

**TROUP COUNTY SCHOOL
DISTRICT, GEORGIA**

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2022**

**TROUP COUNTY SCHOOL DISTRICT, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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I. FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Superintendent and Members of
the Troup County School District
LaGrange, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Troup County Board of Education** (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Troup County Board of Education as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Troup County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability – TRS, the Schedule of Contributions – TRS, the Schedule of Proportionate Share of Net Pension Liability – PSERS, the Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 21, 2023

TROUP COUNTY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

The discussion and analysis of Troup County School District (the "School District")'s financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the School District were exceeded by its assets and deferred outflows of resources at the close of the fiscal year 2022, causing a net position of \$45.1 million.
- The School District's total net position increased by \$40.8 million (949%) during the current fiscal year.
- The Governmental Activities' increase was \$38 million (864%) and the Business-type Activities' increase was (3,574%) or \$2.8 million. Total net position of Governmental Activities increased as the District received increased Federal funding from CARES to help offset COVID related expenditures and reduced expenditures from the prior year. The net position for Business-type activities increased as a result of the Business-type Activities becoming more self-sufficient.
- Governmental activities general revenues accounted for \$71.9 million or 40.83% of all revenues. Governmental activities program specific revenues in the form of charges for services, operating grants contributions and capital grants/contributions accounted for \$104.2 million or 59.2% of total Governmental Activities' revenues of \$176.1million.
- The School District had \$138.0 million of expenses related to Governmental Activities; only \$104.2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues totaling \$71.9 million were able to more than cover the balance of expenses. General revenues were primarily derived from Property Taxes of \$54.2 million and Special Local Option Sales Taxes of \$16.5 million.
- Among the major funds, the General Fund had \$129 million in revenues and \$123.1 million in expenditures. The General Fund's fund balance increased by \$5.8 million to \$31.2 million which represents 22.8% of total General Fund expenditures.
- Total net position for Business-type activities of a surplus (\$2,713,574) increased by \$2.8 million.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the Troup 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 Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-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 School District's most significant funds with all other non-major funds presented in total in one column. In the case of Troup County School District, the General Fund is by far the most significant fund.

REPORTING THE SCHOOL 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 School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2022?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows and inflows of resources, and liabilities using the accrual basis of accounting similar to the accounting methods used by most private-sector companies. These bases of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School district is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods of services provided. The School District’s food service and after school programs are reported as business activities.

REPORTING THE SCHOOL DISTRICT’S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District’s major funds begins on page 13. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund and the Capital Projects Fund.

Governmental Funds – Most of the School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provided a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements See pages 15 through 19.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Proprietary financial statements may be viewed on pages 20 through 22.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds generally include school clubs and organizations within the principal’s accounts. Fiduciary fund statements may be viewed on pages 23 and 24.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements may be viewed on pages 25 through 58.

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s net position for 2022 compared to 2021:

Table I
Troup County School District's Net Position
In Millions

	Governmental Activities		Business-type Activities		Total Net Position		Total % Change
	2021	2022	2021	2022	2021	2022	2021-22
Current and Other Assets	\$ 37.9	\$ 89.1	\$ 0.7	\$ 3.0	\$ 38.6	\$ 92.1	138.6%
Capital Assets	194.5	197.7	1.1	1.4	195.6	199.1	-1.8%
Total Assets	232.4	286.8	1.8	4.4	234.2	291.2	24.3%
Deferred outflows of Resources	59.1	53.1	0.4	0.3	59.5	53.4	-10.3%
	59.1	53.1	0.4	0.3	59.5	53.4	-10.3%
Other Liabilities	21.6	19.2	0.8	0.8	22.4	20.0	10.7%
Long Term Liabilities	240.8	162.6	1.4	0.5	242.2	163.1	-32.7%
Total Liabilities	262.4	181.8	2.2	1.3	264.6	183.1	-30.8%
Deferred Inflows of Resources	24.8	115.7	0.4	0.6	24.8	116.3	-369.0%
	24.8	115.7	0.4	0.6	24.8	116.3	-369.0%
Net Position:							
Net Investment in Capital							
Assets	194.2	196.9	1.1	1.1	195.3	198.0	-1.4%
Restricted	0.1	3.0	-	-	0.1	3.0	-2900.0%
Unrestricted	(189.9)	(157.5)	(1.2)	1.6	(191.1)	(155.9)	18.4%
Total Net Position	\$ 4.4	\$ 42.4	\$ (0.1)	\$ 2.7	\$ 4.3	\$ 45.1	-948.8%

Total net position increased \$40.8 million. Current and Other Assets increased \$53.5 million due to increased funding. Capital Assets increased by \$3.5 million due to increased purchases with CARES funds. SPLOST V spending decreased significantly as most project were 100% completed. The overall long-term liabilities decreased based upon the School District’s share of the Teachers Retirement System Net Pension Liability.

Table 2 shows the changes in net position for fiscal year 2022 compared to fiscal year 2021:

Table 2
Change in Troup County School District's Net Position
In Millions

	Governmental Activities		Business-type Activities		Total Net Position		Total % Change
	2021	2022	2021	2022	2021	2022	2021-22
Revenues							
Program Revenues							
Charges for Services	\$ 3.3	\$ 3.9	\$ 0.6	\$ 0.8	\$ 3.9	\$ 4.7	20.5%
Federal Grants	88.4	98.5	5.7	9.6	94.1	108.1	14.9%
Other	0.9	1.9	-	-	0.9	1.9	111.1%
General Revenues							
Property Taxes	54.3	54.2	-	-	54.3	54.2	-0.2%
Sales Taxes	14.2	16.5	-	-	14.2	16.5	16.2%
Other	2.2	1.2	-	-	2.2	1.2	-45.5%
Total Revenues	163.3	176.2	6.3	10.4	169.6	186.6	10.0%
Expenses							
Instruction	96.7	75.0	-	-	96.7	75.0	-22.4%
Pupil Support Services	10.8	12.9	-	-	10.8	12.9	19.4%
Improvement of Instructional Services	5.5	5.2	-	-	5.5	5.2	-5.5%
Educational Media	2.0	2.0	-	-	2.0	2.0	0.0%
Federal Grant administration	0.2	0.2	-	-	0.2	0.2	0.0%
General Administration	2.0	2.3	-	-	2.0	2.3	15.0%
School Administration	9.9	10.1	-	-	9.9	10.1	2.0%
Business Administration	1.8	1.2	-	-	1.8	1.2	-33.3%
Maintenance/Operation of Facilities	10.7	13.4	-	-	10.7	13.4	25.2%
Student Transportation Services	10.7	11.8	-	-	10.7	11.8	10.3%
Central Support Services	1.1	1.2	-	-	1.1	1.2	9.1%
Other Support Services	0.3	0.3	-	-	0.3	0.3	0.0%
Business Type Activities	-	-	7.5	7.7	7.5	7.7	2.7%
Community Services	-	-	-	-	-	-	0.0%
School Nutrition	0.2	1.6	-	-	0.2	1.6	700.0%
Interest and fiscal charges	-	0.3	-	-	-	0.3	0.0%
Bond Issuance Cost	-	0.5	-	-	-	0.5	0.0%
Total Expenses	151.9	138.0	7.5	7.7	159.4	145.7	-8.6%
Excess (Deficiency) before Transfers	11.4	38.2	(1.2)	2.7	10.2	40.9	301.0%
Transfers	(0.8)	(0.1)	0.8	0.1	-	-	0.0%
Change in Net Position	10.6	38.1	(0.4)	2.8	10.2	40.9	301.0%
Beginning Net Position	(6.2)	4.3	0.3	(0.1)	(5.9)	4.2	171.5%
Restatements	-	-	-	-	-	-	0.0%
Ending Net Position	\$ 4.4	\$ 42.4	\$ (0.1)	\$ 2.7	\$ 4.3	\$ 45.1	-949.3%

Governmental Activities

Revenues for governmental activities increased by 7.84%, while expenses decreased by 9.22%. Program revenues increased by 11.92%, mainly due to increases in Operating Grants & Contributions of \$10.1 million.. Increases in Operating Grants resulted from increases in QBE funding due to lower austerity reductions and Equalization funds from continuing state budget funding. Increased Capital Grants were a result of completing state approved projects.

