,555	24,537,195	-	24,584,750	-
Total cash and cash equivalents		<u>\$ 51,858,902</u>	<u>\$ 17,304,448</u>	<u>\$ 24,537,195</u>	<u>\$ 13,350,745</u>	<u>\$ 107,051,290</u>	<u>\$ 2,249,327</u>
<u>Investments</u>							
MBS FHLM	9 yr	\$ 172,624	\$ -	\$ -	\$ 1,282,346	\$ 1,454,970	\$ -
FHLB	10-11yr	15,000,000	-	-	1,891,678	16,891,678	-
JP Morgan	4 yr	99,947	-	-	-	99,947	-
Discover	2 yr	249,655	-	-	-	249,655	-
First Bank	3 yr	224,456	-	-	-	224,456	-
Comenity Cap	3 yr	249,272	-	-	-	249,272	-
Wells Fargo	4 yr	249,460	-	-	-	249,460	-
Capital One Glen Allen	4 yr	249,617	-	-	-	249,617	-
Ally Bk	3 yr	248,915	-	-	-	248,915	-
American Express - CD	4 yr	256,418	-	-	-	256,418	-
Citibank	4 yr	71,798	-	-	-	71,798	-
Goldman Sachs	5 yr	249,375	-	-	-	249,375	-
Sallie Mae	5 yr	251,888	-	-	-	251,888	-
BMO Harris	4 yr	250,603	-	-	-	250,603	-
UBS Bk	5 yr	259,347	-	-	-	259,347	-
HSBC Bk	5 yr	50,937	-	-	-	50,937	-
Bank Hapoalim	5 yr	225,526	-	-	-	225,526	-
Marketable securities	open	-	-	-	1,872,243	1,872,243	-
Total investments		<u>\$ 18,359,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,046,267</u>	<u>\$ 23,406,105</u>	<u>\$ -</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

A: Cash and Cash Equivalents and Investments (continued)

The Official Code of Georgia Annotated Section 36-83-4 authorizes the District to invest its funds. 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. Funds may be invested in the following:

- (1) Obligations issued by the state of Georgia or by other states,
- (2) Obligations issued by the United States government,
- (3) Obligations fully insured or guaranteed by the United States government or a United States government agency,
- (4) Obligations of any corporation of the United States government,
- (5) Prime banker's acceptances,
- (6) The local government investment pool (Georgia Fund 1) administered by the state of Georgia, Office of the State Treasurer,
- (7) Repurchase agreements, and
- (8) Obligations of other political subdivisions of the state of Georgia,
- (9) Certificates of Deposit.

The District has not adopted a formal investment policy that is more restrictive than State law. The District has few investments and chooses to disclose its investments by specifically identifying each. Most of the District's cash is invested in Georgia Fund 1, a state investment pool and the Georgia Bankers Association Collateral Pool. Other investments consist of securities backed by Federal Government agencies. The following will disclose deposit and investment risks that could affect the District's ability to provide services and meet its obligations as they become due.

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

Custodial credit risk is the risk in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The bank balances were covered by Federal Depository Insurance Corporation, Securities Investor Protection Corporation, or collateralized with securities held by the pool in the name of the pledging financial institution.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

A: Cash and Cash Equivalents and Investments (continued)

Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share. The pool is an AAA rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2019, was 18 days.

The Georgia Fund 1, Local Government Investment Pool (GF1- LGIP), which is administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer, for the Georgia Fund 1 does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Comprehensive Annual Financial Report. This audit can be obtained from the Georgia Department of Audits and Accounts at www.audits.ga.gov/SGD/CAFR.html

The District has not adopted a formal investment policy; however, formal administrative procedures have been adopted for the operation of the investment program.

The 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

The District's investments are valued using quoted market price (Level 1 Inputs).

Custodial credit risk. For investments, credit risk is the risk in the event of the failure of the counterparty to a transaction or bank failure, the District may not be able to recover the value of the investment or collateralized securities that are in the possession of an outside party. The District does not have a deposit policy for custodial credit risk.

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 District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 O.C.G.A. §36-83-4. The District does not have a formal policy for managing credit quality risk.

MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

II. DETAIL NOTES ON FUNDS (continued)

A: Cash and Cash Equivalents and Investments (continued)

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. The FHLB and FHLM investments held by the District are rated AAA by Moody.

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 District is not limited in the amount that may be invested in any one issuer. More than 5% of the District's investments are invested in Georgia Fund 1 LGIP and FHLB.

B: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Reclassifications	Ending Balances
Capital assets not being depreciated					
Land and improvements	\$ 40,180,656	\$ -	\$ (86,776)	\$ 163,563	\$ 40,257,443
Construction in progress	52,516,317	23,656,704	-	(54,245,412)	21,927,609
Total capital assets not being depreciated	<u>92,696,973</u>	<u>23,656,704</u>	<u>(86,776)</u>	<u>(54,081,849)</u>	<u>62,185,052</u>
Capital assets being depreciated					
Buildings and improvements	612,472,652	49,690	(4,656,915)	51,498,679	659,364,106
Equipment	89,273,402	5,327,604	(4,164,413)	2,583,170	93,019,763
Intangible assets	5,378,889	-	-	-	5,378,889
Total capital assets being depreciated	<u>707,124,943</u>	<u>5,377,294</u>	<u>(8,821,328)</u>	<u>54,081,849</u>	<u>757,762,758</u>
Less accumulated depreciation for:					
Buildings and improvements	132,017,253	10,564,453	(857,234)	-	141,724,472
Equipment	60,268,789	3,811,300	(3,829,796)	-	60,250,293
Intangible assets	3,670,778	537,889	-	-	4,208,667
Total accumulated depreciation	<u>195,956,820</u>	<u>14,913,642</u>	<u>(4,687,030)</u>	<u>-</u>	<u>206,183,432</u>
Total capital assets being depreciated, net	<u>511,168,123</u>	<u>(9,536,348)</u>	<u>(4,134,298)</u>	<u>54,081,849</u>	<u>551,579,326</u>
Total governmental activity capital assets, net	<u>\$ 603,865,096</u>	<u>\$ 14,120,356</u>	<u>\$ (4,221,074)</u>	<u>\$ -</u>	<u>\$ 613,764,378</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

B: Capital Assets (continued)

Governmental activity depreciation was allocated to the various governmental functions as follows:

Instruction	\$ 9,142,490
Student support services	465,010
Instructional staff services	70,897
General administration	249,418
School administration	57,060
Business support	587,995
Plant maintenance and operation	454,856
Student transportation services	1,242,578
School nutrition services	2,243,864
Other support services	399,474
Total depreciation	<u>\$ 14,913,642</u>

C: Accrued Salaries and Employee Benefits

Accrued salaries and employee benefits relate primarily to salaries of employees paid over a twelve-month period for contract services of ten or eleven months. The twelve-month pay period begins September 1 and ends August 31. Salaries payable in July and August along with the employee benefits relating to those salaries are accrued as of the end of the fiscal year.

Salaries and benefits accrued as of June 30, 2019 are as follows:

	General Fund	Federal and State Programs Fund	Non Major Governmental Funds
Salaries	\$ 23,443,069	\$ 2,086,684	\$ 703,042
Employee benefits	<u>10,476,672</u>	<u>1,085,380</u>	<u>329,083</u>
Total accrued salaries and benefits	<u>\$ 33,919,741</u>	<u>\$ 3,172,064</u>	<u>\$ 1,032,125</u>

Included in the General Fund receivables from the State Department of Education is the State's reimbursement amount for its portion of the above referenced general fund salaries and benefits, which totaled \$23,207,620 at June 30, 2019.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

D: Interfund Assets and Liabilities and Transfers

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund transfers occurred throughout the fiscal year. At June 30, 2019, the Federal and State Programs Fund reported \$162,829 due to the General Fund. The amount was due to the timing difference between payment for services and goods and reimbursement from grant programs. At June 30, 2019, the Debt Service Fund reported \$5,789,525 due to Capital Projects Fund. This amount represents the excess above the debt service requirement.

These transfers were made in accordance with interfund transfer requirements, providing local funding and supplemented various capital projects.

The table below shows the interfund transfers that occurred during the year.

Transfers out	Transfers in			Totals
	Capital Projects Fund	Debt Service Fund	Non Major Governmental Funds	
General Fund	\$ 543,500	\$ -	\$ 5,792,935	\$ 6,336,435
Non Major Governmental Funds	156,863	-	-	156,863
Capital Projects Fund	-	18,894,706	-	18,894,706
	<u>\$ 700,363</u>	<u>\$ 18,894,706</u>	<u>\$ 5,792,935</u>	<u>\$ 25,388,004</u>

E: Long-Term Debt

As of June 30, 2019, the other long-term liability amounts are as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amount Due in One Year
GO Bonds	\$ 36,120,000	\$ -	\$ (17,705,000)	\$ 18,415,000	\$ 18,415,000
Unamortized Bond Premium	1,111,663	-	(909,561)	202,102	202,102
Net GO Bonds	37,231,663	-	(18,614,561)	18,617,102	18,617,102
Capital Leases	2,237,814	-	(194,250)	2,043,564	201,963
Compensated Absences	1,905,740	1,040,899	(1,017,008)	1,929,631	513,829
Worker's Compensation	1,653,827	862,038	(825,654)	1,690,211	1,015,540
Total	<u>\$ 43,029,044</u>	<u>\$ 1,902,937</u>	<u>\$ (20,651,473)</u>	<u>\$ 24,280,508</u>	<u>\$ 20,348,434</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

E: Long-Term Debt (continued)

General Obligation Bonds

The District issued the following General Obligation (“GO”) Sales Tax Bonds. The GO Bonds will provide temporary financing for the acquisition and construction of major capital facilities. The GO Bonds will be repaid from future E-SPLOST proceeds.

2016 Series General Obligation Bonds – On March 14, 2016, the District issued \$20,000,000 of General Obligation Sales Tax bonds, Series 2016, with interest payments due semiannually on April 1 and October 1 and principal payments due on October 1 of each fiscal year. Interest rates vary from 3.0% to 4.0%. The amount of debt related to this issue has been paid in full as of October 1, 2018.

2017 Series General Obligation Bonds – On March 27, 2017, the District issued \$33,310,000 of General Obligation Sales Tax bonds, Series 2017, with interest payments due semiannually on April 1 and October 1 and principal payments due on October 1 of each fiscal year with an interest rate of 4.0%. The amount of debt related to this issue still outstanding at June 30, 2019 is \$18,415,000.

The bond covenants required that all bond proceeds, debt service accumulations, and excess 2015 E-SPLOST collections be held by the District’s fiscal agent. Requests to use bond proceeds were prepared periodically by the District and when approved, the District’s fiscal agent transferred the proceeds to the District’s Operating accounts. The District was also required to exhaust all GO Bond proceeds related to bonded projects prior to using 2015 E-SPLOST collections for the bonded projects.

In addition, the District was to satisfy its annual debt requirement by transferring E-SPLOST collections to the debt service fund sufficient for amounts owed on calendar year basis prior to accumulating or consuming E-SPLOST collections on non-bonded debt related projects.

The covenants also define allowable investments of the GO Bond proceeds and require that the District not enter into any additional debt secured by 2015 E-SPLOST proceeds unless certain conditions are met. As of June 30, 2019, the District was in compliance with the bond covenants.

Future annual principal and interest are as follows:

<u>Fiscal Year Ended</u>	<u>General Obligation Debt, Series 2017</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>
June 30, 2020	\$ 18,415,000	\$ 368,300	4%

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

E: Long-Term Debt (continued)

Capital Lease

The District entered into lease agreements in fiscal years 2017 and 2018 totaling \$507,928 and \$1,775,522 respectively as lessee for financing the acquisition of light emitting diode (LED) sports lighting. These leases qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the date of inception. The LED sports lighting equipment is included in the equipment class of assets and is amortized on a straight line basis.

Liabilities associated with capital leases are liquidated through both the General Fund and Capital Projects Fund.

Capital leases currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
LED Sports Lighting 1	3.45%	5/30/2018	6/30/2027	\$ 507,928	\$ 417,230
LED Sports Lighting 2	3.74%	6/28/2018	6/28/2028	\$ 1,775,522	\$ 1,626,334

The following is a schedule of the total capital lease payments:

<u>Year</u>	<u>LED Sports Lighting 1</u>			<u>LED Sports Lighting 2</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>
2020	46,641	13,662	60,303	155,322	60,825	216,147
2021	48,276	12,027	60,303	161,131	55,016	216,147
2022	49,968	10,335	60,303	167,157	48,990	216,147
2023	51,719	8,583	60,302	173,409	42,738	216,147
Thereafter	220,626	15,558	236,184	969,315	111,418	1,080,733
Total principal and interest	<u>\$ 417,230</u>	<u>\$ 60,165</u>	<u>\$ 477,395</u>	<u>\$ 1,626,334</u>	<u>\$ 318,987</u>	<u>\$ 1,945,321</u>
Less: amounts representing interest			(60,165)			(318,987)
Present value of future minimum lease payments			<u>\$ 417,230</u>			<u>\$ 1,626,334</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

E: Long-Term Debt (continued)

Certificates of Participation (continued)

In fiscal year 2009, the District defeased certain Certificates of Participation (“COP”) by placing 2003 E-SPLOST proceeds in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's basic financial statements. At June 30, 2019, \$8,190,000 of Certificates of Participation remain outstanding and is considered defeased.

Compensated Absences and Workers’ Compensation

The District’s other long-term liabilities also consist of compensated absences and workers’ compensation. Liabilities associated with compensated absences are liquidated through the General Fund, Federal and State Program Fund, School Nutrition Fund, and the Library Fund depending on where employee’s salaries and benefits are charged. The District has established a limited risk management program for workers' compensation claims. A premium is charged when needed by the Internal Service Fund to each user program on the basis of the percentage of that program's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The District accounts for claims with expense and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The schedule for compensated absences below shows the amounts expected to be paid within one year as current. However, these amounts differ from the amounts shown as fund liabilities on the balance sheet. The fund liabilities include only those amounts attributable to employees already separated from service. Although the District expects to pay \$513,829 for compensated absences during fiscal year 2020, only \$33,259 for compensated absences is attributable to employees already separated from service.

A comparison of changes in the liability for compensated absences for the past three fiscal years is shown below:

Fiscal Year	Claims and Changes				
	Beginning Fiscal Year Liability	in Current Year Liability	Claim Payments	Ending Fiscal Year End	Current Portion
2017	\$ 1,741,462	\$ 803,183	\$ (803,871)	\$ 1,740,774	\$ 414,697
2018	\$ 1,740,774	\$ 1,082,842	\$ (917,876)	\$ 1,905,740	\$ 503,179
2019	\$ 1,905,740	\$ 1,040,899	\$ (1,017,008)	\$ 1,929,631	\$ 513,829

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

II. DETAIL NOTES ON FUNDS (continued)

E: Long-Term Debt (continued)

Compensated Absences and Workers' Compensation (continued)

A comparison of changes in the liability for workers' compensation for the past three fiscal years is shown below:

<u>Fiscal Year</u>	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Changes in Current Year Liability</u>	<u>Claim Payments</u>	<u>Ending Fiscal Year End</u>	<u>Current Portion</u>
2017	\$ 1,743,426	\$ 769,135	\$ (868,326)	\$ 1,644,235	\$ 794,844
2018	\$ 1,644,235	\$ 1,203,651	\$ (1,194,059)	\$ 1,653,827	\$ 937,506
2019	\$ 1,653,827	\$ 862,038	\$ (825,654)	\$ 1,690,211	\$ 1,015,540

III. EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX

On November 4, 2003, the voters of Muscogee County approved, by referendum, the establishment of a one cent Education Special Purpose Local Option Sales Tax ("E-SPLOST") for a period of five years to provide funding for the cost of capital outlay projects within the District. The 2003 E-SPLOST generated \$163.8 million in revenue and was collected through December 31, 2008. The District continues to expend these funds to meet the needs of the remaining projects.

The voters of Muscogee County on September 15, 2009, approved by referendum, to reinstate the one cent E-SPLOST for a period of five years. The 2009 E-SPLOST proceeds are primarily dedicated to finance school construction and to meet system-wide technological needs. Additional funding to meet the approved projects is provided by the Georgia State Financing & Investment Commission ("GSFIC") and local funds. Collections associated with the 2009 E-SPLOST which began January 1, 2010 and ended December 31, 2014 totaled \$178 million. The District continues to expend these funds to meet the needs of the remaining projects.

On March 17, 2015, the voters again approved, by referendum, to reinstate the one cent E-SPLOST for the District. The 2015 E-SPLOST provided for revenues up to \$192,185,000 for a period of 60 months, with collections beginning July 1, 2015. Collections associated with the 2015 E-SPLOST total \$136,223,401. Some of the major 2015 E-SPLOST capital outlay projects, which include those projects \$10 million and above, consist of the following:

- Construction of New Spencer High School
- New Gym at Fort Middle School
- Technology and Infrastructure Improvement
- New Multi-Sport Complex for District-wide use
- General Facilities Needs

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

The District is periodically subject to legal proceedings and potential claims which involve both private and governmental parties and cover a wide range of matters, including employment discrimination, negligence in supervision, personal injury, and contract collection.

The District is the defendant in litigation arising from its normal operations, including a number of cases related to the above risk areas. In the opinion of management, these matters, which are often covered by liability insurance policies, are expected to be resolved with no material effect on the financial condition of the District.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2019 may be impaired.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore no provision has been recorded in the accompanying basic financial statements for such contingencies.

The District is committed under outstanding construction contracts in the Capital Projects fund in the amount of \$4,616,920 as detailed below.

	Contracts		
	Awarded as of	Expended to	
	June 30, 2019	June 30, 2019	Committed
Auditoriums Upgrades	\$ 1,454,616	\$ 1,008,709	\$ 445,907
Athletic Fields Upgrades	13,051,660	10,491,031	2,560,629
Athletic Facilities	3,178,348	2,824,141	354,207
Columbus Public Library Roof and HVAC	814,027	156,863	657,164
Eddy Sewer Lines	367,102	337,647	29,455
Lonnie Jackson Roof	601,329	240,645	360,684
Shaw High School Alterations	7,063,673	6,934,263	129,410
Other	99,170	19,706	79,464
Total	<u>\$ 26,629,925</u>	<u>\$ 22,013,005</u>	<u>\$ 4,616,920</u>

V. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God; and unemployment compensation.

There was no significant reductions in insurance coverage in the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

V. RISK MANAGEMENT (continued)

The District has elected to be a member of the Georgia School Boards Association - Risk Management Fund (GSBA-RMF), an interlocal risk management agency created under Georgia law. This fund provides coverage for losses arising from certain liability and property risks to the Districts provided through a group self-insurance plan. For accounting purposes, this plan is considered to be a Risk Transfer Pool. For property losses under this plan, the District is responsible for the first \$50,000 of each property loss, the first \$10,000 for each computer loss, and the first \$2,500 for each auto physical damage loss. For liability losses, the District is responsible for the first \$25,000 of each School Leaders Liability claim, and the first \$50,000 of each auto liability accident. The plan assumes certain risks of the District in excess of the stated retentions up to certain customary coverage limits. The District is required to make a financial contribution to the plan each year in an amount that is determined on the basis of actuarial projections of losses.

The District has also elected to be a member of the Georgia School Boards Association - Workers' Compensation Fund (GSBA-WCF), a group self-insurance fund created under Georgia law. For Workers' Compensation losses under the plan, the District is responsible for the first \$100,000 of each loss.

Management of GSBA-RMF and GSBA-WCF has informed the District it had outstanding liabilities within loss retentions stated in the preceding paragraph of \$1,292,002 as of June 30, 2019. This represents the outstanding liabilities related to both workers' compensation and auto liability.

Management of GSBA-RMF and GSBA-WCF has also informed the District that there is a possibility of additional contribution in the event that the plan is terminated or the District elects to withdraw prematurely. No amount has been recorded in financial statements due to the belief that plan termination is unlikely and withdrawal by the District is not contemplated.

The District has elected to self-insure with regard to unemployment and workers' compensation claims. Estimated claims are budgeted by management based on experience and prior claims filed in an amount considered sufficient to cover anticipated expenses. Claims are expensed in an internal service fund as they incur. Annually, the General Fund, Federal and State Program funds, Library Fund, and School Nutrition Fund are charged a five year average cost per employee paid. The liability for workers' compensation is determined by the projection of claim costs using a weighted average claims paid. Unemployment claims paid during the year totaled \$22,324. During fiscal years 2018 and 2017, the District paid \$24,691 and \$22,102, respectively, for unemployment claims. Workers' compensation claims paid during the year totaled \$825,654. Insurance covers any workers' compensation claim in excess of the self-insured amount of \$100,000 for claims made after July 1, 2015. The accrued liability for workers' compensation claims as of June 30, 2019 totaled \$1,690,211. This represents the liabilities related to the GASB-WCF as well as the outstanding self-insured claims. More information about worker's compensation claims can be found in Note II. E. Long-Term Debt, Compensated Absence and Workers' Compensation section.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VI. RESTATEMENT OF PRIOR YEAR FUND BALANCE

The District is restating the prior year net position and prior year fund balance. Net position in governmental activities and fund balance in the Capital Projects Fund as of July 1, 2018 have been restated for capital lease financing proceeds received on June 28, 2018 totaling \$1,775,522 and related expenditures totaling \$7,500 that were not recorded in FY 2018. These changes are in accordance with generally accepted accounting principles.

Due to the way debt is handled on the Statement of Net Position, the net position as of July 1, 2018 is only being restated by \$7,500 for expenses paid related to the capital lease.

Fund balance, July 1, 2018, as previously reported	\$ 34,313,335
Proceeds from capital lease financing arrangement, net of expenditures	<u>1,768,022</u>
Fund balance, July 1, 2018, as restated	<u>\$ 36,081,354</u>

VII. TAX ABATEMENTS

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

As of June 30, 2019, the District provides tax abatements through four programs – the Industrial Revenue Bond, Enterprise Zone, Historic Preservation, and the Conversation Use Valuation Assessment (CUVA).

Industrial Revenue Bond Program

The Development Authority offers ad valorem property tax abatements to entice new and expanding companies to select Columbus as the location of their investment, thus providing local incentives based on investment and the creation of jobs. Actual incentives will be based on project scope and discussions with the company. Application begins at the Development Authority. Property tax abatements are provided to a company that chooses to finance its capital investment (land, building and equipment) using Industrial Revenue Bonds (IRBs). Pursuant to IRB financing, title to the assets is vested in the local Development Authority and the project is leased to the company with the rent being used to pay the bonds. The specific tax abatement is determined by the local board of assessors upon recommendation by the Authority. Based on the level of the bond, full taxation of depreciated value is applicable for Personal Property between Year 6 and Year 11, and for Real Property between Year 6 and Year 21, or earlier if the lease is terminated. Certification of Project Completion is to be no more than 36 months from date of Bond closing. Each project will include the expansion of an existing facility or the creation of a new one, retaining existing jobs or creating a predetermined number of new jobs. The bonds typically have a 20 year term, some with 10 year terms.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VII. TAX ABATEMENTS (continued)

Enterprise Zone Program

The Enterprise Zone Program was established to revitalize the area's residential neighborhoods, while creating and retaining jobs for its residents. Business and residential developments, which plan to invest in these areas, are given special state and local tax incentives as well as other possible fee exemptions. Application begins at the Planning Department. Businesses/residential developments may receive tax abatements for the first ten years of operation, excluding property taxes imposed by school districts. The following describes the tax exemptions that a qualified business/residential development may receive for the first 10 years of operation: Year 1-5, 100%; year 6-7, 80%; year 8, 60%; year 9, 40%; year 10, 20% These abatements have a 10 year term and are not renewable.

- A. In order to be eligible for incentives, eligible businesses must: increase employment by 5 or more new full-time jobs; maintain the jobs for the duration of the tax exemption period; whenever possible, at least 10% of the new employees filling the jobs that satisfy the job creation requirement should be low or moderate income individuals; provide economic stimulus with sufficient quantity and quality as shall be determined by the local government; and such business or service enterprise may be new, an expansion, or reinvestment of an existing business or service enterprise, or a successor to such business or service enterprise.

To qualify for tax exemption for the housing enterprise zone, to include new residential construction, residential rehabilitation, or other rehabilitation of an existing structure, the value of the improvement must: exceed the value of the land by a ratio of five to one (exceptions apply to ANY entity) and in no event shall the value of the property tax exceptions granted to qualifying business or service enterprises within an enterprise zone created by the City exceed 10% of the value of the property tax digest of the jurisdiction.

- B. Additional considerations for tax and fee abatements: capital investment or reinvestment by the project equal to or greater than the amount of ad valorem tax abated over the first five years of the tax incentive and consideration for meeting some or all of the following criteria:
- locating in a vacant building
 - demolishing a pre-existing or abandoned structure
 - assembling 4 or more tracts of land for one project
 - creating jobs above the state threshold
 - creating jobs for residents of the Columbus Business Development Center and surrounding areas

Columbus' ordinance requires that projects receiving tax exceptions must choose to incorporate either landscaping requirement option or a facade material option. The ordinance also requires the exclusion of billboards from the property for the duration of the tax exemption period.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VII. TAX ABATEMENTS (continued)

Historic Preservation Program

The Georgia Preferential Property Tax Assessment incentive is designed to encourage the continued use of historic properties through rehabilitation. This incentive for Rehabilitated Historic Property is available to both private residential properties as well as income-producing properties. The certification process begins with the Georgia Department of Natural Resources. Once certified and rehabilitation is complete, application is made at the Tax Assessors' Department. Property tax assessment freeze for 8 years, with a partial exemption in year 9, returning to full taxation in year 10. In order for a property to be eligible, it must be a "certified structure," which means it must be listed in, or eligible for listing in, the Georgia/National Register(s) of Historic Places, either individually or as a contributing structure in a Georgia/National Register historic district. The Historic Preservation Division must certify the rehabilitation. If the property is eligible, but not yet listed in the National/Georgia Registers, the applicant must pursue getting it formally listed. Additionally, the property must be in the process of or has been substantially rehabilitated, provided that in the case of owner occupied residential real property the rehabilitation has increased the fair market value of the building or structure by not less than 50 percent, or, in the case of income-producing real property, the rehabilitation has increased the fair market value of the building or structure by not less than 100 percent, or, in the case of real property used primarily as residential property but partially as income-producing property, the rehabilitation has increased the fair market value of the building or structure by not less than 75 percent. These abatements have a ten year term with a renewable option based on the appraised value.

Conservation Use Valuation Assessment (CUVA) Program

Designed to protect property owners from being pressured by the property tax burden to convert their land from agricultural use to residential or commercial use. Application begins at the Tax Assessors' Department. Conservation use property is assessed at 40% of current use value which gives a reduced assessment to the owner of this type property when compared to other property assessed at 40% of fair market value. The property owner must keep the land undeveloped in a qualifying use for a period of ten years or incur stiff penalties. Owners who breach their conservation use covenant must pay back to the taxing authorities twice the savings they have received over the life of the covenant up to the point it was breached. These abatements have a 10 year term and are renewable.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VII. TAX ABATEMENTS (continued)

The taxes abated for Muscogee County, which includes abatement for *all* taxing authorities combined (Muscogee County Schools and Columbus Consolidated Government) for calendar year 2018, FY 2019 totals \$9,126,767 as reflected below:

<i>Tax Abatement Program</i>	<i>Amount of Taxes Abated during the Fiscal Year</i>
<i>Industrial Revenue Bond</i>	\$8,403,712
<i>Enterprise Zones</i>	\$22,425
<i>Historic Preservation</i>	\$256,536
<i>Conservation Use Valuation Assessment</i>	\$444,094
	\$9,126,767

Note: At the time of publication, the taxes abated for the Muscogee County School District alone were not available.

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

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Georgia School Personnel Post-Employment Health Benefit Fund (continued)

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 District were \$9,418,547 for the year ended June 30, 2019. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2019, the District reported a liability of \$217,861,807 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as of June 30, 2018 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the District's proportion was 1.714139%, which was an increase of (.018642) % from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$8,995,039. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,955,499.00
Changes in Assumptions	-	36,906,838.00
Net difference between projected and actual earnings on OPEB plan investments	294,766.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,386,342.00	2,944,181.00
School District contributions subsequent to the measurement date	9,418,547.00	-
Total	<u>\$ 12,099,655</u>	<u>\$ 44,806,518</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Georgia School Personnel Post-Employment Health Benefit Fund (continued)

The District contributions subsequent to the measurement date of \$9,418,547 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	<u>OPEB</u>
2020	\$ (8,284,634)
2021	(8,284,634)
2022	(8,284,634)
2023	(8,302,244)
2024	(6,627,350)
2025	(2,341,914)
Thereafter	-

Actuarial assumptions: The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018:

Inflation	2.75%
Salary increases	3.25 - 9.00%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.50%
Medicare Eligible	5.50%
Ultimate trend rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Georgia School Personnel Post-Employment Health Benefit Fund (continued)

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

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

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

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

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Georgia School Personnel Post-Employment Health Benefit Fund (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>OPEB Target allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	-0.50%
Domestic Stock-Large Cap	37.20%	9.00%
Domestic Stock-Mid Cap	3.40%	12.00%
Domestic Stock-Small Cap	1.40%	13.50%
Int'l Stocks-Developed Mkt	17.80%	8.00%
Int'l Stocks-Emerging Mkt	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	<u>100.00%</u>	

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

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

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
District's proportionate share of			
Net OPEB Liability (asset)	254,394,280	217,861,807	188,402,189

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Georgia School Personnel Post-Employment Health Benefit Fund (continued)

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of			
Net OPEB Liability (asset)	183,158,174	217,861,807	262,211,769

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

IX. RETIREMENT PLANS

Deferred Compensation Plan

The District offers its employees a tax deferred annuity plan created in accordance with the Internal Revenue Code Section 403b. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation is optional. Participants who are also eligible for PSERS received a 2% match in FY 2019 and FY 2018 and a 1% match in FY 2017. Contributions from the District totaled \$39,487, \$28,094, and \$22,744 for the years ended June 30, 2019, 2018, and 2017, respectively. During and as of June 30, 2019, 2018, 2017 none of the plans held securities issued by the District or other related parties.

The District participates in various retirement plans administered by the state of Georgia. There are two major retirement systems in which the District participates: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Plan Description: All teachers of the District as defined in O.C.G.A. §47-3-60 of the *Official Code of Georgia Annotated* (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

TEACHERS' RETIREMENT SYSTEM OF GEORGIA (TRS) (continued)

to the State Legislature. The Teachers' Retirement System of Georgia issues a publicly available separate financial audit report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the 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 2019. The District's contractually required contribution rate for the year ended June 30, 2019 was 20.90% of annual District payroll.