General Revenues increased by 1.7%, mainly due to increases in collections of Sales Taxes of \$2.3 million and offset by a slight Property tax decrease of \$.1 million. Sales Tax increases resulted from new business like Great Wolf Lodge opening during the FY18-19 fiscal year. Property Tax decreases were due to decreased property taxes for seniors. Expenses decreased by \$14 million or 9.22% as a result of TRS decrease as well as Capital Project decreased spending.

In fiscal year 2022, the State of Georgia eliminated austerity cuts of \$2.7 million that were originally planned. In addition, revenues were received to provide a \$2,000 salary one-time supplement to staff. Management continued to use its system-wide committee approach to recommendations for the 2022 budget to offset any funding deficits and to determine expense priorities.

The District's millage rate for fiscal year 2022 was maintained at 18.85.

The School District's millage rate of 18.85 is still near the cap of 20.00 mills, above which increases must be approved by the voters of the District. The local tax digest is benefiting from the growth of KIA and its associated suppliers.

Fiscal year 2022 SPLOST V sales tax collections of \$16.5 million were \$1.7 million (11%) higher than the previous fiscal year.

The dependence upon State Aid/Formula grants and local property taxes remains very apparent. State funding represents 55.9% of total governmental activities revenue and local property and sales taxes represent 44.1% of the total revenues of \$176.1 million.

Instruction comprises 54.4% of governmental activities program expenses. Interest expense was 0.02%. Interest is now being accumulated on the Capital Projects Bond that was purchased in FY22.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Table 3 shows, for Governmental Activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Net Cost of Troup County School District's Governmental Activities
In Millions

	Governmental Activities		Percentage Change	Net Cost Of Services		Total % Change
	2021	2022	2021-22	2021	2022	2021-22
<u>Expense Function</u>						
<u>Expenses</u>						
Instruction	\$ 96.7	\$ 75.0	-22.4%	\$ 27.2	\$ 6.7	-75.4%
Pupil Support Services	10.8	12.9	19.4%	6.4	8.5	32.8%
Improvement of Instructional Services	5.5	5.2	-5.5%	2.6	1.6	-38.5%
Educational Media	2.0	2.0	0.0%	0.5	0.4	-20.0%
Federal Grant Administration	0.2	0.2	0.0%	0.2	0.2	0.0%
General Administration	2.0	2.3	15.0%	(0.4)	0.0	-100.8%
School Administration	9.9	10.1	2.0%	5.9	6.0	1.7%
Business Administration	1.8	1.2	-33.3%	1.5	0.7	-53.3%
Maintenance/Operation of Facilities	10.7	13.4	25.2%	6.5	9.0	38.5%
Student Transportation Services	10.7	11.8	10.3%	7.4	8.0	8.1%
Central Support Services	1.1	1.2	9.1%	1.1	1.2	9.1%
Other Support Services	0.3	0.3	0.0%	0.3	(1.3)	-533.3%
School Nutrition	-	-	0.0%	0.1	(8.0)	-8100.0%
Community Services	-	-	0.0%	-	0.0	0.0%
School Nutrition	0.2	1.6	0.0%	-	-	0.0%
Interest and fiscal charges	-	0.3	100.0%	-	0.3	100.0%
Bond Issuance Cost	-	0.5	200.0%	-	0.5	200.0%
Total Expenses	\$ 151.9	\$ 138.0	-9.2%	\$ 59.3	\$ 33.8	-42.9%

The total cost of services for governmental activities decreased by \$14 million in fiscal year 2022. This decrease is due to increased reliance on COVID funds for the period.

Business-Type Activities

Business-type activities include the School District's student food service operation and after school programs conducted by the elementary schools. These programs had revenues of \$10.4 million and expenses of \$7.7 million. Net Position increased \$2.8 million, ending at a surplus of \$2,713,574. Management has established a target Net Position of 15% of the total budget to judge when future price increases are necessary.

The School District's Funds

Information about the School District's major funds starts on page 13. All governmental funds had total revenues of \$178 million and expenditures of \$156.2 million. The overall increase in the fund balance, after transfers, was \$56.6 million. This was a result of the General Fund's fund balance increasing by \$5.8 million, Capital Projects

Fund's fund balance increasing by \$50.1 million, and Other Governmental Funds' fund balance increasing by \$685 thousand. General Fund changes resulted from increased revenues of \$2.9 million as well as increased expenses by 8 million. Capital Projects Fund increased as several major SPLOST V projects were completed prior to 2022.

General Fund Budgeting Highlights

The School 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.

During the course of the fiscal year 2022, the School District amended its General Fund budget numerous times, mainly due to State QBE funding adjustments, federal funding changes and other expenditure adjustments to maintain a balanced budget. Expenditure increases reflect changes associated with the state funding changes.

Actual revenue for the General Fund was \$129 million or \$11.3 million over the final amended budget due to higher than anticipated state and local revenues.

Actual expenditures for the General Fund were \$123.1 million or \$4.7 million lower than the amended budget. All expenditure categories except pupil support services, improvement of instructional services, school administration, student transportation services, school nutrition, capital outlay, and other support services were at or below budget due to expenditure control plans developed by management.

The School District had an increase in the ending General Fund's Fund Balance of \$5.8 million from fiscal year 2021. This resulted in an ending fund balance of \$31.1 million or 25.3% of total expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District had \$197.7 million (net of accumulated depreciation) invested in land, land improvements, buildings, machinery/equipment, and vehicles at the end of fiscal year 2022 for Governmental Activities.

Table 4 shows fiscal 2022 balances compared to 2021:

Table 4
Troup County School District's Capital Assets, at June 30
Net of Depreciation
In Millions

	Governmental Activities		Business Type Activities		Total Net Assets		Total % Change
	2021	2022	2021	2022	2021	2022	2021-22
Land	\$ 5.8	\$ 5.9	\$ -	\$ -	\$ 5.8	\$ 5.9	1.7%
Construction in Progress	0.1	0.6	-	-	0.1	0.6	500.0%
Land Improvements	2.0	2.0	-	-	2.0	2.0	0.0%
Buildings	161.7	159.8	-	-	161.7	159.8	-1.2%
Machinery & Equipment	21.7	26.7	1.1	1.4	22.8	28.1	23.2%
Vehicles	3.2	2.7	-	-	3.2	2.7	-15.6%
Total	\$ 194.5	\$ 197.7	\$ 1.1	\$ 1.4	\$ 195.6	\$ 199.1	1.8%

The increase in capital assets occurred due to ongoing construction of items and the continued depreciation of existing assets. SPLOST IV construction projects have been completed based upon current estimated collections.

Debt Administration

The School District had \$35,005,005 in bonds outstanding at June 30, 2022.

The School District's General Obligation Sales Tax Bonds, Series 2022 maintain an enhanced 'Aa1' bond rating by Moody's Investor Service based upon the Georgia State Intercept Program. The School District's issuer credit rating is A3, as initiated on April 7, 2022. The issuer rating of A3 is considered investment grade.

For The Future

The Troup County School District increased its net position in Governmental Activities from a surplus of \$4.3 million to \$45.1 million. The overall increase in net position of \$40.8 million for Governmental Activities was positive for the financial strength of the School District. However, as the preceding information shows, the School District continues to face increasing dependence on local revenue sources or expense reductions to fund its operations. The outlook for increased state funding for K-12 education and the continued escalation of mandated employee benefit expenses in the next 2-3 years poses the biggest future challenge for the School District.

Locally, the School District maintained the millage rate for fiscal year 2022 at 18.85. This leaves us only an additional 1.15 mills before reaching the maximum of 20 mills above which increases require voter approval. The current housing market created an increase in property values and it increased at a higher rate due to growth of KIA and related suppliers.

The residential property tax burden continues to be a concern for local homeowners. This means that additional revenues will be hard to come by without new property being brought into the tax base.

State QBE funds and state formula grants increased by \$11.6 million in the fiscal year 2022 due to increased transportation bus replacement funding and increased equalization funding, as well as increased COVID related funding. Total austerity reductions since their inception in the fiscal year 2003 totaled \$72.9 million with these reductions 100% eliminated in 2021.

Local school districts continue to struggle with the unfunded mandates required by state and federal regulations. This puts pressure on local funding sources to maintain the current programs. The School District continues to conduct in-depth reviews of all operations to reduce expenditures and find new revenue sources to offset these funding shortfalls.

Given the requirements of various regulatory agencies and the continued accountability for improving test scores, management is faced with needing to carefully prioritize existing resources in the most efficient manner possible. New resources for restoring previously cut programs will continue to be slim for at least the foreseeable future without new state revenue sources.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dr. Scott A. Burckbuchler, Chief Financial Officer, at Troup County School District, 100 North Davis Road, LaGrange, Georgia 30241.