EMPLOYEES RETIREMENT SYSTEM (ERS)

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

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2019	100%	\$ 35,765,956
2018	100%	\$ 28,463,807
2017	100%	\$ 23,473,245

Plan description: The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the state of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

EMPLOYEES RETIREMENT SYSTEM (ERS) (continued)

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan ("GSEPS"). Employees under the old plan started membership prior to July 1, 1982, and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to GSEPS. Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

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 ERS Board. Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The District's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2019, was 24.78% of annual covered payroll for both the old plan and the new plan members and 21.78% for GSEPS members.

The rates include the annual actuarially determined employer contribution rate of 24.66% of annual covered payroll of new and old plan members and 21.66% for GSEPS members, plus a 0.12% adjustment for the HB 751 one-time benefit adjustment of 3% to retired state employees. 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.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

EMPLOYEES RETIREMENT SYSTEM (ERS) (continued)

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

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2019	100%	\$ 22,095
2018	100%	\$ 29,200
2017	100%	\$ 31,652

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

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

Benefits provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service. Upon retirement, the member will receive a monthly benefit of \$15.00, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees, as actuarially determined, are established and may be amended by the PSERS Board. 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.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)

Individuals who became members prior to July 1, 2012, contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012, contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution by the state was \$765,215.

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

At June 30, 2019, the District reported a liability of \$264,108,631 for its proportionate share of the net pension liability for TRS of \$263,918,948 and ERS of \$189,683.

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

School District's proportionate share of the net pension liability	\$ 263,918,948
State of Georgia's proportionate share of the net pension liability associated with the School District	664,896
Total	<u><u>\$ 264,583,844</u></u>

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

At June 30, 2018, the District's TRS proportion was 1.421813%, which was a decrease of .010584% from its proportion measured as of June 30, 2017. At June 30, 2018, the District's ERS proportion was .004614%, which was a decrease of .000536% from its proportion measured as of June 30, 2017.

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

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

At June 30, 2019, the 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 District is \$3,304,945.

The PSERS net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$16,957,687 for TRS, \$15,389 for ERS, and \$765,215 for PSERS; revenue of \$765,215 for PSERS; and a reduction of revenue of \$60,369 for TRS.

The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	TRS		ERS		Total	
	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,471,807	\$ 543,943	\$ 5,900	\$ -	\$ 17,477,707	\$ 543,943
Changes of assumptions	3,982,441	-	1,265	-	3,983,706	-
Net difference between projected and actual earnings on pension plan investments	-	7,216,056	-	4,371	-	7,220,427
Changes in proportion and differences between District contributions and proportionate share of contributions	-	16,890,902	-	15,122	-	16,906,024
District contributions subsequent to the measurement date	35,765,956	-	22,095	-	35,788,051	-
Total	<u>\$ 57,220,204</u>	<u>\$ 24,650,901</u>	<u>\$ 29,260</u>	<u>\$ 19,493</u>	<u>\$ 57,249,464</u>	<u>\$ 24,670,394</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

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

The District contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2020	\$ 4,198,734	\$ 4,106
2021	1,920,457	456
2022	(8,943,397)	(7,266)
2023	(585,155)	(1,953)
2024	212,708	-
Thereafter	-	-

Liabilities associated with pension liabilities are liquidated through the General Fund, Federal and State Program Fund, School Nutrition Fund, and the Library Fund depending on where employee's salaries and benefits are charged.

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

Teachers Retirement System:

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

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

Actuarial assumptions: (continued)

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

Employees' Retirement System

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

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

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

Public School Employees' Retirement System

Inflation	2.75%
Salary increases	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

Actuarial assumptions: (continued)

under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	TRS Target Allocation	ERS/PSERS Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	30.00%	-0.50%
Domestic Large Stocks	39.80%	37.20%	9.00%
Domestic Mid Stocks	3.70%	3.40%	12.00%
Domestic Small Stocks	1.50%	1.40%	13.50%
International Developed Market Stocks	19.40%	17.80%	8.00%
International Emerging Market Stocks	5.60%	5.20%	12.00%
Alternative	0.00%	5.00%	10.50%
Total	100.00%	100.00%	

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

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

IX. RETIREMENT PLANS (continued)

Actuarial assumptions: (continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Muscogee County School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50% and 7.30%, as well as what the 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 (6.50% and 6.30%) or 1-percentage-point higher (8.50% and 8.30%) than the current rate:

Teachers Retirement System:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$ 440,556,294	\$ 263,918,948	\$ 118,360,785

Employees' Retirement System:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	\$ 269,796	\$ 189,683	\$ 121,425

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

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
District's proportion of the collective net OPEB liability	1.714139%	1.695497%
District's proportionate share of the collective net OPEB liability	\$ 217,861,807	\$ 238,216,646
District's covered payroll	\$ 179,273,245	\$ 174,280,785
District's proportionate share of the collective net OPEB as a percentage of its covered payroll	121.52%	136.69%
Plan fiduciary net position as a percentage of the total collective OPEB liability	2.93%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Schedule includes all significant plans and funds administered by the Muscogee County Board of Education.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	1.421813%	1.432397%	1.462985%	1.543251%	1.694781%
District's proportionate share of the net pension liability	\$ 263,918,948	\$ 266,215,394	\$ 301,830,118	\$ 234,944,640	\$ 214,113,225
State of Georgia's proportionate share of the net pension liability	<u>664,896</u>	<u>616,475</u>	<u>863,206</u>	<u>820,726</u>	<u>851,763</u>
Total	<u>\$ 264,583,844</u>	<u>\$ 266,831,869</u>	<u>\$ 302,693,324</u>	<u>\$ 235,765,366</u>	<u>\$ 214,964,988</u>
District's covered payroll	\$ 169,753,272	\$ 164,976,296	\$ 160,964,145	\$ 163,604,070	\$ 173,094,937
District's proportionate share of the net pension liability as a percentage of its covered payroll	155.47%	161.37%	187.51%	143.61%	123.70%
Plan fiduciary net position as a percentage of the total pension liability	80.27%	79.33%	76.06%	81.44%	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Schedule includes all significant plans and funds administered by the Muscogee County Board of Education.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.461400%	0.005150%	0.005342%	0.006029%	0.007109%
District's proportionate share of the net pension liability	\$ 189,683	\$ 209,159	\$ 252,699	\$ 244,259	\$ 266,631
State of Georgia's proportionate share of the net pension liability	-	-	-	-	-
Total	<u>\$ 189,683</u>	<u>\$ 209,159</u>	<u>\$ 252,699</u>	<u>\$ 244,259</u>	<u>\$ 266,631</u>
District's covered payroll	\$ 117,695	\$ 126,332	\$ 124,215	\$ 147,258	\$ 174,898
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.16%	165.56%	203.44%	165.87%	152.45%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	76.33%	72.34%	76.20%	77.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Schedule includes all significant plans and funds administered by the Muscogee County Board of Education.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability	<u>3,304,945</u>	<u>3,026,458</u>	<u>4,071,396</u>	<u>2,697,842</u>	<u>2,471,146</u>
Total	<u>\$ 3,304,945</u>	<u>\$ 3,026,458</u>	<u>\$ 4,071,396</u>	<u>\$ 2,697,842</u>	<u>\$ 2,471,146</u>
District's covered payroll	\$ 9,308,830	\$ 9,178,157	\$ 9,346,464	\$ 9,581,481	\$ 10,072,522
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	85.26%	85.69%	81.00%	87.00%	88.29%

This schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Schedule includes all significant plans and funds administered by the Muscogee County School District.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 9,418,547	\$ 8,884,218
Contributions in relation to the contractually required contribution	\$ 9,418,547	\$ 8,884,218
Contribution deficiency (excess)	\$ -	\$ -
District's covered payroll	\$ 183,829,465	\$ 179,273,245
Contributions as a percentage of covered payroll	5.12%	4.96%

* Information not available for reporting period

This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.
Schedule includes all significant plans and funds administered by the Muscogee County School District.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 35,765,956	\$ 28,463,807	\$ 23,473,245	\$ 22,896,054	\$ 21,433,389	\$ 21,197,812	\$ 19,978,741	\$ 17,813,430	\$ 17,807,888
Contributions in relation to the contractually required contribution	\$ 35,765,956	\$ 28,463,807	\$ 23,473,245	\$ 22,896,054	\$ 21,433,389	\$ 21,197,812	\$ 19,978,741	\$ 17,813,430	\$ 17,807,888
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 174,430,012	\$ 169,753,272	\$ 164,976,296	\$ 160,964,145	\$ 163,604,070	\$ 173,904,937	\$ 174,727,354	*	*
Contributions as a percentage of covered payroll	20.50%	16.77%	14.23%	14.22%	13.10%	12.19%	11.43%	*	*

* Information not available for reporting period

This schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Schedule includes all significant plans and funds administered by the Muscogee County School District.

**MUSCOGEE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 22,095	\$ 29,200	\$ 31,652	\$ 30,658	\$ 29,729	\$ 29,066	\$ 20,199	\$ 23,339	\$ 23,421
Contributions in relation to the contractually required contribution	\$ 22,095	\$ 29,200	\$ 31,652	\$ 30,658	\$ 29,729	\$ 29,066	\$ 20,199	\$ 23,339	\$ 23,421
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 90,623	\$ 117,695	\$ 126,332	\$ 124,215	\$ 147,258	\$ 174,898	*	*	*
Contributions as a percentage of covered payroll	24.38%	24.81%	25.05%	24.68%	20.19%	16.62%	*	*	*

* Information not available for reporting period

This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.
Schedule includes all significant plans and funds administered by the Muscogee County School District.

MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

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).

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

Employees' Retirement System

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

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

Public School Employees' Retirement System

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

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

MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Public School Employees' Retirement System (continued)

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

Other Post-Employment Benefits

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

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

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

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

Other Supplemental Information



**MUSCOGEE COUNTY SCHOOL DISTRICT
NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

	SPECIAL REVENUE	
	LIBRARY FUND	SCHOOL NUTRITION FUND
ASSETS		
Cash and cash equivalents	\$ 8,722,429	\$ 4,193,814
Receivables		
Other governmental agencies	-	259,742
Investment income receivable	-	-
Other receivables	170	52,548
Inventories	-	432,289
Investments	-	-
Total assets	<u>\$ 8,722,599</u>	<u>\$ 4,938,393</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and other current liabilities	\$ 386,659	\$ 53,937
Accrued salaries and related employee benefits	50,549	981,576
Liability for compensated absences	1,670	-
Withholdings payable	<u>11,405</u>	<u>221,467</u>
Total liabilities	<u>450,283</u>	<u>1,256,980</u>
Fund balances		
Nonspendable		
Inventory	-	432,289
Permanent funds	-	-
Spendable		
Restricted	<u>8,272,316</u>	<u>3,249,124</u>
Total fund balances	<u>8,272,316</u>	<u>3,681,413</u>
Total liabilities and fund balances	<u>\$ 8,722,599</u>	<u>\$ 4,938,393</u>

TOTAL NONMAJOR GOVERNMENTAL	
<u>PERMANENT FUND</u>	<u>FUNDS</u>
\$ 434,502	\$ 13,350,745
-	259,742
18,748	18,748
-	52,718
-	432,289
<u>5,046,267</u>	<u>5,046,267</u>
<u>\$ 5,499,517</u>	<u>\$ 19,160,509</u>
\$ 8,910	\$ 449,506
-	1,032,125
-	1,670
<u>-</u>	<u>232,872</u>
<u>8,910</u>	<u>1,716,173</u>
-	432,289
5,254,798	5,254,798
<u>235,809</u>	<u>11,757,249</u>
<u>5,490,607</u>	<u>17,444,336</u>
<u>\$ 5,499,517</u>	<u>\$ 19,160,509</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	SPECIAL REVENUE	
	LIBRARY FUND	SCHOOL NUTRITION FUND
REVENUES		
State sources	\$ 739,389	\$ 679,973
Federal sources	4,229	17,898,298
Investment income	-	49,384
Charges for meals	-	2,212,292
Other revenue	925,027	103,438
Total revenues	<u>1,668,645</u>	<u>20,943,385</u>
EXPENDITURES		
Current operating		
Plant maintenance and operation	1,205,678	-
School nutrition services	-	20,699,745
Other support services	7,450,312	-
Total expenditures	<u>8,655,990</u>	<u>20,699,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,987,345)</u>	<u>243,640</u>
OTHER FINANCING SOURCES		
Transfers in	5,792,935	-
Transfers out	(156,863)	-
Total other financing sources	<u>5,636,072</u>	<u>-</u>
Net change in fund balances	(1,351,273)	243,640
Fund balance, beginning	<u>9,623,589</u>	<u>3,437,773</u>
Fund balance, ending	<u>\$ 8,272,316</u>	<u>\$ 3,681,413</u>

PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 1,419,362
-	17,902,527
563,505	612,889
-	2,212,292
7,500	1,035,965
<u>571,005</u>	<u>23,183,035</u>
-	1,205,678
-	20,699,745
123,885	7,574,197
<u>123,885</u>	<u>29,479,620</u>
<u>447,120</u>	<u>(6,296,585)</u>
-	5,792,935
-	(156,863)
<u>-</u>	<u>5,636,072</u>
447,120	(660,513)
<u>5,043,487</u>	<u>18,104,849</u>
<u>\$ 5,490,607</u>	<u>\$ 17,444,336</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources	\$ 745,290	\$ 739,389	\$ (5,901)
Federal sources	-	4,229	4,229
Other revenue	856,995	925,027	68,032
Total revenues	<u>1,602,285</u>	<u>1,668,645</u>	<u>66,360</u>
EXPENDITURES			
Plant maintenance and operation	1,394,739	1,434,691	(39,952)
Other support services	7,994,761	7,820,743	174,018
Total expenditures	<u>9,389,500</u>	<u>9,255,434</u>	<u>134,066</u>
Excess (deficiency) of revenues over (under) expenditures	(7,787,215)	(7,586,789)	200,426
OTHER FINANCING SOURCES			
Transfers in	6,593,041	5,792,935	(800,106)
Transfers out	(838,093)	(156,863)	681,230
Total other financing sources	<u>5,754,948</u>	<u>5,636,072</u>	<u>(118,876)</u>
Net change in fund balances	(2,032,267)	(1,950,717)	81,550
FUND BALANCE			
July 1, (Budget Basis)	<u>9,784,155</u>	<u>9,784,155</u>	
FUND BALANCE			
June 30, (Budget Basis)	<u>\$ 7,751,888</u>	7,833,438	
Adjustments from budgetary basis to generally accepted accounting principles:			
Revenues			
June 30, accruals		-	
Expenditures			
June 30, accruals		<u>438,878</u>	
FUND BALANCE JUNE 30, (GAAP Basis)		<u>\$ 8,272,316</u>	

**MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOR THE YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources	\$ 515,000	\$ 507,433	\$ (7,567)
Federal sources	17,986,971	16,663,197	(1,323,774)
Investment income	14,000	49,384	35,384
Charges for meals	2,325,000	2,187,854	(137,146)
Other revenue	30,000	103,438	73,438
Total revenues	<u>20,870,971</u>	<u>19,511,306</u>	<u>(1,359,665)</u>
EXPENDITURES			
School nutrition services	<u>20,852,417</u>	<u>19,253,011</u>	<u>1,599,406</u>
Total expenditures	<u>20,852,417</u>	<u>19,253,011</u>	<u>1,599,406</u>
Net change in fund balances	18,554	258,295	239,741
FUND BALANCE			
July 1, (Budget Basis)	<u>3,437,773</u>	<u>4,146,341</u>	
FUND BALANCE			
June 30, (Budget Basis)	<u>\$ 3,456,327</u>	4,404,636	
Adjustments from budgetary basis to generally accepted accounting principles:			
Revenues			
June 30, accruals		312,290	
Expenditures			
June 30, accruals		<u>(1,035,513)</u>	
FUND BALANCE JUNE 30, (GAAP Basis)		<u>\$ 3,681,413</u>	

**MUSCOGEE COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
ASSETS				
Cash and cash equivalents	\$ 2,241,387	\$ 4,596,580	\$ (4,588,640)	\$ 2,249,327
Accounts receivable	<u>5,742</u>	<u>3,822</u>	<u>(5,742)</u>	<u>3,822</u>
 Total assets	 <u>\$ 2,247,129</u>	 <u>\$ 4,600,402</u>	 <u>\$ (4,594,382)</u>	 <u>\$ 2,253,149</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 95,055	\$ 102,561	\$ (95,055)	\$ 102,561
Amounts due to student and other groups	<u>2,152,074</u>	<u>4,497,841</u>	<u>(4,499,327)</u>	<u>2,150,588</u>
 Total liabilities	 <u>\$ 2,247,129</u>	 <u>\$ 4,600,402</u>	 <u>\$ (4,594,382)</u>	 <u>\$ 2,253,149</u>

**MUSCOGEE COUNTY SCHOOL DISTRICT
SCHEDULE OF APPROVED
2003 EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019**

Project	Estimated Budget	Amount Expended in Current Year	Amount Expended in Prior Years	Status
Allen Elementary	\$ 753,429	\$ -	\$ 753,429	Completed
Arnold Magnet Academy	574,594	-	574,594	Completed
Benning Hills Elementary	1,144,651	-	1,144,651	Completed
Blackmon Road	26,001	-	26,001	Completed
Blanchard Elementary	804,162	-	804,162	Completed
Bradley Museum	1,929,117	-	1,929,117	Completed
Britt David Elementary	366,773	-	366,773	Completed
Carver High	2,196,784	-	2,196,784	Completed
Clubview Elementary	427,162	-	427,162	Completed
Columbus High	7,421,121	-	7,421,121	Completed
Cusseta Road Elem	952,699	-	952,699	Completed
Dawson Elementary	733,807	-	733,807	Completed
Dimon Elementary	142,405	-	142,405	Completed
Double Churches Elem	472,976	-	472,976	Completed
Double Churches Middle	7,775	-	7,775	Completed
Downtown Elementary	22,999	-	22,999	Completed
Eddy Middle	515,129	-	515,129	Completed
Edgewood Elementary	318,722	-	318,722	Completed
Educational Services Center	20,885,040	-	20,885,040	Completed
Forrest Road Elementary	481,765	-	481,765	Completed
Fort Middle	18,001	-	18,001	Completed
Fox Elementary	719,273	-	719,273	Completed
Gentian Elementary	708,659	-	708,659	Completed
Georgetown Elementary	439,028	-	439,028	Completed
Hannan Elementary	158,615	-	158,615	Completed
Hardaway High	189,081	-	189,081	Completed
Johnson Elementary	1,869,059	-	1,869,059	Completed
Jordan High	6,614,038	-	6,614,038	Completed
Kendrick High	4,366,262	-	4,366,262	Completed
Key Elementary	439,093	-	439,093	Completed
Lonnie Jackson Elementary	450,288	-	450,288	Completed
Marshall Middle	2,313,887	-	2,313,887	Completed
Mathews Elementary	2,478,726	-	2,478,726	Completed
Mildred Terry Library	4,272,342	-	4,272,342	Completed
Muscogee Elementary	1,115,892	-	1,115,892	Completed
New Elementary # 5	7,800,002	-	7,800,002	Completed
New Elementary # 6	13,183,338	-	13,183,338	Completed
New Middle #5	12,403,819	-	12,403,819	Completed
Northside High	60,926	-	60,926	Completed
Reese Road Elementary	767,722	-	767,722	Completed
Richards Middle	1,440,419	-	1,440,419	Completed
Rigdon Road Elementary	9,196,639	-	9,196,639	Completed
River Road Elementary	1,255,716	-	1,255,716	Completed
Road at the North Site	1,658,540	-	1,658,540	Completed
Rothschild Middle	196,197	-	196,197	Completed
Shaw High	697,172	-	697,172	Completed
South Columbus Elementary	596,264	-	596,264	Completed
Spencer High	1,335,857	-	1,335,857	Completed
St Mary's Elementary	368,497	-	368,497	Completed
Waddell Elementary	1,167,952	-	1,167,952	Completed
Wesley Heights Elementary	133,232	-	133,232	Completed
Wynnton Elementary	294,437	-	294,437	Completed
System wide Technology	41,416,508	-	41,416,508	Completed
Fine and Performing Arts Academy	1,740,000	-	1,740,000	Completed
Purchase of Buses	4,675,000	-	4,675,000	Completed
Total completed projects	<u>\$ 166,717,592</u>	<u>\$ -</u>	<u>\$ 166,717,592</u>	

**MUSCOGEE COUNTY SCHOOL DISTRICT
2003 EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019**

Project	Estimated Budget	Amount Expended in Current Year	Amount Expended in Prior Years	Status
Roofs	\$ 6,670,000	\$ 2,474,915	\$ 1,085,762	In Progress
Energy Upgrade Projects	1,906,624	34,532	1,483,941	Ongoing
Not Project Related	6,484,544	4,000	6,247,215	
Total in progress	<u>15,061,168</u>	<u>2,513,447</u>	<u>8,816,918</u>	
 Total	 <u>\$ 181,778,760</u>	 <u>\$ 2,513,447</u>	 <u>\$ 175,534,510</u>	

(1) Projects are to be funded from:

Maximum cost from proceeds of the tax as specified in the referendum	\$ 148,720,000
Additional proceeds in final quarter are allowed by law	<u>15,075,742</u>
Total E-SPLOST proceeds	163,795,742
Other funds	<u>17,983,018</u>
Total estimated costs	<u>\$ 181,778,760</u>

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHEDULE OF APPROVED
2009 EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019

Project	Estimated Budget	Amount Expended in Current Year	Amount Expended in Prior Years	Status
HVAC Gymnasiums	\$ 10,575,366	\$ -	\$ 10,575,366	Completed
Re Roofing	2,617,412	-	2,617,412	Completed
Land Purchases	3,260,255	-	3,260,255	Completed
New Carver High School	43,909,425	-	43,909,425	Completed
New Middle School	21,173,591	-	21,173,591	Completed
Kinnett	2,070,696	-	2,070,696	Completed
Northside HS Add./Renov	4,505,414	-	4,505,414	Completed
Richards Middle School	5,429,618	-	5,429,618	Completed
Lorenzo Road	562,746	-	562,746	Completed
New Elementary School	18,997,967	-	18,997,966	Completed
Jordan Auditorium	1,132,068	-	1,132,068	Completed
Kinnett Stadium Turf	692,353	-	692,353	Completed
Athletic Equipment	810,000	275,335	280,944	On going
Athletic Field Upgrades	349,558	349,558	-	Completed
Museum	1,000,000	13,000	914,144	On going
Other Facilities Needs	1,452,766	-	1,452,766	Completed
Security	1,265,000	91,747	1,100,320	On going
School Furniture and Equipment	866,023	35,194	776,550	On going
Technology	35,861,093	-	35,861,093	Completed
Buses	4,742,415	-	4,742,415	Completed
Playgrounds	1,358,500	23,987	1,124,670	On going
Fine Arts Academy	28,300,000	-	28,300,000	Completed
Debt Service, Project Management, Not Project Related	8,364,853	-	8,339,974	
Total	<u>\$ 199,297,120</u>	<u>\$ 788,821</u>	<u>\$ 197,819,786</u>	

(1) Projects are to be funded from:

Maximum cost from proceeds of
the tax as specified in the
referendum

\$ 223,155,784

Less collection shortfall

(45,131,791)

Total E-SPLOST proceeds

178,023,993

Other funds

21,273,127

Total estimated costs \$ 199,297,120

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHEDULE OF APPROVED
2015 EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019

Project	Estimated Budget	Amount Expended in Current Year	Amount Expended in Prior Years	Status
Replacement Spencer High School	\$ 56,000,000	\$ 3,432,416	\$ 49,824,162	Ongoing
Replacement Gym at Fort Middle School	3,680,000	-	3,597,513	Completed
Virtual E-Library in North Columbus	400,000	400,000	-	Completed
Multi-Sport Complex for District-Wide Use (Stadium, Track)	11,000,000	19,706	800,879	Ongoing
Retrofit Existing Space to Accommodate Level Specific Autistic Programming	3,500,000	-	2,220,742	Ongoing
Expansion of Northside Cafeteria	500,000	-	500,000	Completed
Adding to the South Columbus Library Branch	600,000	-	-	Not Started
Adding to and renovating Shaw High School	4,000,000	3,366,469	537,584	Ongoing
Adding to or renovating Weight/Wrestling Rooms at High Schools (Shaw, Columbus, Jordan, Northside, Kendrick)	5,000,000	3,718,515	855,121	Ongoing
Program Enhancement for Fine Arts School	6,000,000	51,519	5,774,010	Completed
Upgrading Kinnett Stadium (Field House, Press Box, Concessions, Restrooms)	3,585,000	11,484	3,567,271	Completed
Upgrading Softball and Baseball Fields (Hardaway, Shaw, Jordan, Kendrick, Columbus)	10,632,906	8,974,837	1,230,966	Ongoing
Upgrading Furniture, Fixtures & Equipment (FF&E)	2,400,000	721,606	463,214	Ongoing
Upgrading Transportation Facilities & Alternative Energy Sources Study	250,000	-	-	Not Started
Updating Playgrounds at Elementary Schools	250,000	-	-	Not Started
Upgrading Cafeteria and Auditorium (Arnold, Clubview, Eddy, Hardaway, Columbus, Kendrick)	1,000,000	822,622	192,015	Ongoing
Upgrading or Replacing Electrical & Mechanical Equipment at the Museum	3,350,000	-	3,093,848	Ongoing
Repairing and Replacing Roofing	5,215,054	-	2,271,397	Ongoing
Refurbish School Nutrition Outdated Kitchens	4,000,000	335,476	1,667,973	Ongoing
Addressing General Facilities Needs As Reflected in the Five-Year Facilities Plan	29,308,603	1,860,647	3,543,094	Ongoing
Making Certain Technology and Infrastructure Improvement and Upgrades	34,000,000	2,213,670	10,577,859	Ongoing
District Wide Security Improvements & Replacement of Outdated Communications Equipment	1,500,000	-	234,245	Ongoing
Replacement of Outdated Buses and Related Equipment	5,200,000	339,889	4,781,401	Ongoing
Debt Service, Project Management, Not Project Related	6,886,353	376,175	3,812,777	Ongoing
Total	<u>\$ 198,257,916</u>	<u>\$ 26,645,031</u>	<u>\$ 99,546,071</u>	

(1) Projects are to be funded from:

Maximum cost from proceeds of the tax as specified in the referendum	\$ 192,185,000
Other funds	<u>6,072,916</u>
Total estimated cost	<u>\$ 198,257,916</u>

Statistical Section

Muscogee County School District
Comprehensive Annual Financial Report for the Year Ended June 30, 2019

Statistical Section (unaudited)

This part of Muscogee County School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time
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Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.....92-96

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and its ability to issue debt in the future.....97-100

Demographic and Economic Information

These schedules offer demographic and economic information to help the reader understand the environment within which the District's financial activities take place.....101-104

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.....105-115

Other Information

These schedules provide additional information to interest the reader and that is not presented elsewhere in the report116

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

**MUSCOGEE COUNTY SCHOOL DISTRICT
GOVERNMENT-WIDE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net position is as follows:										
Net investment in capital assets	\$ 590,724,060	\$ 558,978,356	\$ 521,356,248	\$ 518,700,405	\$ 525,692,254	\$ 518,802,999	\$ 493,753,654	\$ 461,791,061	\$ 455,706,106	\$ 470,925,912
Restricted position	62,262,027	78,539,910	101,232,804	91,527,291	64,828,256	72,872,850	83,042,284	100,856,757	80,464,596	50,889,761
Unrestricted position	(422,162,001)	(437,057,676) ***	(438,445,512) **	(195,725,224)	(222,230,615)	(240,085,798) *	48,492,188	55,128,031	55,850,267	40,668,336
Total net position	<u>\$ 230,824,086</u>	<u>\$ 200,460,590</u>	<u>\$ 184,143,540</u>	<u>\$ 414,502,472</u>	<u>\$ 368,289,895</u>	<u>\$ 351,590,051</u>	<u>\$ 625,288,126</u>	<u>\$ 617,775,849</u>	<u>\$ 592,020,969</u>	<u>\$ 562,484,009</u>