BASIC FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 33,005,444	\$ 3,394,731	\$ 36,400,175
Investments	35,046,242	-	35,046,242
Accounts Receivable	619,035	-	619,035
Taxes Receivable, Net Of Allowance	2,660,553	-	2,660,553
Due From Other Governments	17,109,815	118,641	17,228,456
Internal Balances	580,594	(580,594)	-
Inventory	23,517	-	23,517
Prepaid items	149	900	1,049
Capital Assets (Nondepreciable)	6,530,792	-	6,530,792
Capital Assets (Net Of Accumulated Depreciation)	191,206,670	1,429,999	192,636,669
Total Assets	286,782,811	4,363,677	291,146,488
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension Related Items	33,376,260	281,668	33,657,928
Deferred Outflows of Resources - OPEB Related Items	19,720,132	-	19,720,132
Total Deferred Outflows Of Resources	53,096,392	281,668	53,378,060
LIABILITIES			
Accounts Payable	1,245,294	154,587	1,399,881
Salaries And Benefits Payable	16,483,343	439,535	16,922,878
Construction Contracts Payable	261,494	-	261,494
Retainage Payable	104,309	-	104,309
Claims Payable	187,104	-	187,104
Net Pension Liability	45,313,518	382,409	45,695,927
Net OPEB Liability	81,817,477	-	81,817,477
Accrued Interest Payable	304,879	-	304,879
Note payable, Due Within One Year	-	225,000	225,000
Note payable, Due In More Than One Year	-	117,391	117,391
Bonds Payable, Due In More Than One Year	35,005,005	-	35,005,005
Compensated Absences, Due Within One Year	618,616	3,606	622,222
Compensated Absences, Due In More Than One Year	465,839	7,714	473,553
Total Liabilities	181,806,878	1,330,242	183,137,120
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension Related Items	67,946,131	573,410	68,519,541
Deferred Inflows of Resources - OPEB Related Items	47,746,758	-	47,746,758
Deferred Inflows of Resources - Unearned Revenue	-	28,119	28,119
Total Deferred Inflows Of Resources	115,692,889	601,529	116,294,418
NET POSITION			
Net Investment In Capital Assets	196,912,896	1,087,608	198,000,504
Restricted For Grant Activities	774,975	-	774,975
Restricted For Capital Projects	2,259,088	-	2,259,088
Unrestricted (deficit)	(157,567,523)	1,625,966	(155,941,557)
Total Net Position (deficit)	\$ 42,379,436	\$ 2,713,574	\$ 45,093,010

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 74,959,903	\$ 831,704	\$ 65,436,715	\$ 1,923,563	\$ (6,767,921)	\$ -	\$ (6,767,921)
Pupil Support Services	12,854,677	2,531,724	1,848,296	-	(8,474,657)	-	(8,474,657)
Improvement Of Instructional Services	5,197,650	-	3,623,680	-	(1,573,970)	-	(1,573,970)
Educational Media	2,009,826	-	1,580,012	-	(429,814)	-	(429,814)
Federal Grant Administration	209,769	-	-	-	(209,769)	-	(209,769)
General Administration	2,297,076	-	2,293,840	-	(3,236)	-	(3,236)
School Administration	10,134,970	-	4,151,072	-	(5,983,898)	-	(5,983,898)
Business Administration	1,218,726	-	559,258	-	(659,468)	-	(659,468)
Maintenance And Operation Of Facilities	13,350,390	20,000	4,342,807	-	(8,987,583)	-	(8,987,583)
Student Transportation Services	11,810,903	259,055	3,558,089	-	(7,993,759)	-	(7,993,759)
Central Support Services	1,239,636	-	6,776	-	(1,232,860)	-	(1,232,860)
Other Support Services	340,542	-	1,649,307	-	1,308,765	-	1,308,765
Community Services	42,560	-	-	-	(42,560)	-	(42,560)
School Nutrition	1,621,973	199,969	9,431,878	-	8,009,874	-	8,009,874
Debt Service:							
Interest and fiscal charges	304,879	-	-	-	(304,879)	-	(304,879)
Bond issuance cost	480,055	-	-	-	(480,055)	-	(480,055)
Total Governmental Activities	138,073,535	3,842,452	98,481,730	1,923,563	(33,825,790)	-	(33,825,790)
Business-Type Activities:							
Food Service	7,331,408	289,531	9,554,065	-	-	2,512,188	2,512,188
After School Programs	360,459	505,554	-	-	-	145,095	145,095
Total Business-Type Activities	7,691,867	795,085	9,554,065	-	-	2,657,283	2,657,283
Total Primary Government	\$ 145,765,402	\$ 4,637,537	\$ 108,035,795	\$ 1,923,563	(33,825,790)	2,657,283	(31,168,507)
General Revenues:							
Taxes:							
Property Taxes, Levied For General Purposes					54,211,277	-	54,211,277
Sales Taxes					16,504,804	-	16,504,804
Unrestricted Investment Earnings					24,148	-	24,148
Miscellaneous					1,215,330	-	1,215,330
Loss on Sale of Assets					-	-	-
Transfers					(134,394)	134,394	-
Total General Revenues And Transfers					71,821,165	134,394	71,955,559
Change In Net Position					37,995,375	2,791,677	40,787,052
Net Position (deficit) - Beginning					4,384,061	(78,103)	4,305,958
Net Position - Ending					\$ 42,379,436	\$ 2,713,574	\$ 45,093,010

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL FUND	CAPITAL PROJECTS FUND	ESSER FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 28,974,307	\$ 187,838	\$ 773,513	\$ 2,729,774	\$ 32,665,432
Investments	-	34,546,242	-	500,000	35,046,242
Accounts Receivable	541,644	-	-	77,391	619,035
Taxes Receivable, Net Of Allowance	1,061,375	1,599,178	-	-	2,660,553
Due From Other Governments	9,404,946	523,409	4,766,752	2,414,708	17,109,815
Due From Other Funds	6,922,782	-	-	-	6,922,782
Inventory	23,517	-	-	-	23,517
Prepaid Items	149	-	-	-	149
Total Assets	<u>\$ 46,928,720</u>	<u>\$ 36,856,667</u>	<u>\$ 5,540,265</u>	<u>\$ 5,721,873</u>	<u>\$ 95,047,525</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,131,954	\$ -	\$ 91,227	\$ 22,113	\$ 1,245,294
Construction Contracts Payable	261,494	-	-	-	261,494
Retainage Payable	104,309	-	-	-	104,309
Salaries And Benefits Payable	13,509,619	-	1,667,815	1,305,909	16,483,343
Due To Other Funds	-	51,337	3,781,223	2,356,720	6,189,280
Total Liabilities	<u>15,007,376</u>	<u>51,337</u>	<u>5,540,265</u>	<u>3,684,742</u>	<u>24,283,720</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue - Taxes	<u>750,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,836</u>
Total Deferred Inflow Of Resources	<u>750,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,836</u>
FUND BALANCES:					
Nonspendable:					
Prepaid items	149	-	-	-	149
Inventory	23,517	-	-	-	23,517
Restricted For:					
Grant Activities	-	-	-	774,975	774,975
Capital projects	-	36,805,330	-	-	36,805,330
Committed For :					
Principal Discretion	-	-	-	1,262,156	1,262,156
Assigned For Future Use of Fund Balance	8,618,687	-	-	-	8,618,687
Assigned for Capital Projects	4,003,850	-	-	-	4,003,850
Unassigned	<u>18,524,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,524,305</u>
Total Fund Balances	<u>31,170,508</u>	<u>36,805,330</u>	<u>-</u>	<u>2,037,131</u>	<u>70,012,969</u>
Total Liabilities, Deferred Inflow Of Resources And Fund Balances	<u>\$ 46,928,720</u>	<u>\$ 36,856,667</u>	<u>\$ 5,540,265</u>	<u>\$ 5,721,873</u>	<u>\$ 95,047,525</u>

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

TOTAL FUND BALANCES--GOVERNMENTAL FUNDS **\$ 70,012,969**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost	\$	331,159,378	
Less Accumulated Depreciation		<u>(133,421,916)</u>	197,737,462

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Property taxes			750,836
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The net pension liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.

Net Pension Liability	\$	(45,313,518)	
Pension Related Deferred Outflows of Resources		33,376,260	
Pension Related Deferred Inflows of Resources		<u>(67,946,131)</u>	(79,883,389)

The net OPEB liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.