Source: Internal financial records of Muscogee County School District

* Adoption of GASB 68

** Adoption of GASB 75

*** Restated see Note VI

**MUSCOGEE COUNTY SCHOOL DISTRICT
GOVERNMENT-WIDE
CHANGES IN NET POSITION
LAST TEN YEARS**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PROGRAM REVENUES										
Operating grants and contributions	\$ 218,721,084	\$ 210,907,040	\$ 204,305,867	\$ 199,940,538	\$ 195,469,536	\$ 197,931,222	\$ 207,066,250	\$ 210,223,513	\$ 230,503,840	\$ 215,892,681
Charges for services-Meals	2,212,292	2,109,325	2,390,854	2,830,534	3,018,081	3,145,274	3,631,152	3,840,513	3,762,174	4,404,476
Charges for services-Tuition	213,929	259,263	439,481	385,660	503,651	267,708	302,888	375,935	359,150	288,821
Charges for services-Other	890,360	1,269,262	894,051	797,862	1,002,130	740,719	639,012	417,733	-	-
Capital grants and contributions	989,570	1,446,153	130,152	34,950	111,178	2,763,222	660,039	7,608,036	4,686,336	77,201
Total program revenues	<u>223,027,235</u>	<u>215,991,043</u>	<u>208,160,405</u>	<u>203,989,544</u>	<u>200,104,576</u>	<u>204,848,145</u>	<u>212,299,341</u>	<u>222,465,730</u>	<u>239,311,500</u>	<u>220,663,179</u>
PROGRAM EXPENSES										
Instruction	205,962,242	208,664,235	200,089,226	176,304,028	185,056,035	209,366,875	211,189,533	207,677,135	208,251,465	210,121,010
Student support services	11,895,100	11,716,026	10,256,987	8,669,392	8,336,923	7,529,621	7,692,523	6,621,083	5,087,519	6,441,138
Instructional staff services	10,398,758	11,052,649	12,894,190	11,574,303	10,830,628	12,494,348	13,992,635	14,661,563	13,347,118	17,116,008
Educational media services(1)	4,904,659	4,986,210	4,873,364	4,559,785	5,021,921	5,775,720	5,738,746	6,465,352	5,830,812	-
General administration	3,118,950	2,889,338	2,767,243	3,235,153	4,089,745	4,393,140	4,201,894	4,444,611	4,632,752	5,361,941
School administration	19,530,089	20,018,476	19,420,178	17,150,863	18,088,364	16,614,109	17,278,483	17,882,495	18,339,951	16,378,347
Business support	3,883,031	4,064,992	3,951,043	3,989,842	2,534,375	2,656,308	1,886,581	4,057,935	2,708,620	2,693,263
Plant maintenance and operation	30,785,791	28,717,632	25,901,055	25,859,555	25,431,730	26,371,206	27,307,867	27,487,733	27,710,066	25,677,328
Student transportation services	16,851,343	16,059,998	15,296,940	13,732,811	12,397,288	12,612,289	12,617,511	11,636,671	11,466,782	10,356,620
Other support services	20,552,865	20,022,906	19,073,781	17,577,693	18,765,475	20,467,069	20,658,595	18,098,202	18,835,763	22,696,088
School nutrition services	20,283,045	20,599,687	20,070,638	20,205,545	19,434,584	20,180,011	19,354,295	17,897,243	17,050,091	16,257,937
Interest on long term debt	130,487	707,812 *	809,893	260,288	225,898	253,799	680,032	1,168,784	1,404,130	463,991
Total program expenses	<u>348,296,360</u>	<u>349,499,961</u>	<u>335,404,538</u>	<u>303,119,258</u>	<u>310,212,966</u>	<u>338,714,495</u>	<u>342,598,695</u>	<u>338,098,807</u>	<u>334,665,069</u>	<u>333,563,671</u>
NET PROGRAM REVENUE (EXPENSE)	<u>(125,269,125)</u>	<u>(133,508,918)</u>	<u>(127,244,133)</u>	<u>(99,129,714)</u>	<u>(110,108,390)</u>	<u>(133,866,350)</u>	<u>(130,299,354)</u>	<u>(115,633,077)</u>	<u>(95,353,569)</u>	<u>(112,900,492)</u>
GENERAL REVENUES										
Taxes:										
Property taxes levied for general purpose	114,138,304	112,042,314	107,924,848	108,172,122	105,618,821	104,875,570	100,730,596	102,666,668	96,868,118	96,857,864
Special purpose local option sales taxes	37,646,096	35,710,611	34,457,395	35,102,769	19,027,189	35,465,951	36,816,404	37,243,987	36,051,970	16,563,536
Investment earnings	3,572,396	1,668,777	680,339	1,514,990	1,183,577	737,535	(712,887)	343,585	735,679	522,815
Other revenue	275,825	404,266	495,148	552,410	978,647	1,039,761	977,517	1,133,717	1,648,199	2,369,621
OTHER REVENUE (LOSS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,413,437)</u>	<u>(3,226,267)</u>
Total general revenues and donations	<u>155,632,621</u>	<u>149,825,968</u>	<u>143,557,730</u>	<u>145,342,291</u>	<u>126,808,234</u>	<u>142,118,817</u>	<u>137,811,630</u>	<u>141,387,957</u>	<u>124,890,529</u>	<u>113,087,569</u>
Changes in net position	<u>\$ 30,363,496</u>	<u>\$ 16,317,050</u>	<u>\$ 16,313,597</u>	<u>\$ 46,212,577</u>	<u>\$ 16,699,844</u>	<u>\$ 8,252,467</u>	<u>\$ 7,512,276</u>	<u>\$ 25,754,880</u>	<u>\$ 29,536,960</u>	<u>\$ 187,077</u>

Note: In year 2010, the media services expenses were included with instructional staff services. The information to restate prior year balances is not available

Source: Internal financial records of Muscogee County School District

* Restated see Note VI

**MUSCOGEE COUNTY SCHOOL DISTRICT
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Nonspendable										
Inventory	\$ 476,808	\$ 422,935	\$ 450,368	\$ 600,335	\$ 651,786	\$ 736,867	\$ 1,034,422	\$ 1,146,673	\$ 1,064,396	
Prepays	599,930	611,799	567,749	22,512	22,512	19,020	16,614	16,781	16,563	
Spendable										
Committed	2,270,932	2,297,388	1,099,817	603,000	724,568	672,535	1,011,550	640,585	968,132	
Assigned	18,043,396	20,230,902	18,392,180	7,711,504	5,104,449	10,047,509	20,078,809	23,114,442	22,152,538	
Unassigned	30,048,885	32,462,389	40,193,786	48,834,736	39,459,441	24,557,670	21,397,814	24,380,930	28,453,477	
Total general fund	<u>\$ 51,439,951</u>	<u>\$ 56,025,413</u>	<u>\$ 60,703,900</u>	<u>\$ 57,772,087</u>	<u>\$ 45,962,756</u>	<u>\$ 36,033,601</u>	<u>\$ 43,539,209</u>	<u>\$ 49,299,411</u>	<u>\$ 52,655,106</u>	
All other governmental funds										
Nonspendable										
Inventory	432,289	\$ 516,177	\$ 508,944	\$ 485,192	\$ 421,819	\$ 298,747	\$ 259,672	\$ 299,918	\$ 256,622	
Permanent funds	5,254,798	4,828,286	4,824,735	4,816,785	4,528,377	4,394,119	4,266,594	4,253,409	4,261,074	
Spendable										
Restricted	53,771,069	65,267,242	106,423,098	99,274,233	58,213,962	63,630,903	74,303,014	89,014,437	122,844,063	
Committed	608,374	2,901,879 *	1,099,420	943,543	1,296,347	1,397,406	609,965	405,563	1,902,514	
Total all other governmental funds	<u>\$ 60,066,530</u>	<u>\$ 73,513,584</u>	<u>\$ 112,856,197</u>	<u>\$ 105,519,753</u>	<u>\$ 64,460,505</u>	<u>\$ 69,721,175</u>	<u>\$ 79,439,245</u>	<u>\$ 93,973,327</u>	<u>\$ 129,264,273</u>	
Prior to Fiscal Year 2011										
Fund balances are as follows:										
Reserved, other governmental funds									\$ 96,196,812	
Reserved, general fund									2,858,858	
Unreserved, reported in:										
Special revenue fund									5,120,992	
General fund									<u>34,600,865</u>	
Total fund balances									<u>\$ 138,777,527</u>	

Source: Internal financial records of Muscogee County School District
During Fiscal year 2011, the District adopted GASB 54. .

* Restated see Note VI

**MUSCOGEE COUNTY SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
State sources	\$ 175,668,484	\$ 167,904,092	\$ 159,906,134	\$ 158,152,900	\$ 153,456,777	\$ 152,318,366	\$ 159,397,476	\$ 159,734,561	\$ 172,257,646	\$ 156,853,042
Property taxes	113,852,340	110,725,553	107,241,615	106,923,792	105,910,345	104,142,654	102,163,235	100,601,225	96,713,398	95,099,274
Sales taxes	37,646,096	35,710,611	34,457,395	35,102,769	19,027,189	35,465,951	36,816,404	37,243,987	36,051,970	16,563,536
Georgia State Financing and Investment Commission	456,351	1,278,965	107,671	-	-	1,289,694	-	7,283,013	4,324,330	-
Federal sources	41,941,909	42,518,377	43,621,773	41,444,089	42,128,370	44,958,977	46,860,416	50,009,493	58,246,097	59,039,638
Investment income	3,572,396	1,668,777	680,339	1,514,990	575,882	743,044	439,664	311,561	406,969	464,513
Charges for meals	2,212,292	2,109,325	2,390,854	2,830,534	3,018,081	3,145,274	3,631,152	3,840,513	3,762,174	4,404,476
Change in fair value of investments (1)	-	-	-	-	607,695	(5,509)	(1,152,551)	32,024	328,710	58,302
Other revenue	4,692,066	4,556,088	4,879,251	5,059,369	5,251,845	6,447,016	5,287,624	5,246,812	5,028,631	4,795,163
Total revenues	380,041,934	366,471,788	353,285,032	351,028,443	329,976,184	348,505,467	353,443,420	364,303,189	377,119,925	337,277,944
EXPENDITURES										
Current operating										
Instruction	206,046,394	202,863,940	186,457,374	176,475,272	180,944,880	196,506,414	199,631,606	201,523,740	198,200,760	208,626,908
Student support services	11,993,487	11,533,753	9,974,440	8,774,409	8,331,352	7,419,656	7,606,210	6,547,822	5,064,459	6,415,111
Instructional staff services	10,988,620	11,235,977	12,808,916	11,974,051	10,979,066	12,419,869	13,892,814	14,542,225	13,204,151	16,957,725
Educational media services	5,273,468	5,100,928	4,877,903	4,827,191	5,205,607	5,775,658	5,738,746	6,465,352	5,830,812	-
General administration	3,747,196	3,370,902	3,797,862	3,088,869	3,906,291	3,874,997	3,943,063	4,164,378	4,380,479	3,710,963
School administration	21,041,628	20,317,662	18,677,225	19,512,373	18,701,542	16,325,850	17,266,377	16,984,556	17,035,170	16,172,715
Business support	3,674,110	3,625,536	3,198,760	3,605,061	3,517,839	3,601,996	3,562,069	3,950,688	3,731,457	3,899,384
Plant maintenance and operation	30,398,090	27,985,201	25,550,601	25,195,296	25,196,165	25,740,639	26,430,183	26,604,457	26,212,087	24,981,134
Student transportation services	16,972,874	18,091,686	16,440,514	15,015,167	12,360,589	12,516,429	12,628,559	13,177,488	11,714,363	10,070,057
School nutrition services	20,699,745	20,326,494	19,744,311	20,377,830	19,441,450	20,137,231	19,265,304	17,762,786	16,872,049	16,252,512
Other support services	19,687,202	18,219,370	17,900,887	17,527,711	17,449,411	18,587,293	18,521,053	16,928,540	18,430,409	17,684,439
Capital outlay										
Facilities acquisition and construction	29,430,267	50,379,843	58,576,246	11,329,887	2,801,256	24,229,388	26,270,770	54,866,705	26,484,563	25,961,180
Debt service										
Defeasement of certificates of participation		-	-	-	-	-	-	-	-	-
Principal retirement	17,899,251	17,235,636	-	1,000,000	17,985,000	17,610,000	17,320,000	17,085,000	3,586,946	634,045
Interest and fiscal charges	1,254,335	1,981,482	929,443	243,321	325,632	983,725	1,660,950	2,346,093	2,536,507	556,381
Total expenditures	399,106,667	412,268,410	378,934,482	318,946,438	327,146,080	365,729,145	373,737,704	402,949,830	353,284,212	351,922,554
Excess (deficiency) of revenues over (under) expenditures	(19,064,733)	(45,796,622)	(25,649,450)	32,082,005	2,830,104	(17,223,678)	(20,294,284)	(38,646,641)	23,835,713	(14,644,610)
OTHER FINANCING SOURCES (USES)										
Proceeds from debt issuance	-	-	33,310,000	20,000,000	-	-	-	-	19,306,139	55,257,129
Premiums from bonds issuance	-	-	2,099,779	-	-	-	-	-	-	-
Proceeds from capital lease	-	1,775,522	507,928	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	1,032,220	-	-	786,574	1,838,381	-	-	-	-	-
Transfers in	25,388,004	27,030,713	25,613,753	8,298,503	6,765,620	26,164,108	26,255,610	26,626,026	27,839,430	7,824,444
Transfers out	(25,388,004)	(27,030,713)	(25,613,753)	(8,298,503)	(6,765,620)	(26,164,108)	(26,255,610)	(26,626,026)	(27,839,430)	(7,824,444)
Total other financing sources (uses)	1,032,220	1,775,522	35,917,707	20,786,574	1,838,381	-	-	-	19,306,139	55,257,129
Net change in fund balances	\$ (18,032,513)	\$ (44,021,100)	\$ 10,268,257	\$ 52,868,579	\$ 4,668,485	\$ (17,223,678)	\$ (20,294,284)	\$ (38,646,641)	\$ 43,141,852	\$ 40,612,519
Debt service as a percentage of noncapital expenditures	5.18%	5.35%	0.29%	0.41%	5.65%	5.44%	5.52%	5.66%	1.88%	0.37%

Note: Beginning with FY 2016, change in fair value of investments included in Investment income.

Source: Internal financial records of Muscogee County School District

* Restated see Note VI

MUSCOGEE COUNTY SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY^A
LAST TEN FISCAL YEARS

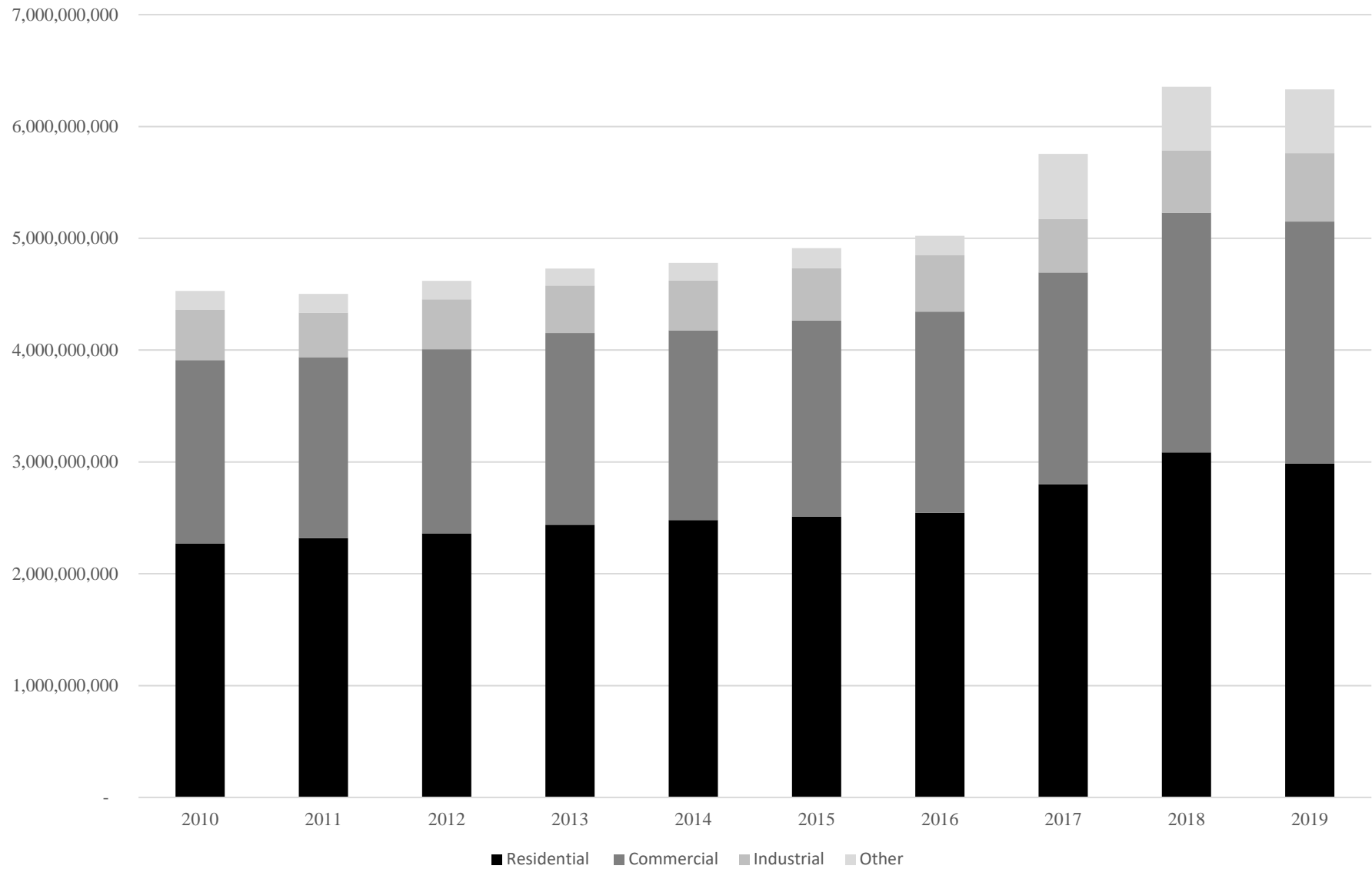
Fiscal Year		Commercial		Other Real and		Total Direct	Estimated Actual Taxable	Assessed Value as a
Ending	Residential Property	Property	Industrial Property	Personal Property	Total Gross Digest	Tax Rate	Value	Percentage of Gross Digest
2010	2,271,465,035	1,638,868,078	449,922,406	167,842,284	4,528,097,803	23.37	11,320,244,508	40.00%
2011	2,320,550,018	1,616,723,012	397,370,848	167,461,713	4,502,105,591	23.37	11,255,263,978	40.00%
2012	2,361,789,119	1,645,094,691	448,164,431	164,668,009	4,619,716,250	23.37	11,549,290,625	40.00%
2013	2,437,623,516	1,715,053,141	425,525,452	150,748,544	4,728,950,653	23.37	11,822,376,633	40.00%
2014	2,479,979,750	1,696,099,289	445,257,146	157,653,114	4,778,989,299	23.37	11,947,473,248	40.00%
2015	2,510,095,243	1,755,755,693	465,958,512	179,543,973	4,911,353,421	23.37	12,278,383,553	40.00%
2016	2,547,300,301	1,796,364,857	503,589,657	175,753,872	5,023,008,687	23.37	12,557,521,718	40.00%
2017	2,798,421,559	1,895,807,237	478,370,765	581,454,086	5,754,053,647	23.37	14,385,134,118	40.00%
2018	3,085,560,108	2,142,544,262	555,997,857	570,419,260	6,354,521,487	23.321	15,886,303,718	40.00%
2019	2,987,218,403	2,161,408,342	613,670,346	569,517,185	6,331,814,276	23.321	15,829,535,690	40.00%

^A Total Gross Digest amounts include properties identified as exempt.

Source: Muscogee County Tax Commissioner

**Muscogee County School District
Taxable Assessed Value (Unaudited)
Last 10 Fiscal Years**

UNAUDITED



**MUSCOGEE COUNTY SCHOOL DISTRICT
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

FISCAL YEAR	DIRECT RATE	OVERLAPPING RATES		TOTAL MILLAGE LEVY
	MUSCOGEE COUNTY SCHOOL DISTRICT (1)	CONSOLIDATED GOV'T OF COLUMBUS	STATE OF GEORGIA	
2010	23.37	18.96	0.25	42.58
2011	23.37	12.10	0.25	35.72
2012	23.37	12.10	0.25	35.72
2013	23.37	18.61	0.20	42.18
2014	23.37	14.94	0.15	38.46
2015	23.37	15.03	0.10	38.50
2016	23.37	15.03	0.05	38.45
2017	23.37	15.03	0.00	38.40
2018	23.321	15.03	0.00	38.35
2019	23.321	15.03	0.00	38.35

The millage levy is the rate applied per \$1,000 of assessed property value.

(1) The only component of the direct rate is operating

Source: Muscogee County Tax Commissioner

Direct and overlapping rates has been calculated by the District in consideration of the total assessment for Muscogee County given that the County and City are consolidated entities and the District serves the total consolidated entity.

**MUSCOGEE COUNTY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year		Net taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Taxes Receivable at End of Fiscal Year
				Amount	Percentage of Levy		Amount	Percentage of Levy	
		Adjustments							
2010	89,282,799	316,740	89,599,539	85,023,514	94.89%	3,765,629	88,789,143	99.10%	810,395
2011	89,709,410	151,488	89,860,898	86,146,935	95.87%	2,970,419	89,117,354	99.17%	743,544
2012	91,925,629	(970,396)	90,955,233	88,585,101	97.39%	1,654,821	90,239,922	99.21%	715,311
2013	94,605,947	(1,254,407)	93,351,540	91,098,895	97.59%	1,567,022	92,665,917	99.27%	685,623
2014	95,304,243	(178,297)	95,125,946	92,830,588	97.59%	1,513,701	94,344,289	99.18%	781,656
2015	98,116,931	(790,264)	97,326,667	95,848,560	98.48%	710,260	96,558,820	99.21%	767,846
2016	100,477,101	(775,575)	99,701,526	97,862,656	98.16%	918,299	98,780,955	99.08%	920,570
2017	103,046,806	(962,267)	102,084,539	99,775,485	97.74%	839,744	100,615,229	98.56%	1,469,310
2018	105,960,330	(1,088,014)	104,872,316	101,603,702	96.88%	1,865,986	103,469,688	98.66%	1,402,628
2019	107,632,249	(1,776,760)	105,855,489	103,414,138	97.69%	-	103,414,138	97.69%	2,441,351

Source:
Muscogee County Tax Commissioner

UNAUDITED

MUSCOGEE COUNTY SCHOOL DISTRICT
COMPARISON OF PRINCIPAL TAXPAYERS
YEARS ENDING 2019 AND 2010

JUNE 30, 2019				JUNE 30, 2010			
NAME	TYPE OF BUSINESS	ASSESSED VALUE	% OF GROSS ASSESSED VALUE	NAME	TYPE OF BUSINESS	ASSESSED VALUE	% OF GROSS ASSESSED VALUE
Georgia Power	Utility	\$ 88,580,621	1.40%	Georgia Power Co.	Utility	\$ 56,318,188	1.24%
AFLAC	Insurance	87,002,855	1.37%	St. Francis Hospital	Health Care	51,919,357	1.15%
St. Francis Hospital	Healthcare	74,993,648	1.18%	Peachtree Mall, LLC	Shopping Center	31,011,660	0.68%
Total System Services, Inc.	Finance	69,048,317	1.09%	AFLAC	Insurance	32,066,210	0.71%
Pratt & Whitney	Manufacturing	51,290,264	0.81%	Total System Services, Inc.	Finance	30,064,375	0.66%
Peachtree Mall, LLC	Shopping Center	28,693,535	0.453%	BellSouth Telecommunication	Telephone	26,819,442	0.59%
Wal-Mart	Retail	28,321,686	0.447%	W.C. Bradley Co.	Manufacturing/Real Estate	22,399,765	0.49%
Liberty Utilities	Utility	23,044,797	0.36%	Spring Harbor	Retirement Homes	21,379,811	0.47%
SRL Whisperwood LLC	Real Estate	21,301,416	0.34%	ATMOS Energy	Utility	19,098,404	0.42%
Blue Cross Blue Shield of GA	Insurance	<u>18,835,195</u>	0.30%	Wal-Mart	Retail	<u>19,811,385</u>	<u>0.44%</u>
Total		<u>\$ 491,112,334</u>	<u>7.76%</u>	Total		<u>\$ 310,888,597</u>	<u>6.85%</u>

Source:
Muscogee County Tax Commissioner

UNAUDITED

**MUSCOGEE COUNTY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS (1)	CAPITAL LEASES	QZAB	TOTAL OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME(2)	DEBT PER CAPITA (3)
2010	55,036,074	3,586,946	693,932	59,316,952	2.02%	291
2011	73,382,068	-	741,536	74,123,604	4.16%	389
2012	55,048,399	-	792,405	55,840,804	3.14%	289
2013	36,479,730	-	846,764	37,326,494	2.10%	188
2014	18,136,855	-	904,852	19,041,707	0.64%	89
2015	-	-	1,000,000	1,000,000	0.03%	-
2016	20,702,531	-	-	20,702,531	0.59%	109
2017	55,572,580	507,928	-	56,080,508	1.60%	284
2018	37,231,663	462,292	-	37,693,955	1.04%	194
2019	18,617,102	2,043,564		20,660,666	0.57%	110

Sources: Details regarding the District's outstanding debt can be found in the notes to the financial statements

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Demographic Statistics schedule

(3) Population data can be found in the Demographic Trend statistics schedule

**MUSCOGEE COUNTY SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS(1)	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS(2)	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2010	55,036,074	1,172,061	53,864,013	1.22%	285
2011	73,382,068	18,423,812	54,958,256	1.21%	292
2012	55,048,399	18,319,925	36,728,474	0.82%	193
2013	36,479,730	18,263,667	18,216,063	0.39%	94
2014	18,136,855	18,307,724	(170,869)	0.00%	(1)
2015	-	-	-	0.00%	-
2016	20,702,531	326,274	20,376,257	0.41%	107
2017	55,572,580	18,239,506	37,333,074	0.65%	189
2018	37,231,663	18,536,275	18,695,388	0.29%	96
2019	18,617,102	18,617,102	-	0.00%	-

Sources: Details regarding the District's outstanding debt can be found in the notes to the financial statements

(1) This is the general bonded debt of governmental, net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payments

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property schedule for property value data.

(4) Population data can be found in the Demographic Trend statistics

**MUSCOGEE COUNTY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2019**

Governmental Unit:	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Consolidated Government of Columbus, Georgia			
Columbus Building Authority	\$ 109,870,540		
GMA Lease Pool	<u>14,541,721</u>		
Total Consolidated Government of Columbus, Georgia	124,412,261	100%	<u>124,412,261</u>
Subtotal, overlapping debt			124,412,261
Muscogee County School District direct debt			<u>20,660,666</u>
Total direct and overlapping debt			<u>\$ 145,072,927</u>

Source: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Muscogee County School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**MUSCOGEE COUNTY SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	Net Assessed Valuation County Wide School Bonds July 1, of fiscal year	Debt Limit 10% of Assessed Value	Total Bonded Debt	Assets in Debt Service Fund	Total Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Ratio of Legal Debt Margin to Debt Limit
2010	4,266,030,953	426,603,095	55,036,074	1,172,061	53,864,013	372,739,082	0.9
2011	4,275,779,966	427,577,997	73,382,068	18,423,668	54,958,400	372,619,597	0.9
2012	4,365,534,136	436,553,414	55,048,399	18,319,925	36,728,474	399,824,940	0.9
2013	4,469,344,625	446,934,463	36,479,730	18,263,667	18,216,063	428,718,400	1.0
2014	4,488,250,421	448,825,042	18,136,855	18,307,724	(170,869)	448,995,911	1.0
2015	4,606,100,631	460,610,063	-	-	-	460,610,063	1.0
2016	4,702,023,222	470,202,322	20,702,531	326,274	20,376,257	449,826,065	1.0
2017	5,272,223,687	527,222,369	55,572,580	18,239,506	37,333,074	489,889,295	0.9
2018	5,664,781,162	566,478,116	37,231,663	18,536,275	18,695,388	547,782,728	1.0
2019	5,577,107,573	557,710,757	18,617,102	24,572,825	(5,955,723)	557,710,757	1.0

Source: Muscogee County Tax Commissioner

UNAUDITED

**MUSCOGEE COUNTY SCHOOL DISTRICT
COMPARISON OF MAJOR EMPLOYERS
YEARS ENDING 2019 AND 2010**

JUNE 30, 2019				JUNE 30, 2010			
EMPLOYER	NUMBER OF EMPLOYEES	RANK	% OF TOTAL CITY EMPLOYMENT	EMPLOYER	NUMBER OF EMPLOYEES	RANK	% OF TOTAL CITY EMPLOYMENT
Fort Benning	40,000	1	31.2%	Fort Benning	42,000	1	28.7%
Muscogee County School District	5,350	2	4.2%	Muscogee County School District	6,000	2	4.1%
TSYS	4,690	3	3.7%	Total System Services, Inc. (TSYS)	4,400	3	3.0%
Aflac	3,670	4	2.9%	Aflac	4,000	4	2.7%
Columbus Regional Healthcare System	3,180	5	2.5%	Columbus Regional Healthcare System	3,883	5	2.7%
Columbus Consolidated Government	3,130	6	2.4%	Columbus Consolidated Government	2,943	6	2.0%
KIA Motors Manufacturing	3,000	7	2.3%	Pezold Management	2,200	7	1.5%
St. Francis Hospital Inc.	3,000	8	2.3%	Blue Cross Blue Shield of Georgia	1,650	8	1.1%
BlueCross BlueShield of Georgia	1,650	9	1.3%	St. Francis Hospital Inc.	1,445	9	1.0%
Columbus State University	1,360	10	<u>1.1%</u>	Callaway Gardens	1,200	10	<u>0.8%</u>
Total	69,030		<u>53.80%</u>	Total	69,721		<u>47.60%</u>

Note: Number of employees information reported reflects reporting as of the date of the document.

Source:

Columbus, Georgia Chamber of Commerce

US Bureau of Labor Statistics

MUSCOGEE COUNTY SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
JUNE 30, 2019

Square miles	221
Population	194,160
Average Density (Persons/Square Mile)	861

Source: U.S. Census Bureau

Climate	Average Temperatures/Precipitation		Average Monthly Rainfall in Inches
	High	Low	
September	86.4	66.7	3.06
December	59.2	38.9	4.27
March	69.5	46.1	5.46
June	90.0	69.7	3.72
Normal Annual Mean Temperature:	76.3	55.1	
Normal Annual Rainfall:			46.75

Source: National Climatic Data Center (www.ncdc.noaa.gov)

	<u>2010</u>	<u>2019</u>
Population		
Total Population	190,414	194,160
Median Age	31.8	33.5
Age Distribution		
17 and under	27,632	55,018
18 to 64	140,516	117,945
65 and over	22,266	21,095
Race Distribution		
White population	90,020	89,896
Black population	86,689	88,343
Other population	13,705	15,913

Sources:

U.S. Census Bureau
General Demographic Characteristics

	<u>2010</u>	<u>2019</u>
Housing		
Number of households units	74,569	84,743
Effective Buying Income		
Median household	\$39,438	\$43,051
Per Capita	20,234	25,224

Sources:

U.S. Census Bureau
General Demographic Characteristics
American FactFinder

**MUSCOGEE COUNTY SCHOOL DISTRICT
DEMOGRAPHIC TRENDS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Age</u>	<u>School Employment</u>	<u>Labor Force</u>	<u>Unemployment Rate (County)</u>	<u>Median Household Income</u>
	(1)	(1)	(2)	(3)	(3)	(1)
2010	190,414	31.8	6,159	128,300	9.7%	39,438
2011	190,417	33.5	6,080	131,800	10.1%	35,384
2012	194,107	33.6	5,987	132,700	9.8%	37,333
2013	198,413	33.0	5,737	131,700	9.2%	45,178
2014	202,824	33.5	5,568	130,900	8.5%	40,388
2015	200,887	33.5	5,287	125,500	8.2%	42,669
2016	200,579	33.5	5,115	124,200	7.1%	41,592
2017	197,485	33.5	5,126	124,300	6.0%	42,306
2018	194,058	33.5	5,159	127,083	5.2%	42,661
2019	194,160	33.5	5,350	128,400	9.7%	43,051

Sources:

- (1) U.S. Census actual counts and projections
 - (2) Muscogee County School District
 - (3) U.S. Bureau of Labor Statistics
- Reporting changed in 2008 from single city/county to MSA. The Columbus MSA includes Chattahoochee, Harris, Marion and Muscogee counties in Georgia, and Russell County in Alabama.

**MUSCOGEE COUNTY SCHOOL DISTRICT
EMPLOYMENT STATISTICS
JUNE 30, 2019**

Total Columbus Employment	128,400
<hr/>	
Private Sector	80.4%
Service Providing Industries	69.50%
Trade, transportation and public utilities	3.80%
Retail trade	10.80%
Information	1.20%
Financial and insurance	10.50%
Professional and business services	14.70%
Leisure and hospitality	28.50%
Unclassified, Industry not identified	0.20%
Goods Producing Industries	10.70%
Government Sector	19.60%
Federal	6.60%
State and local	13.10%
<hr/>	
Total All Sectors	100.00%
<hr/>	

Source: Ga Department of Labor

Based on Columbus MSA which includes Muscogee along with Cahttahoochee County, Georgia and Russell County, Alabama.