Net OPEB Liability	\$	(81,817,477)	
Pension Related Deferred Outflows of Resources		19,720,132	
Pension Related Deferred Inflows of Resources		<u>(47,746,758)</u>	(109,844,103)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds payable	\$	(32,475,000)	
Premium on bonds payable		(2,530,005)	
Accrued interest		(304,879)	
Compensated absences		<u>(1,084,455)</u>	<u>(36,394,339)</u>

TOTAL NET POSITION--GOVERNMENTAL ACTIVITIES **\$ 42,379,436**

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	GENERAL FUND	CAPITAL PROJECTS FUND	ESSER FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 54,454,656	\$ -	\$ -	\$ -	\$ 54,454,656
Sales Taxes	-	16,504,804	-	-	16,504,804
Fees And Charges	441,857	-	-	2,531,724	2,973,581
State Aid	73,126,522	2,477,488	-	4,008,265	79,612,275
Federal Aid	314,971	-	13,550,563	8,992,974	22,858,508
Earnings On Investments	450	23,698	-	-	24,148
Contributions	-	-	-	318,486	318,486
Miscellaneous	644,804	-	-	570,526	1,215,330
Total Revenues	128,983,260	19,005,990	13,550,563	16,421,975	177,961,788
EXPENDITURES					
Current:					
Instruction	71,449,186	-	5,972,497	8,204,392	85,626,075
Pupil Support Services	7,719,939	-	3,290,800	2,990,379	14,001,118
Improvement Of Instructional Services	4,225,546	-	134,537	1,568,951	5,929,034
Educational Media	1,899,722	-	-	22,630	1,922,352
Federal Grant Administration	-	-	-	209,769	209,769
General Administration	1,836,607	-	-	701,662	2,538,269
School Administration	9,515,271	-	635,726	1,369,482	11,520,479
Business Administration	1,361,284	-	(834)	-	1,360,450
Maintenance And Operation Of Facilities	13,222,934	-	388,216	-	13,611,150
Student Transportation Services	9,642,844	-	1,312,379	521,809	11,477,032
Central Support Services	1,376,002	-	-	-	1,376,002
Other Support Services	98,955	-	202,500	147,810	449,265
Community Services	42,560	-	-	-	42,560
School Nutrition	7,231	-	1,614,742	-	1,621,973
Capital Outlay	682,859	3,347,938	-	-	4,030,797
Debt Service:					
Cost of issuance	-	480,055	-	-	480,055
Total Expenditures	123,080,940	3,827,993	13,550,563	15,736,884	156,196,380
Excess of Revenues Over Expenditures	5,902,320	15,177,997	-	685,091	21,765,408
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	285,000	285,000
Transfers Out	(134,394)	-	-	(285,000)	(419,394)
Proceeds From Bond Issuance	-	32,475,000	-	-	32,475,000
Bond Premium	-	2,530,005	-	-	2,530,005
Total Other Financing Sources (Uses)	(134,394)	35,005,005	-	-	34,870,611
Net Change In Fund Balances	5,767,926	50,183,002	-	685,091	56,636,019
Fund Balances, Beginning Of Year	25,402,582	(13,377,672)	-	1,352,040	13,376,950
Fund Balances, End Of Year	\$ 31,170,508	\$ 36,805,330	\$ -	\$ 2,037,131	\$ 70,012,969

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

TOTAL NET CHANGE IN FUND BALANCES--GOVERNMENTAL FUNDS	\$	56,636,019
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital Outlays	\$ 14,390,388	
Depreciation Expense	<u>(11,166,272)</u>	3,224,116

The net effect of the disposal of capital assets is to decrease net position.		(9,345)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

Property Taxes	\$ (243,379)	
State Funding	(1,637,355)	
Local Funding	<u>(303,553)</u>	(2,184,287)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences on the treatment of long-term debt and related items.

Issuance of Bonds	\$ (32,475,000)	
Premium on Issuance of Bonds	<u>(2,530,005)</u>	(35,314,343)

In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.

12,644,030

In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of OPEB and related items.

2,999,185

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in Accrued Interest	\$ (304,879)	
Change in Compensated Absences	<u>(4,459)</u>	<u>(309,338)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>37,995,375</u>
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THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
State Funds	\$ 65,030,362	\$ 65,061,225	\$ 73,126,522	\$ 8,065,297
Federal Funds	1,225,000	595,000	314,971	(280,029)
Local And Other Funds	<u>51,300,310</u>	<u>51,992,310</u>	<u>55,541,767</u>	<u>3,549,457</u>
Total Revenues	<u>117,555,672</u>	<u>117,648,535</u>	<u>128,983,260</u>	<u>11,334,725</u>
EXPENDITURES				
Current				
Instruction	73,573,160	73,866,320	71,449,186	2,417,134
Pupil Support Services	7,685,032	7,685,032	7,719,939	(34,907)
Improvement Of Instructional Services	6,032,331	4,122,602	4,225,546	(102,944)
Educational Media	-	1,921,401	1,899,722	21,679
General Administration	2,092,943	2,093,498	1,836,607	256,891
School Administration	9,426,872	9,445,578	9,515,271	(69,693)
Business Administration	1,575,199	1,575,199	1,361,284	213,915
Maintenance And Operation Of Facilities	13,609,355	15,975,500	13,222,934	2,752,566
Student Transportation Services	9,396,614	9,396,614	9,642,844	(246,230)
Central Support Services	1,042,096	1,042,096	1,376,002	(333,906)
Community Service	41,250	41,250	42,560	(1,310)
School Nutrition	-	-	7,231	(7,231)
Other Support Services	140,813	140,813	98,955	41,858
Capital Outlay	<u>-</u>	<u>500,000</u>	<u>682,859</u>	<u>(182,859)</u>
Total Expenditures	<u>124,615,665</u>	<u>127,805,903</u>	<u>123,080,940</u>	<u>4,724,963</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(7,059,993)</u>	<u>(10,157,368)</u>	<u>5,902,320</u>	<u>16,059,688</u>
OTHER FINANCING USES				
Transfers Out	<u>(1,343,335)</u>	<u>(1,343,335)</u>	<u>(134,394)</u>	<u>1,208,941</u>
Total Other Financing Uses	<u>(1,343,335)</u>	<u>(1,343,335)</u>	<u>(134,394)</u>	<u>1,208,941</u>
NET CHANGE IN FUND BALANCE	<u>(8,403,328)</u>	<u>(11,500,703)</u>	<u>5,767,926</u>	<u>17,268,629</u>
FUND BALANCE, BEGINNING OF YEAR	<u>25,402,582</u>	<u>25,402,582</u>	<u>25,402,582</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 16,999,254</u>	<u>\$ 13,901,879</u>	<u>\$ 31,170,508</u>	<u>\$ 17,268,629</u>

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND			INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM	TOTAL ENTERPRISE FUNDS	
ASSETS AND OTHER DEBITS				
Current Assets				
Cash	\$ 2,636,779	\$ 757,952	\$ 3,394,731	\$ 340,012
Due From Other Governments	118,641	-	118,641	-
Prepaid Assets	900	-	900	-
Total Current Assets	2,756,320	757,952	3,514,272	340,012
Noncurrent Assets				
Machinery/Equipment	3,683,743	-	3,683,743	-
Less Accumulated Depreciation	(2,253,744)	-	(2,253,744)	-
Total Noncurrent Assets	1,429,999	-	1,429,999	-
Total Assets	4,186,319	757,952	4,944,271	340,012
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - Pension Related Items	281,668	-	281,668	-
Total Deferred Outflows of Resources	281,668	-	281,668	-
LIABILITIES				
Current Liabilities				
Accounts Payable	154,587	-	154,587	-
Due to other funds	161,491	419,103	580,594	152,908
Claims Payable	-	-	-	187,104
Salaries And Benefits Payable	439,535	-	439,535	-
Compensated absences - current	3,606	-	3,606	-
Total Current Liabilities	759,219	419,103	1,178,322	340,012
Long-Term Liabilities				
Note Payable	342,391	-	342,391	-
Net Pension Liability	382,409	-	382,409	-
Compensated absences - long-term	7,714	-	7,714	-
Total Long-Term Liabilities	732,514	-	732,514	-
Total Liabilities	1,491,733	419,103	1,910,836	340,012
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources - School Nutrition Unearned Revenue	28,119	-	28,119	-
Deferred Inflows of Resources - Pension Related Items	573,410	-	573,410	-
Total Deferred Outflows Of Resources	601,529	-	601,529	-
NET POSITION				
Net Investment In Capital Assets	1,087,608	-	1,087,608	-
Unrestricted	1,287,117	338,849	1,625,966	-
Total Net Position	\$ 2,374,725	\$ 338,849	\$ 2,713,574	\$ -

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND			INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM	TOTAL ENTERPRISE FUNDS	
OPERATING REVENUES				
Food Service Charges	\$ 289,531	\$ -	\$ 289,531	\$ -
After School Programs Charges	-	505,554	505,554	-
Charges To Other Funds	-	-	-	315,355
Total Operating Revenues	289,531	505,554	795,085	315,355
OPERATING EXPENSES				
Current:				
Payroll Cost	6,260,690	87,707	6,348,397	-
Professional And Contract Services	262,597	272,347	534,944	-
Supplies And Materials	637,095	405	637,500	-
Depreciation	171,026	-	171,026	-
Claims Expenses	-	-	-	315,355
Total Operating Costs	7,331,408	360,459	7,691,867	315,355
Operating Income (Loss)	(7,041,877)	145,095	(6,896,782)	-
Nonoperating Revenues:				
State Matching And Other	354,191	-	354,191	-
Grants-Child Nutrition Program	9,199,874	-	9,199,874	-
Total Nonoperating Revenue	9,554,065	-	9,554,065	-
Loss Before Transfers	2,512,188	145,095	2,657,283	-
Transfers in	-	134,394	134,394	-
Change in Net Position	2,512,188	279,489	2,791,677	-
Total Net Position (Deficit), Beginning Of Year	(137,463)	59,360	(78,103)	-
Total Net Position, End Of Year	\$ 2,374,725	\$ 338,849	\$ 2,713,574	\$ -

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND		TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM		
CASH FLOWS FROM OPERATING ACTIVITIES				
Received From User Charges	\$ 280,694	\$ 505,554	\$ 786,248	\$ -
Received From Charges To Other Funds	471,490	-	471,490	315,355
Payments To Employees For Services	(6,863,212)	(87,707)	(6,950,919)	-
Payments For Self-Insured Claims	-	-	-	(206,489)
Payments To Suppliers For Goods/Services	(703,967)	(302,097)	(1,006,064)	-
Net Cash Provided By (Used In) Operating Activities	(6,814,995)	115,750	(6,699,245)	108,866
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Nonoperating Grants Received	9,506,771	-	9,506,771	-
Purchase of Capital Assets	(485,883)	-	(485,883)	-
Note payable proceeds	450,000	-	450,000	-
Note payable payments	(107,609)	-	(107,609)	-
Net Cash Provided By Noncapital Financing	9,363,279	-	9,363,279	-
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	-	134,394	134,394	-
Net Increase In Cash/Cash Equivalents	2,548,284	250,144	2,798,428	108,866
Cash/Cash Equivalents June 30, 2021	88,495	507,808	596,303	231,146
Cash/Cash Equivalents June 30, 2022	<u>\$ 2,636,779</u>	<u>\$ 757,952</u>	<u>\$ 3,394,731</u>	<u>\$ 340,012</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (7,041,877)	\$ 145,095	\$ (6,896,782)	\$ -
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:				
Depreciation	171,026	-	171,026	-
Changes in Assets And Liabilities:				
Decrease in Due From Other Funds	471,490	-	471,490	-
Increase in Prepaid Items	(900)	-	(900)	-
Decrease in Pension Related Deferred Outflows of Resources	89,086	-	89,086	-
Increase (decrease) in Accounts Payable	35,134	(84)	35,050	-
Decrease in Salaries And Benefits Payable	(271,112)	-	(271,112)	-
Decrease in Unearned Revenue	(8,837)	-	(8,837)	-
Increase in Claims Payable	-	-	-	33,874
Increase (decrease) in Due To Other Funds	161,491	(29,261)	132,230	74,992
Increase in Pension Related Deferred Inflows of Resources	555,492	-	555,492	-
Decrease in Net Pension Liability	(975,499)	-	(975,499)	-
Decrease in Compensated Absences	(489)	-	(489)	-
Net Cash Provided by (Used In) Operating Activities	<u>\$ (6,814,995)</u>	<u>\$ 115,750</u>	<u>\$ (6,699,245)</u>	<u>\$ 108,866</u>

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	PRIVATE-PURPOSE TRUST
ASSETS	
Cash	\$ 5,435
Investments	13,055
Total Assets	18,490
NET POSITION	
Restricted For Scholarships	18,490
Total Net Position	\$ 18,490

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	PRIVATE-PURPOSE TRUST
ADDITIONS	
Contributions	\$ -
Total Additions	-
DEDUCTIONS	
Scholarships Awarded	-
Total Deductions	-
Change In Fiduciary Net Position	-
Net Position, Beginning Of Year	18,490
Net Position, End Of Year	\$ 18,490

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Troup County School District (the “School District”) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (“GAAP”) as applicable to governmental units. The more significant of the School District’s accounting policies are summarized below.

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

The School District’s basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statement of the Troup County School District.

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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to employees, students or to external parties.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, internal service funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, intergovernmental revenues reported in the governmental funds are considered available if they are collected within 180 days after year-end. Property taxes, sales taxes, intergovernmental revenue, and interest income are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized to the extent they have matured.

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Revenues from local sources consist mainly of property taxes, sales taxes, and interest income associated with the current fiscal period. For property and sales tax revenue, the term “available” is interpreted to mean those taxes billed prior to year-end which are collected within sixty days after the end of the fiscal year. Interest income is recognized when earned. Revenues from federal and state grants are generally recognized in the Special Revenue funds when the related expenditures are incurred. However, revenues from grantor agencies are not susceptible to accrual until the grantor agency has appropriated funds for that fiscal period and that fiscal period has begun. All other revenue items are considered to be measurable and available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund - This fund is the School District’s primary operating fund. It accounts for all financial transactions and resources of the School District, except those required to be accounted for in another fund.

Capital Projects Fund - This fund is used to account for resources from the Special Purpose Local Option Sales Tax (SPLOST) which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major revenue sources are proceeds from a general obligation bond sale, SPLOST revenue, and amounts received from the State of Georgia Capital Outlay program.

ESSER Fund – This fund is used to account for resources received under the CARES and ARP ESSER federal grants.

The School District reports the following major proprietary fund:

School Nutrition Program Fund - This fund is used to account for the revenues and expenses associated with the School District’s School Food and Nutrition program including the federal and state grants associated with the breakfast and lunch services for students.

Additionally, the government reports the following fund types:

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects and debt service.

Internal Service Funds - This fund accounts for Workers’ Compensation account services provided to other governmental funds on a cost reimbursement basis. This fund is consolidated into the Governmental Activities column in the government-wide statements.

Fiduciary Funds - These funds are used to account for assets held on behalf of outside parties. The fiduciary fund includes the Private-Purpose Trust Fund.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Private-Purpose Trust Fund - This fund is used to account for an endowment of which the corpus is to be invested and preserved intact with the resultant income to be used to provide scholarships to graduating men that reside in the City of Hogansville.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service and After School Programs are fees collected from users. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Deposits and Investments

The School District's cash and cash equivalents includes interest bearing checking accounts, savings accounts and certificates of deposits with original maturities of less than three months. Official Code of Georgia Annotated Section 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured federal savings and loan associations.

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair market value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School 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. Investments include state investment pools, money market funds, and certificate of deposits. Georgia law allows the School District to invest its funds in obligations of the State of Georgia or other states, obligations issued by the United States Government, obligations fully insured or guaranteed by the United States Government or a United States Government agency, obligations of any corporation of the United States Government, prime banker's acceptances, the Georgia Fund I administered by the Georgia Office of the State Treasurer, repurchase agreements, and obligations of political subdivisions of the State of Georgia.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Inventories and Prepaid Items

Inventories of the General Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at fair value. The School District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses/expenditures when used rather than when purchased.

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

F. Interfund Transactions

During the course of its operations, the School District makes transfers between funds to finance operations, provide services, acquire assets, and service debt. To the extent that certain transfers between funds had not been received as of the balance sheet date, balances of interfund amounts receivable or payable have been recorded.

G. Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. On the government-wide financial statements, capital assets, which include land, land improvements, buildings, machinery/equipment, and vehicles are recorded at historical cost or estimated historical cost if prior year accounting records were not available. Capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of 1 year. Donated capital assets are recorded at estimated acquisition value. Disposals are deleted from capital assets records at the recorded depreciated cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Outlays for capital assets and improvements are placed in the construction in progress account until they are put into operation.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Depreciation on land improvements, buildings, machinery/equipment and vehicles is calculated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Land Improvements	20
Machinery/Equipment	3 - 20
Vehicles	8

H. Compensated Absences

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the School District does not have a policy to pay any amounts when employees separate from service with the School District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Debt

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the fiscal period in which bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The outstanding amount of these bonds is recorded in the Statement of Net Position.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity/Net Position

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Net Position

The School District’s net position is classified as follows:

Net investment in capital assets - This represents the School 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 School District is legally or contractually obligated to spend resources for bus replacement, continuation of federal programs, debt service and capital projects in accordance with restrictions imposed by external third parties or enabling legislation.

Unrestricted net position - Unrestricted net position represents resources derived from property taxes, grant and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School District, and may be used at the discretion of the Board to meet current expenses for those purposes.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

Generally, fund balance represents the difference between the assets, deferred inflows of resources, and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District’s fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity/Net Position (Continued)

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board members through the adoption of a resolution. Only the Board Members, also through adopting a resolution, may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board Members have authorized the Board's Superintendent, or Chief Financial Officer, to assign amounts to be used for specific purposes.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Board reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

It is the goal of the School District to achieve and maintain a committed, assigned and unassigned fund balance in the General Fund at fiscal year-end of not less than 30 days of operating expenditures for the subsequent budget year, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia Annotated Section 20-2-167(a) 5. If the unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

K. 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) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Pensions (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Public School Employees Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by 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.

L. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District reports four (4) types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. The School District reports (1) a deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2022 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2023. The School District reports (2) a deferred outflow of resources for experience gains or losses related to the pension plan, (3) a deferred outflow of resources for the changes in actuarial assumptions on the pension plan and OPEB plan; and (4) a deferred outflow of resources for the changes in proportional differences in contributions for the pension plan and OPEB Plan which will be amortized over the remaining service period.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has three types of deferred inflows under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, these items, unavailable revenues, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, sales taxes and state funding, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District also has four (4) items that qualify for reporting in this category which occurs only in the governmental activities. The School District reports (1) a deferred inflow of resources for experience gains or losses related to the OPEB Plan, (2) a deferred inflow of resources for assumption changes related to the OPEB plan, (3) a deferred inflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plans and the School District's proportionate share of contributions, which will be amortized over the remaining service period, and (4) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five year period.

N. Other Postemployment Benefits (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 the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the 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.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE B - BUDGETARY INFORMATION

The Troup County School District's budget is the financial plan for the School District's fiscal year and is based upon estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding over expenditures in excess of the budget at any level as long as there is an adequate available fund balance. The budget for the General Fund and certain special revenue funds is prepared by fund, function and object.

The budget process begins when the School District's administration prepares a tentative budget for the Board's approval. After approval of this tentative budget by the Board, said budget is advertised at least once in a newspaper of general circulation in the locality. At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167, to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at the end of the fiscal year. Encumbrance accounting is employed by the School District. However, outstanding encumbrances lapse at the end of the fiscal year.

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2022.

General Fund:

Pupil support services	\$ 34,907
Improvement of instructional services	102,944
School administration	69,693
Student transportation services	246,230
Central support services	333,906
Community service	1,310
School nutrition	7,231
Capital outlay	182,859

These over expended departments were funded with existing fund balance reserves and greater than anticipated revenues.

NOTE C - DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

State statutes authorize the District to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

CATEGORIZATION OF INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the School District's investment in the Georgia Fund 1 is reported at fair value. The School District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The US Government securities trade exclusively in short term cash equivalents and US Government securities and are rated AAAM by Standard and Poor's criteria. As of June 30, 2022, the weighted-average maturity for US Government securities was 12.4 days.

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of Deposit	N/A	13 months	\$ 250,000
Certificate of Deposit	N/A	18 months	250,000
Certificate of Deposit	N/A	14 months	13,055
Georgia Fund 1	AAA	WAM - 43 days	372,198
US Government Securities	AAAM	WAM - 7.87days	34,546,242
			<u>\$ 35,431,495</u>

INTEREST RATE RISK

The School 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.

FAIR VALUE MEASUREMENTS

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School District does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

The US Government Securities are classified in level 1 of the hierarchy. They are valued using prices quoted in active markets for the exact same money market mutual funds.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2022, the financial institution holding all of the School District's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2022, all of the School District's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

CATEGORIZATION OF INVESTMENTS

As of June 30, 2022, the School District had the following investments:

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	\$ 33,005,444
Investments	35,059,297
Total	<u>\$ 68,064,741</u>
Cash deposited with financial institutions	\$ 32,633,246
Certificates of deposit	513,055
Georgia Fund 1	372,198
United States government securities	34,546,242
	<u>\$ 68,064,741</u>

NOTE D - TAXES RECEIVABLE

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.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE D - TAXES RECEIVABLE (CONTINUED)

The property tax levy was fixed on July 13, 2021 based on property values assessed as of January 1, 2021. Taxes were payable on or before November 15, 2021. An interest penalty of 12% per annum is charged on property taxes paid after that date. Taxes collected within the current fiscal year or within 60 days after fiscal year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. The Troup County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for school operations were \$54,454,656. Property taxes became an enforceable lien on January 20, 2022. All property tax receivables are shown net of an allowance for uncollectible taxes. State law limits the School District's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Taxes levied in the calendar year 2021 for the 2022 fiscal year operations were assessed at 18.85 mills. This was the same rate as the prior year. There is currently no levy for school bonds.

Special Purpose Local Option Sales Tax is collected by the State of Georgia and remitted to the School District approximately 30 days after the period of collection. SPLOST funds are to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years. The School District's most recent re-authorization was November 2015 for the sales tax collection period covering July 1, 2017 through June 30, 2022. SPLOST IV collections for the fiscal year ended June 30, 2022 at the fund reporting level were \$16,504,804.

On June 30, 2022, the School District reported property tax receivables of \$1,061,375 net of allowance for uncollectible amounts. An allowance of \$74,742 has been established in the General Fund for taxes in dispute and estimated amounts that will not be collected. Sales tax receivables totaled \$1,599,178 from SPLOST V June 2022 collections to be received in July 2022.

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund receivable and payable balances at June 30, 2022 are as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 51,337
School Nutrition Fund	General Fund	161,491
Internal Service Fund	General Fund	152,908
CARES - ESSER I & II Fund	General Fund	3,781,223
Non-Major Governmental Funds	General Fund	2,356,720
Non-Major Enterprise Fund	General Fund	419,103
		<u>\$ 6,922,782</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Non Major Governmental Funds	Non Major Governmental Funds	\$ 285,000
Non Major Enterprise Fund	General Fund	134,394
		<u>\$ 419,394</u>

Transfers were used to move unrestricted revenues from the general funds and non-major governmental funds to ACE Program Fund to cover that fund's portion of general expenses such as utilities, facilities usage, and insurance expenses.

NOTE F - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The School District has recognized revenue and expenditures for retirement contributions paid on the School District's behalf as follows:

Office of the State Treasurer

Paid to the State System of Teacher's Retirement System for School Employees' Retirement (TRS)	\$ 21,529
Paid to the Public School Employees' Retirement System for Public School Employees' Retirement (PSERS)	<u>404,274</u>
Total Payments	<u>\$ 425,803</u>

NOTE G - NON-MONETARY TRANSACTIONS

The School District received from the United States Department of Agriculture through the Georgia Department of Education \$557,225 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues and expenditures in the Food Nutrition Program Fund.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE H - CAPITAL ASSETS