**MUSCOGEE COUNTY SCHOOL DISTRICT
ENROLLMENT BY GRADE LEVEL
LAST TEN FISCAL YEARS**

Grade level	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PK	1,121	1,115	1,157	1,172	1,176	1,185	1,114	1,099	1,077	1,103
KK	2,465	2,488	2,602	2,782	2,691	2,577	2,493	2,394	2,388	2,379
Grade 1	2,453	2,439	2,556	2,598	2,761	2,699	2,546	2,441	2,448	2,392
Grade 2	2,429	2,356	2,352	2,475	2,480	2,690	2,604	2,465	2,453	2,392
Grade 3	2,478	2,408	2,368	2,337	2,445	2,472	2,668	2,578	2,436	2,501
Grade 4	2,496	2,448	2,375	2,332	2,312	2,419	2,402	2,560	2,545	2,418
Grade 5	2,382	2,489	2,431	2,366	2,262	2,325	2,341	2,350	2,540	2,541
Grade 6	2,277	2,361	2,462	2,420	2,305	2,238	2,226	2,281	2,315	2,538
Grade 7	2,326	2,299	2,335	2,329	2,426	2,289	2,202	2,192	2,258	2,338
Grade 8	2,378	2,340	2,294	2,280	2,274	2,357	2,246	2,241	2,201	2,278
Grade 9	2,925	2,787	2,644	2,618	2,516	2,567	2,649	2,551	2,647	2,586
Grade 10	2,504	2,517	2,434	2,345	2,318	2,225	2,270	2,327	2,287	2,315
Grade 11	2,314	2,193	2,232	2,131	2,151	2,098	2,055	2,105	2,107	2,025
Grade 12	1,910	2,048	1,989	1,987	2,011	2,171	2,083	2,006	2,061	2,053
Total	<u><u>32,458</u></u>	<u><u>32,288</u></u>	<u><u>32,231</u></u>	<u><u>32,172</u></u>	<u><u>32,128</u></u>	<u><u>32,312</u></u>	<u><u>31,899</u></u>	<u><u>31,590</u></u>	<u><u>31,763</u></u>	<u><u>31,859</u></u>
Annual % Change	-0.4%	-0.5%	-0.2%	-0.2%	-0.1%	0.6%	-1.3%	-1.0%	0.5%	0.3%

Source: Georgia Department of Education, www.gadoe.org

UNAUDITED

**MUSCOGEE COUNTY SCHOOL DISTRICT
COMPARISON OF GOVERNMENT-WIDE EXPENSES - PER PUPIL COST
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>EXPENSES</u>	<u>ENROLLMENT</u>	<u>ENROLLMENT COST PER PUPIL</u>	<u>AVERAGE DAILY ATTENDANCE</u>	<u>CLASSROOM TEACHERS</u>	<u>PUPIL/TEACHER RATIO</u>
2010	333,563,671	32,458	10,277	30,754	(1)	(1)
2011	334,665,069	32,288	10,365	30,013	(1)	(1)
2012	338,098,807	32,231	10,490	30,342	(1)	(1)
2013	342,482,803	32,172	10,645	30,226	2,311	14:1
2014	338,714,495	32,128	10,543	29,693	2,142	15:1
2015	310,212,966	32,312	9,601	30,456	1,878	17:1
2016	303,119,258	31,899	9,502	30,130	1,852	17:1
2017	335,404,538	31,590	10,617	29,005	1,964	16:1
2018	349,492,461	31,763	11,003	30,598	1,972	16:1
2019	348,296,360	31,859	10,932	30,135	2,020	16:1

Sources: Internal financial records of Muscogee County School District
Georgia Department of Education website, www.gadoe.org

**MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL LUNCH AND BREAKFAST PROGRAMS
LAST TEN FISCAL YEARS**

	LUNCH				BREAKFAST				TOTAL MEALS SERVED			
	Free	Reduced	Paid	Total	Free	Reduced	Paid	Total	Free	Reduced	Paid	Total
2010	2,711,892	364,346	1,282,858	4,359,096	1,356,153	119,126	241,229	1,716,508	4,068,045	483,472	1,524,087	6,075,604
% by category	62.2	8.4	29.4	100	79.0	6.9	14.1	100	67.0	8.0	25.1	100
2011	2,876,593	326,276	1,168,506	4,371,375	1,407,481	101,629	184,112	1,693,222	4,284,074	427,905	1,352,618	6,064,597
% by category	65.8	7.5	26.7	100	83.1	6.0	10.9	100	70.6	7.1	22.3	100
2012	2,993,889	341,988	1,075,838	4,411,715	1,534,764	112,450	179,631	1,826,845	4,528,653	454,438	1,255,469	6,238,560
% by category	65.8	7.8	24.4	98	84.0	6.2	9.8	100	72.6	7.3	20.1	100
2013	3,036,363	318,316	974,412	4,329,091	1,537,472	114,717	179,161	1,831,350	4,573,835	433,033	1,153,573	6,160,441
% by category	70.1	7.4	22.5	100	84.0	6.3	9.8	100	74.2	7.0	18.7	100
2014	3,370,632	186,814	721,518	4,278,964	1,699,748	54,655	105,596	1,859,999	5,070,380	241,469	827,114	6,138,963
% by category	78.8	4.4	16.9	100	91.4	2.9	5.7	100	82.6	3.9	13.5	100
2015	3,507,505	186,081	662,512	4,356,098	1,808,141	56,967	99,055	1,964,163	5,315,646	243,048	761,567	6,320,261
% by category	80.5	4.3	15.2	100	92.1	2.9	5.0	100	84.1	3.8	12.0	100
2016	3,475,138	185,302	597,852	4,258,292	1,828,920	60,870	98,296	1,988,086	5,304,058	246,172	696,148	6,246,378
% by category	81.6	4.4	14.0	100	92.0	3.1	4.9	100	84.9	3.9	11.1	100
2017	3,693,781	107,084	430,273	4,231,138	1,920,159	33,446	62,870	2,016,475	5,613,940	140,530	493,143	6,247,613
% by category	87.3	2.5	10.2	100	95.2	1.7	3.1	100	89.9	2.2	7.9	100
2018	3,545,632	74,977	522,606	4,143,215	1,821,867	23,486	145,121	1,990,474	5,367,499	98,463	667,727	6,133,689
% by category	85.6	1.8	12.6	100	91.5	1.2	7.3	100	87.5	1.6	10.9	100
2019	3,540,837	91,205	533,639	4,165,681	1,797,456	28,300	148,755	1,974,511	5,338,293	119,505	682,394	6,140,192
% by category	85.0	2.2	12.8	100	91.0	1.4	7.5	100	86.9	1.9	11.1	100

Source: Muscogee County School District School Nutrition Division

**MUSCOGEE COUNTY SCHOOL DISTRICT
EMPLOYEES BY FUNCTION
LAST NINE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Direct instruction	3,253	3,135	3,065	3,291	3,165	3,393	3,497	3,588	3,881
Maintenance and transportation	533	443	512	544	542	592	670	709	743
School nutrition	334	327	163	312	343	364	357	355	303
Others	<u>1,230</u>	<u>1,254</u>	<u>1,386</u>	<u>968</u>	<u>1,237</u>	<u>1,219</u>	<u>1,213</u>	<u>1,335</u>	<u>1,153</u>
Total employees	<u>5,350</u>	<u>5,159</u>	<u>5,126</u>	<u>5,115</u>	<u>5,287</u>	<u>5,568</u>	<u>5,737</u>	<u>5,987</u>	<u>6,080</u>
Average Monthly Payroll	<u>\$ 16,878,466</u>	<u>\$ 16,417,773</u>	<u>\$ 15,873,289</u>	<u>\$ 15,453,425</u>	<u>\$ 15,466,891</u>	<u>\$ 16,454,503</u>	<u>\$ 17,007,591</u>	<u>\$ 16,232,776</u>	<u>\$ 16,795,065</u>

Source: Internal records of Muscogee County School District

Muscogee County School District has not reported this information in previous year.

**MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS
PRIOR NINE YEARS**

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Allen ES	1967									
Square feet		54,032	53,997	53,997	53,997	53,997	53,997	53,997	53,997	53,997
Classrooms		32	30	30	30	30	30	30	30	30
FTE		458	432	469	474	546	464	464	450	459
Aaron Cohn MS	2013									
Square feet		109,707	110,000	110,000	110,000	110,000	110,000	Note ¹	Note ¹	Note ¹
Classrooms		45	46	46	46	46	46			
FTE		660	567	559	521	457	481			
Arnold MS	1959									
Square feet		80,570	80,295	80,295	80,295	80,295	80,295	80,295	80,295	80,295
Classrooms		42	42	42	42	42	42	42	42	42
FTE		589	607	673	688	708	711	774	814	826
Baker MS	1952									
Square feet		104,614	105,691	105,691	105,691	105,691	98,051	98,051	98,051	98,051
Classrooms		43	44	44	44	44	43	43	43	43
FTE		564	503	523	566	559	587	428	Note ²	Note ²
Blackmon Road MS	1995									
Square feet		98,663	98,663	98,663	98,663	98,663	98,663	98,663	98,663	98,663
Classrooms		49	49	49	49	49	49	49	49	49
FTE		632	642	660	601	606	615	757	832	858
Blanchard ES	1963									
Square feet		61,844	61,844	61,844	61,844	61,844	61,844	61,844	61,844	61,844
Classrooms		38	39	39	39	39	38	38	38	38
FTE		568	548	538	493	518	577	580	592	593
Brewer ES	1991									
Square feet		68,754	68,754	68,754	68,754	68,754	68,754	68,754	68,754	68,754
Classrooms		43	44	44	44	44	43	43	43	43
FTE		517	476	485	514	499	606	518	466	440
Britt David ES	1955									
Square feet		58,474	58,474	58,474	58,474	58,474	58,474	58,474	58,474	58,474
Classrooms		35	35	35	35	35	35	35	35	35
FTE		590	563	570	567	575	560	544	542	547
Carver HS	2012									
Square feet		250,306	235,354	235,354	235,354	235,354	235,354	235,354	Note ²	Note ²
Classrooms		68	67	67	67	67	67	67	Note ²	Note ²
FTE		956	1136	1,138	1,191	1,200	1,193	1,112	881	967

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Clubview ES	1953									
Square feet		65,960	63,423	63,423	63,423	63,423	63,423	63,423	63,423	63,423
Classrooms		34	34	34	35	35	35	35	35	35
FTE		514	501	542	549	534	561	533	499	496
Columbus HS	1926									
Square feet		148,364	145,325	145,325	145,325	145,325	145,325	145,325	145,325	145,325
Classrooms		64	62	62	62	62	61	61	61	61
FTE		1,275	1,286	1,267	1,269	1,255	1,292	1,306	1,313	1,333
Cusseta Road ES	1965									
Square feet		Note: ³	Note: ³	Note: ³	Note: ³	Note: ³	63,038	63,038	63,038	63,038
Classrooms							36	36	36	36
FTE							299	311	351	352
Davis ES	1952									
Square feet		60,732	60,732	60,732	60,732	60,732	60,732	60,732	60,732	60,732
Classrooms		39	40	40	40	40	39	39	39	39
FTE		401	381	416	447	474	407	438	404	390
Dawson ES	1960									
Square feet		51,990	37,563	37,563	37,563	37,563	37,563	37,563	37,563	37,563
Classrooms		32	32	32	32	32	32	32	32	32
FTE		336	268	269	288	283	327	351	370	355
Dimon ES	1967									
Square feet		58,068	58,068	58,068	58,068	58,068	58,068	58,068	58,068	58,068
Classrooms		35	34	34	34	34	34	34	34	34
FTE		458	496	545	489	450	488	496	469	474
Dbl Churches ES	1951									
Square feet		68,650	62,231	62,231	62,231	62,231	62,231	62,231	62,231	62,231
Classrooms		40	39	39	39	39	39	39	39	39
FTE		644	572	566	579	569	440	436	434	437
Dbl Churches MS	2000									
Square feet		95,760	95,760	95,760	95,760	95,760	95,760	95,760	95,760	95,760
Classrooms		43	42	42	42	42	42	42	42	42
FTE		545	451	456	456	470	459	442	404	445
Dorothy Height ES	2014									
Square feet		87,362	91,000	91,000	91,000	91,000	Note: ¹	Note: ³	Note: ³	Note: ³
Classrooms		48	47	47	47	47				
FTE		498	712	762	712	672				

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Downtown ES	1995									
Square feet		70,502	70,502	70,502	70,502	70,502	70,502	70,502	70,502	70,502
Classrooms		36	36	36	36	36	37	37	37	37
FTE		321	302	330	294	486	537	550	534	536
Eagle Ridge ES	2007									
Square feet		81,089	81,089	81,089	81,089	81,089	81,089	81,089	81,089	81,089
Classrooms		45	44	44	44	44	44	44	44	44
FTE		701	749	730	756	769	720	694	678	681
Early College Academy	1920									
Square feet		19,725	21,572	21,572	21,572	21,572	48,205	48,205	48,205	48,205
Classrooms		12	15	15	15	15	15	15	15	15
FTE		124	158	170	169	181	162	169	156	158
E. Columbus MS	2000									
Square feet		86,683	86,685	86,685	86,685	86,685	86,685	86,685	86,685	86,685
Classrooms		42	42	42	42	42	42	42	42	42
FTE		553	546	549	601	627	640	611	624	661
Eddy MS	1961									
Square feet		75,399	75,339	75,339	75,399	75,399	75,399	75,399	75,399	75,399
Classrooms		41	40	40	40	40	40	40	40	40
FTE		449	453	417	414	481	453	425	373	373
Edgewood ES	1954									
Square feet		Note: ³	Note: ³	Note: ³	Note: ³	Note: ³	Note: ³	48,825	48,825	48,825
Classrooms								31	31	31
FTE								345	353	353
Forrest Road ES	1954									
Square feet		48,019	48,019	48,019	48,019	48,019	48,019	48,019	48,019	48,019
Classrooms		34	34	34	34	34	34	34	34	34
FTE		415	448	431	452	440	354	344	326	339
Fort MS	1978									
Square feet		106,402	107,938	107,938	85,195	85,195	85,195	85,195	85,195	85,195
Classrooms		39	39	39	39	39	39	39	39	39
FTE		609	544	566	523	510	579	605	565	565
Fox ES	2001									
Square feet		63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400
Classrooms		32	32	32	32	32	32	32	32	32
FTE		388	325	358	419	430	326	332	333	360
Gentian ES	1955									
Square feet		52,245	52,245	52,245	52,245	52,245	52,245	52,245	52,245	52,245
Classrooms		34	34	34	34	34	34	34	34	34
FTE		450	444	413	419	417	462	411	413	448