The following tables summarize the changes in capital assets for governmental and business-type activities, respectively, as of June 30, 2022:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,875,573	\$ 25,500	\$ -	\$ 5,901,073
Construction in Progress	67,125	3,981,757	(3,419,163)	629,719
Total Capital Assets, Not Being Depreciated	<u>5,942,698</u>	<u>4,007,257</u>	<u>(3,419,163)</u>	<u>6,530,792</u>
Capital Assets, Being Depreciated:				
Land Improvements	8,190,760	115,273	-	8,306,033
Buildings	243,194,930	1,083,207	2,843,038	247,121,175
Machinery & Equipment	41,606,575	8,754,378	(17,016)	50,343,937
Vehicles	19,428,232	430,273	(1,001,064)	18,857,441
Total Capital Assets, Being Depreciated	<u>312,420,497</u>	<u>10,383,131</u>	<u>1,824,958</u>	<u>324,628,586</u>
Less Accumulated Depreciation For:				
Land Improvements	(6,154,244)	(182,096)	-	(6,336,340)
Buildings	(81,517,755)	(6,381,685)	576,125	(87,323,315)
Machinery & Equipment	(19,893,167)	(3,762,664)	7,671	(23,648,160)
Vehicles	(16,275,338)	(839,827)	1,001,064	(16,114,101)
Total Accumulated Depreciation	<u>(123,840,504)</u>	<u>(11,166,272)</u>	<u>1,584,860</u>	<u>(133,421,916)</u>
Total Capital Assets, Being Depreciated, Net	<u>188,579,993</u>	<u>(783,141)</u>	<u>3,409,818</u>	<u>191,206,670</u>
Governmental Activities Capital Assets, Net	<u>\$ 194,522,691</u>	<u>\$ 3,224,116</u>	<u>\$ (9,345)</u>	<u>\$ 197,737,462</u>

Depreciation expense was charged to functions as follows:

Instruction	\$ 10,180,155
Support services	
Education media services	87,474
Maintenance and operation of facilities	58,816
Student transportation services	839,827
Total Governmental Activities depreciation expense	<u>\$ 11,166,272</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE H - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Being Depreciated				
Machinery & Equipment	\$ 3,197,860	\$ 485,883	\$ -	\$ 3,683,743
Total Capital Assets, Being Depreciated	<u>3,197,860</u>	<u>485,883</u>	<u>-</u>	<u>3,683,743</u>
Less Accumulated Depreciation For:				
Machinery & Equipment	(2,082,718)	(171,026)	-	(2,253,744)
Total Accumulated Depreciation	<u>(2,082,718)</u>	<u>(171,026)</u>	<u>-</u>	<u>(2,253,744)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,115,142</u>	<u>\$ 314,857</u>	<u>\$ -</u>	<u>\$ 1,429,999</u>

Depreciation expense was charged to functions as follows:

School Nutrition Program	\$ 171,026
Total Business-Type Activities Depreciation Expense	<u>\$ 171,026</u>

NOTE I - GENERAL LONG TERM DEBT

The changes in long-term debt during the fiscal year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ -	\$ 32,475,000	\$ -	\$ 32,475,000	\$ -
Premium on bond	-	2,530,005	-	2,530,005	-
Total bonds payable	<u>-</u>	<u>35,005,005</u>	<u>-</u>	<u>35,005,005</u>	<u>-</u>
Net Pension Liability	125,009,773	6,198,399	85,894,654	45,313,518	-
Net OPEB Liability	114,738,471	966	32,921,960	81,817,477	-
Claims Payable	153,230	485,826	451,952	187,104	-
Compensated Absences	1,079,996	693,303	688,844	1,084,455	618,616
Total Long-Term Debt	<u>\$ 240,981,470</u>	<u>\$ 42,383,499</u>	<u>\$ 119,957,410</u>	<u>\$ 163,407,559</u>	<u>\$ 618,616</u>
Business-Type Activities:					
Net Pension Liability	\$ 1,357,908	\$ 52,309	\$ 1,027,808	\$ 382,409	\$ -
Note payable	-	450,000	107,609	342,391	117,391
Compensated Absences	11,809	9,217	9,706	11,320	3,606
Total Long-Term Debt	<u>\$ 1,369,717</u>	<u>\$ 511,526</u>	<u>\$ 1,145,123</u>	<u>\$ 736,120</u>	<u>\$ 120,997</u>

For Governmental Activities, the net pension liability, net OPEB liability, and compensated absences are being liquidated primarily by the General Fund.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE I - GENERAL LONG TERM DEBT (CONTINUED)

In April 2022, the District issued \$32,475,000 Series 2022 General Obligation Bonds. The Series 2022 bonds bear interest ranging from 4 to 5% and are payable semi-annually on February 1 and August 1 beginning in February of 2023 through the maturity date of August 1, 2027. The District's debt service requirements to maturity on the general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 1,219,517	\$ 1,219,517
2024	5,580,000	1,456,350	7,036,350
2025	6,240,000	1,188,750	7,428,750
2026	6,550,000	869,000	7,419,000
2027	6,880,000	533,250	7,413,250
2028	7,225,000	180,625	7,405,625
	<u>\$ 32,475,000</u>	<u>\$ 5,447,492</u>	<u>\$ 37,922,492</u>

During the fiscal year ended June 30, 2022, the School District entered into a note payable arrangement for the financing of the acquisition of various lunchroom improvements throughout the District. The note provided \$450,000 of improvements to be made throughout the District. The note bears no interest and is payable in monthly installments which began August 1, 2021.

The School District's notes payable debt service requirements to maturity are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2023	\$ 117,391	\$ -	\$ 117,391
2024	117,391	-	117,391
2025	107,609	-	107,609
Total	<u>\$ 342,391</u>	<u>\$ -</u>	<u>\$ 342,391</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE J - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; acts of God and unemployment compensation. The School District is self-insured for workers' compensation and unemployment claims. The School District purchases commercial insurance for all other risks of loss, which is accounted for in internal service funds. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no reduction in insurance coverage since last fiscal year.

Workers' Compensation Claims

The School District is self-insured for workers' compensation claims from its employees. A premium of .6% of payroll salary is charged by the Internal Service Fund to each fund for workers' compensation with year-end adjustments to balance premiums and expenses. These losses include an estimate of claims that have been incurred but not reported and related claims administration expenses. An excess coverage insurance policy covers individual claims in excess of \$450,000 loss per occurrence up to the statutory limit.

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

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims Accrual</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2022	\$ 153,230	\$ 315,354	\$ 281,480	\$ 187,104
2021	254,196	136,931	237,897	153,230

Unemployment Claims

The School District is self-insured with regard to unemployment compensation insurance. Unemployment compensation expenditures are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and claims administration expenses. The claims liability at year end is immaterial to the School District.

NOTE K - RETIREMENT PLANS

General Information About The Teachers Retirement System of Georgia ("TRS")

Plan Description

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2022. The School District's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of annual School District payroll. School District contributions to TRS were \$13,824,510 for the fiscal year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

District's proportionate share of the net pension liability	\$ 45,695,927
State of Georgia's proportionate share of the net pension liability associated with the District	<u>88,090</u>
Total	<u><u>\$ 45,784,017</u></u>

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30 2021, the School District's proportion was 0.516669%, which was a decrease of 0.004996% from its proportion measured as of June 30, 2020.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

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

For the fiscal year ended June 30, 2022, the School District recognized pension expense of \$849,559 and revenue of \$173,334 for support provided by the State of Georgia for certain support personnel. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 66,840,234
Changes in proportion and differences between District contributions and proportionate share of contributions	84,618	1,679,307
Net difference between expected and actual experience	10,904,501	-
Changes in assumption	8,844,299	-
District contributions subsequent to the measurement date	13,824,510	-
Total	<u>\$ 33,657,928</u>	<u>\$ 68,519,541</u>

School District contributions subsequent to the measurement date of \$13,824,510 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ending June 30:	
2023	\$ (9,588,590)
2024	(9,153,908)
2025	(13,314,125)
2026	(16,629,500)
Total	<u><u>\$ (48,686,123)</u></u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension 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 pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.80)%
Domestic large equities	46.30	9.30
Domestic small equities	1.20	13.30
International developed market equities	11.50	9.30
International emerging market equities	6.00	11.30
Alternatives	5.00	10.60
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount Rate

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 123,092,721	\$ 45,695,927	\$ (17,725,405)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

General Information About The Public School Employees' Retirement System of Georgia ("PSERS")

Plan Description

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

General Information About The Public School Employees' Retirement System of Georgia ("PSERS")
(Continued)

Benefits Provided

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

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

Contributions

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

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

Pension Liabilities and Pension Expense

At June 30, 2022, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net	
Pension Liability associated with the School District	\$ <u>289,639</u>

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2021.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Pension Liabilities and Pension Expense (Continued)

For the fiscal year ended June 30, 2022, the School District recognized pension expense of \$3,045 and revenue of \$3,045 for support provided by the State of Georgia.

Actuarial assumptions

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

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

Mortality rates are as follows:

The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.