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Georgetown ES	1966									
Square feet		60,911	46,984	46,984	46,984	46,984	46,984	46,984	46,984	46,984
Classrooms		33	33	33	33	33	33	33	33	33
FTE		535	513	480	498	504	541	465	455	449
Hannan ES	1990									
Square feet		62,240	62,772	62,772	62,772	62,772	62,772	62,772	62,772	62,772
Classrooms		39	39	39	39	39	39	39	39	39
FTE		504	491	501	522	478	501	501	477	487
Hardaway HS	1965									
Square feet		158,000	166,400	166,400	166,400	166,400	167,909	167,909	167,909	167,909
Classrooms		64	64	64	64	64	64	64	64	64
FTE		1,240	1,273	1,288	1,276	1,369	1,482	1,592	1,647	1,767
Johnson ES	1949									
Square feet		61,122	61,222	61,222	61,122	61,122	61,122	61,122	61,122	61,122
Classrooms		30	30	30	30	30	30	30	30	30
FTE		408	439	350	353	337	356	360	351	328
Jordan HS	1939									
Square feet		194,015	231,695	231,695	231,695	231,695	231,695	231,695	231,695	231,695
Classrooms		75	70	70	70	70	79	79	79	79
FTE		779	766	765	787	740	716	754	649	773
Kendrick HS	1964									
Square feet		166,997	163,398	163,398	163,398	163,398	163,398	163,398	163,398	163,398
Classrooms		73	71	71	71	71	72	72	72	72
FTE		855	898	896	945	905	842	826	696	793
Key ES	1957									
Square feet		49,532	49,532	49,532	49,532	49,532	49,532	49,532	49,532	49,532
Classrooms		31	31	31	31	31	31	31	31	31
FTE		336	373	331	341	362	349	377	325	321
Lonnie Jackson ES	1952									
Square feet		52,391	52,391	52,391	52,391	52,391	52,391	52,391	52,391	52,391
Classrooms		34	34	34	34	34	34	34	34	34
FTE		415	489	461	488	533	416	410	396	390
Marshall MS	1953									
Square feet		106,702	Note: ³	Note: ³	Note: ³	Note: ³	Note: ³	106,702	106,702	106,702
Classrooms		43						43	43	43
FTE		659						357	586	659

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Martin Luther King ES	2000									
Square feet		61,577	61,577	61,577	61,577	61,577	61,577	61,577	61,577	61,577
Classrooms		34	34	34	34	34	34	34	34	34
FTE		464	503	541	618	613	563	659	558	679
Mathews ES	1952									
Square feet		65,369	64,012	64,012	64,012	64,012	64,012	64,012	64,012	64,012
Classrooms		38	37	37	37	37	37	37	37	37
FTE		721	738	700	697	672	560	501	527	520
Midland Academy ES	2000									
Square feet		73,560	73,560	73,560	73,560	73,560	73,560	73,560	73,560	73,560
Classrooms		38	38	38	38	38	37	37	37	37
FTE		619	594	577	564	564	657	653	660	667
Midland MS	1999									
Square feet		107,320	108,855	108,855	108,855	108,855	108,855	108,855	108,855	108,855
Classrooms		55	55	55	55	55	55	55	55	55
FTE		414	413	392	434	462	410	691	723	747
Muscogee ES	1957									
Square feet		Note: ³	Note: ³	Note: ³	Note: ³	Note: ³	52,226	52,226	52,226	52,226
Classrooms							30	30	30	30
FTE							371	373	360	377
North Columbus ES	2006									
Square feet		78,654	78,654	78,654	78,654	78,654	75,961	75,961	75,961	75,961
Classrooms		44	44	44	44	44	43	43	43	43
FTE		693	755	681	722	737	756	747	711	683
Northside HS	2002									
Square feet		224,754	220,862	220,862	220,862	220,862	220,862	220,862	220,862	220,862
Classrooms		78	79	79	79	79	79	79	60	60
FTE		1,495	1,446	1,404	1,357	1,344	1,322	1,448	1,490	1,563
Rainey-McCullers School of Arts	2017									
Square feet		113,443	118,500	Note: ¹	Note: ¹	Note: ¹	Note: ¹	Note: ¹	Note: ¹	Note: ¹
Classrooms		38	37							
FTE		318	310							
Reese Road ES	1958									
Square feet		55,974	55,074	55,074	55,074	55,074	55,074	55,074	55,074	55,074
Classrooms		34	34	34	34	34	34	34	34	34
FTE		464	499	481	460	472	552	553	554	548

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Richards MS	1960									
Square feet		108,358	108,358	108,358	108,358	108,358	92,798	92,798	92,798	92,798
Classrooms		50	40	40	40	40	39	39	39	39
FTE		782	698	760	701	732	758	793	743	761
Rigdon Road ES	2008									
Square feet		77,005	77,665	77,665	77,665	77,665	77,005	77,005	77,005	77,005
Classrooms		44	41	41	41	41	43	43	43	43
FTE		548	605	656	646	680	510	421	422	414
River Road ES	1957									
Square feet		54,262	54,262	54,262	54,262	54,262	54,262	54,262	54,262	54,262
Classrooms		34	34	34	34	34	34	34	34	34
FTE		444	404	423	437	422	431	431	415	413
Rothschild MS	1966									
Square feet		88,547	88,547	88,547	88,547	88,547	88,547	88,547	88,547	88,547
Classrooms		47	47	47	47	47	47	47	47	47
FTE		536	529	523	545	556	639	509	501	512
Shaw HS	1978									
Square feet		171,223	153,614	153,614	153,614	153,614	153,614	153,614	153,614	153,614
Classrooms		64	55	55	55	55	55	55	55	55
FTE		1,154	1251	1,235	1,225	1,244	1,197	1,157	1,148	1,190
South Columbus ES	1952									
Square feet		58,950	58,950	58,950	58,950	58,950	58,950	58,950	58,950	58,950
Classrooms		38	38	38	38	38	38	38	38	38
FTE		471	534	554	558	563	447	447	440	453
Spencer HS (4)	2019									
Square feet		200,577	150,985	150,985	150,985	150,985	150,985	150,985	150,985	150,985
Classrooms		70	55	55	55	55	52	52	52	52
FTE		991	813	826	838	823	767	717	691	755
St. Marys ES	1956									
Square feet		45,148	45,148	45,148	45,148	45,148	45,148	45,148	45,148	45,148
Classrooms		29	29	29	29	29	29	29	29	29
FTE		494	355	394	406	439	479	469	443	448
Veteran's Memorial MS	2007									
Square feet		96,595	96,595	96,595	96,595	96,595	96,595	96,595	96,595	96,595
Classrooms		42	42	42	42	42	42	42	42	42
FTE		613	586	636	624	627	614	637	675	684

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHOOL BUILDINGS (Continued)
PRIOR NINE YEARS

School Name	Occupied Year	2019	2018	2017	2016	2015	2014	2013	2012	2011
Waddell ES	1966									
Square feet		48,891	58,315	58,315	58,315	58,315	58,315	58,315	58,315	58,315
Classrooms		36	36	36	36	36	36	36	36	36
FTE		463	462	462	525	522	524	542	517	556
Wesley Heights ES	1963									
Square feet		49,234	49,234	49,234	49,234	49,234	49,234	49,234	49,234	49,234
Classrooms		33	34	34	34	34	34	34	34	34
FTE		493	443	395	401	447	467	432	430	441
Wynnton ES	1918									
Square feet		56,980	56,980	56,980	56,980	56,980	56,980	56,980	56,980	56,980
Classrooms		33	28	28	28	28	28	28	28	28
FTE		395	473	476	480	449	644	374	407	407
GRAND TOTALS										
Square feet		4,768,943	4,708,104	4,589,604	4,566,821	4,566,821	4,441,689	4,487,216	4,251,862	4,369,921
Classrooms		2,303	2,251	2,214	2,215	2,215	2,236	2,264	2,178	2,178
FTE		31,859	31,763	31,590	31,899	32,312	32,171	32,172	31,173	31,984

ES - Elementary School
MS - Middle School
HS - High School
FTE - Full Time Equivalent

Note: (1) School not in existence

(2) Rebuilding Carver HS, Carver HS students were at Baker Middle ; Baker Middle students were at Marshall Middle

(3) School Closed

(4) A new Spencer High School building was occupied in 2019 as a replacement facility. The prior building was occupied in 1978.

Source: Muscogee County School District ---Division of Facilities and Operations and Student Services

GaDOE Report FT002

GaDOE Report FT002

**MUSCOGEE COUNTY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS
JUNE 30, 2019**

Profile of an average classroom teacher:

- Years of experience - 8+ years
- Salary excluding benefits - \$53,155
- Age - 43
- Sex - Female
- Education - Masters Degree +

Of Certificated Staff, 87 Hold Doctorates

Other:

- Free public education established in Muscogee County in 1866
- First public school system in the nation to offer kindergarten as part of the educational process (1905)
- First municipal vocational high in the nation
- Muscogee County School District is accredited by the AdvanceED
- The Board of Education is composed of nine elected members who are paid \$1,000 per month

Source: Internal records of MCSD

Compliance with the Uniform Guidance

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 Board of Education
Muscogee County School District
Columbus, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Muscogee County School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 government'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we have reported to management of the District in a separate letter dated December 2, 2019.

Purpose of this Report

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

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 2, 2019

Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance

The Board of Education
Muscogee County School District
Columbus, Georgia

Report on Compliance for Each Major Federal Program

We have audited Muscogee County School District's (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Muscogee County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

The Board of Education
Muscogee County School District
Page Three

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.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 2, 2019

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF JUNE 30, 2019

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Cash Assistance			
Food Services			
School Breakfast Program	10.553	18185GA324N1099	\$ 3,943,043
National School Lunch Program	10.555	18185GA324N1100	12,544,517
Non Cash Assistance			
U.S. Department of Agriculture (USDA) Commodities	10.550		1,262,714
Total Child Nutrition Cluster			<u>17,750,274</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
Fresh Fruit and Vegetable Program	10.582	185GA324L1603	105,597
Commercial Warehouse Storage and Delivery Cost Reimbursement	10.Unknown	18GA904N2533	18,644
Equipment Stimulus Grant	10.579	18GA350M8103	23,782
Total Other Programs			<u>148,023</u>
Total U.S. Department of Agriculture			<u>17,898,297</u>
Education, U.S. Department of Impact Aid Cluster			
Direct			
Impact Aid	84.041		<u>726,291</u>
Education for Homeless Children and Youth Cluster			
Pass-Through From Georgia Department of Education			
Education for Homeless Children and Youth	84.196	S196A170011	15,805
Education for Homeless Children and Youth	84.196	S196A180011	35,151
Total Education for Homeless Children and Youth Cluster			<u>50,956</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Grants to States			
GA Network for Educational & Therapeutic Support (GNETS) Federal VIB	84.027	H027A170073	35,637
GA Network for Educational & Therapeutic Support (GNETS) Federal VIB	84.027	H027A180073	234,061
Special Ed - VIB Flowthrough	84.027	H027A180073	6,395,152
Preschool Grants			
Special Ed - Preschool, Regular Project	84.173	H173A180081	198,909
Total Special Education Cluster			<u>6,863,759</u>
School Improvement Grants Cluster			
Pass-Through From Georgia Department of Education			
School Improvement Federal - G funds	84.377	S377A150011	<u>107,738</u>
Title I, Part A Cluster			
Pass-Through From the Georgia Department of Education			
Title I Grant to Local Educational Agencies			
Title I-A, Improving the Academic Achievement of the Disadvantaged	84.010	S010A170010	2,785,004
Title I-A, Improving the Academic Achievement of the Disadvantaged	84.010	S010A180010	8,703,911
Title I-A, School Improvement	84.010	S010A170010	4,827
Title I-A, School Improvement	84.010	S010A180010	478,964
Total Title I, Part A Cluster			<u>11,972,706</u>

MUSCOGEE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF JUNE 30, 2019

FUNDING AGENCY PROGRAM/GRANT	CFDA NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Other Programs			
Pass-Through From the Georgia Department of Education			
Career, Technical & Agricultural Education (CTAE) - Basic Grants to States			
CTAE - Perkins IV Reserve - Perkins Plus	84.048	V048A180010	24,999
CTAE - Perkins IV Grants - Program Improvement	84.048	V048A180010	335,740
CTAE - Perkins IV Grants - Perkins Carryover	84.048	V048A170010	19,668
English Language Acquisition Grants			
Title III-A, Limited English Proficient (LEP)	84.365	S365A170010	18,040
Title III-A, Limited English Proficient (LEP)	84.365	S365A180010	110,931
Supporting Effective Instruction			
Title II-A, Advanced Placement Grant	84.367	S367A180001	6,450
Title II-A, Improving Teacher Quality	84.367	S367A170001	818,137
Title II-A, Improving Teacher Quality	84.367	S367A180001	574,001
Student Support and Academic Enrichment			
Title IV Student Support and Academic Enrichment	84.424A	S424A170011	76,764
Title IV Student Support and Academic Enrichment	84.424A	S424A180011	529,646
Special Education			
Substance Abuse and Mental Health Services Administration (SAMHSA)			
Now is the Time GA Project Aware	93.243	H79SM061777	127,156
Now is the Time GA Project Aware	93.243	H79SM061877	267,922
Total Other Programs			<u>2,909,454</u>
Title II, Part B Cluster			
Pass-Through From Georgia Department of Education			
Title II Grant to Local Educational Agencies			
Title II-B, Mathematics and Science Partnerships	84.366	S366B160011	<u>68,070</u>
Other Programs			
Transportation, U.S. Department of Highway Safety Cluster			
Pass-Through From Georgia Governor's Office of Highway Safety			
Students Against Destructive Decisions (SADD)	20.600	2018-402TSP	<u>1,500</u>
U.S. Department of Education			
Pass-Through From Board of Regents of the University System of Georgia			
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334	P334S160030	<u>54,152</u>
Institute of Museum and Library Services			
Pass-Through From Board of Regents of the University System of Georgia			
Library Services and Technology Services	45.310		<u>4,229</u>
Defense, U.S. Department of Defense			
Direct			
DoDEA Grant	12.556		297,319
R.O.T.C Program	12.Unknown		<u>987,438</u>
Total U.S. Department of Defense			<u>1,284,757</u>
Total Federal Financial Assistance			<u>\$ 41,941,909</u>

MUSCOGEE COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Muscogee County School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net assets of the Board.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized as the following, where applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained 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-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

MUSCOGEE COUNTY SCHOOL DISTRICT
COLUMBUS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion, dated December 2, 2019, was issued on the financial statements for the year ended June 30, 2019.
2. The "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" dated December 2, 2019, disclosed no significant deficiencies or material weaknesses for the year ended June 30, 2019.
3. The "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" dated December 2, 2019, disclosed no instances of noncompliance for the year ended June 30, 2019.
4. The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance," dated December 2, 2019, disclosed no significant deficiencies or material weaknesses in internal control over major federal programs for the year ended June 30, 2019.
5. An unmodified opinion, dated December 2, 2019, was issued on the District's compliance with its major federal programs in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance," for the year ended June 30, 2019.
6. No audit findings were disclosed that are required to be reported under 2 CFR 200.516(a) for the year ended June 30, 2019.
7. The major programs for the Muscogee County School District for the year ending June 30, 2019, were:

Title I, Part A Cluster

Pass - Through From the Georgia Department of Education

Title I Grant to Local Education Agencies

Title I-A Improving the Academic Achievement of the Disadvantaged 84.010

Title I-A, School Improvement 84.010

MUSCOGEE COUNTY SCHOOL DISTRICT
COLUMBUS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDITOR'S RESULTS (Continued)

8. The dollar threshold used to distinguish between Type A and Type B programs is \$1,258,257 as described in 2 CFR 200.518.
9. Under 2 CFR 200.520, the Muscogee County School District did qualify as a low-risk auditee for the year ended June 30, 2019.

FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The "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" dated December 2, 2019, disclosed no findings required to be reported in accordance with GAGAS for the year ended June 30, 2019.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance" dated December 2, 2019, disclosed no findings or questions costs for Federal awards as defined in 2 CFR 200.516(a), for the year ended June 30, 2019.