The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for postretirement mortality assumptions as follows:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(1.5)%
Domestic large stocks	46.40	9.20
Domestic small stocks	1.10	13.40
International developed market stocks	11.70	9.20
International emerging market stocks	5.80	10.40
Alternatives	5.00	10.60
Total	100.00%	

* Net of inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and 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 pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K - RETIREMENT PLANS (CONTINUED)

Supplemental Retirement Plan – Public School Employees’ Retirement System Only

Plan Description

All employees participating in the Public School Employees’ Retirement System are also eligible to participate in the School District’s Supplemental Retirement Plan. The Board of Education recognized that PSERS was a limited defined benefit plan which did not provide for an adequate retirement for this group of employees and thus established this Plan in 2001 to supplement the retirement for this group of employees.

This Plan, as a defined contribution plan, puts 1% of salary for all PSERS employees into 403(b)(7) type plan and will match up to an additional 4% of salary based upon the employee’s elected contributions at a 50% rate. The plan requires 36 months of service to vest 100% in the employer matching portion. Failure to complete the 36 month vesting requirement will result in forfeiture of the employer contributions. The employee contributions will be refunded 100%, if the vesting requirement is not met.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 3 years of service to the Troup County Board of Education. If an employee terminates employment prior to achieving 3 years of service, funds paid on behalf of the non-vested employee are credited back to the Board.

Valic Retirement Services has been set up as the third party administrator. The Plan offers 13 mutual funds and 1 fixed interest fund from which the employees may select their investment mix.

Funding Policy

The School District contributes 1% of the employee’s monthly compensation for all eligible employees. Employees may contribute up to an additional 4% of monthly compensation on a voluntary basis. This employee contribution is matched at a 50% rate by the School District. Contributions are sent monthly to the third party administrator to be invested based upon the employee’s investment choices.

The School District’s contributions to the Supplemental Retirement Plan for the fiscal years ended June 30, 2022, 2021, and 2020 were \$161,109, \$147,970, and \$159,869, respectively.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE L - CONTINGENCIES

Grant Programs

The School 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 School District has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectability of any related receivable at year-end may be impaired. In the opinion of the School 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 financial statements for such contingencies.

Litigation

The School District is engaged in various lawsuits arising in the ordinary course of business. These lawsuits are in various stages of the litigation process, and their ultimate outcome cannot be determined currently. Management does not believe the ultimate outcome of these lawsuits will have a material impact on the School District's financial statements.

NOTE M - CONSTRUCTION COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2022:

Project	
LCES Car Rider Line	\$ 50,000
LHS Re-Roof	20,000
CHS Pole Barn	16,500
CHS Gym Renovation	26,757
ASC Warehouse Expansion	531,816
West GA Tech Renovations to Bathroom at TC3	206,853
Rosemont New RES	1,414,954
THS Baseball/Softball Locker Room	4,320
	<u>\$ 2,271,200</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

Plan Description: The School District participates in the State of Georgia School Employees Postemployment Benefit Fund (the “School OPEB Fund”) which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH 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 DCH Board. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/statewide-reporting/acfr>.

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

Contributions: As established by the Board of Community Health, 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 required and made to the School OPEB Fund from the School District were \$2,731,998 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2022, the School District reported a liability of \$81,817,477 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2021. At June 30, 2021, the School District's proportion was 0.755413%, which was a decrease of 0.0025776% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$268,153. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 129,737
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,006,092	3,583,167
Differences between expected and actual experience	-	37,357,600
Changes in plan assumptions	14,982,042	6,676,254
Board contributions subsequent to the measurement date	2,731,998	-
Total	<u>\$ 19,720,132</u>	<u>\$ 47,746,758</u>

School District contributions subsequent to the measurement date of \$2,731,998 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:

2023	\$ (7,329,661)
2024	(6,977,980)
2025	(5,541,225)
2026	(4,132,353)
2027	(5,245,693)
2028	(1,531,712)
Total	<u>\$ (30,758,624)</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions:

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Inflation	2.50%
Salary Increases	TRS – 3.00 – 8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Municipal bond index rate	2.16%
Healthcare cost trend rate:	
Pre-Medicare eligible	6.75%
Medicare eligible	5.13%
Ultimate trend rate	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ending July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

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

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

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.14%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount rate:

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

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the Board's proportionate share of the net OPEB liability calculated using the discount rate of 2.20%, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20%) or 1-percentage-point higher (3.20%) than the current rate:

	1% Decrease (1.20%)	Current discount rate (2.20%)	1% Increase (3.20%)
District's proportionate share of the net OPEB liability	\$ 93,535,726	\$ 81,817,477	\$ 72,008,198

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:

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

	1% Decrease	Current Healthcare Cost trend rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 69,425,301	\$ 81,817,477	\$ 97,308,671

II. REQUIRED SUPPLEMENTARY INFORMATION

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY TEACHERS RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.516669%	0.521665%	0.526516%	0.525314%
District's proportionate share of the net pension liability	\$ 45,695,927	\$ 126,367,681	\$ 113,215,177	\$ 97,509,531
State of Georgia's proportionate share of the net pension liability associated with the District	<u>88,090</u>	<u>494,895</u>	<u>572,187</u>	<u>530,877</u>
Total	<u>\$ 45,784,017</u>	<u>\$ 126,862,576</u>	<u>\$ 113,787,364</u>	<u>\$ 98,040,408</u>
District's covered payroll	\$ 67,223,137	\$ 67,257,242	\$ 64,564,040	\$ 62,923,926
District's proportionate share of the net pension liability as a percentage of its covered payroll	67.98%	187.89%	175.35%	154.96%
Plan fiduciary net position as a percentage of the total pension liability	92.03%	77.01%	78.56%	80.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.534596%	0.538369%	0.559485%	0.590074%
District's proportionate share of the net pension liability	\$ 99,356,313	\$ 111,071,528	\$ 85,176,036	\$ 74,548,068
State of Georgia's proportionate share of the net pension liability associated with the District	<u>779,096</u>	<u>1,175,767</u>	<u>942,671</u>	<u>830,412</u>
Total	<u>\$ 100,135,409</u>	<u>\$ 112,247,295</u>	<u>\$ 86,118,707</u>	<u>\$ 75,378,480</u>
District's covered payroll	\$ 61,890,764	\$ 59,053,630	\$ 59,717,080	\$ 60,199,226
District's proportionate share of the net pension liability as a percentage of its covered payroll	160.53%	188.09%	142.63%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2022	2021	2020	2019
Contractually required contributions	\$ 13,824,510	\$ 12,812,730	\$ 14,218,181	\$ 13,493,884
Contributions in relation to the contractually required contributions	<u>13,824,510</u>	<u>12,812,730</u>	<u>14,218,181</u>	<u>13,493,884</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 69,785,512	\$ 67,223,137	\$ 67,257,242	\$ 64,564,040
Contributions as a percentage of covered payroll	19.81%	19.06%	21.14%	20.90%
	2018	2017	2016	2015
Contractually required contributions	\$ 10,577,512	\$ 8,831,812	\$ 8,426,953	\$ 7,852,796
Contributions in relation to the contractually required contributions	<u>10,577,512</u>	<u>8,831,812</u>	<u>8,426,953</u>	<u>7,852,796</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,548,068</u>
District's covered payroll	\$ 62,923,926	\$ 61,890,764	\$ 59,053,630	\$ 59,717,080
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOLS EMPLOYEE RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the District	<u>289,639</u>	<u>2,316,705</u>	<u>2,171,258</u>	<u>2,002,859</u>
Total	<u>\$ 289,639</u>	<u>\$ 2,316,705</u>	<u>\$ 2,171,258</u>	<u>\$ 2,002,859</u>
District's covered-employee payroll	\$ 6,575,605	\$ 6,436,688	\$ 7,154,752	\$ 6,977,501
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	98.00%	84.45%	85.02%	85.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the District	<u>1,690,896</u>	<u>2,027,587</u>	<u>1,303,841</u>	<u>745,480</u>
Total	<u>\$ 1,690,896</u>	<u>\$ 2,027,587</u>	<u>\$ 1,303,841</u>	<u>\$ 75,662,330</u>
District's covered-employee payroll	\$ 6,391,454	\$ 6,156,913	\$ 5,256,688	\$ 5,010,298
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.69%	81.00%	87.00%	88.29%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.755413%	0.781189%	0.784202%	0.772422%	0.770332%
District's proportionate share of the net OPEB liability	<u>\$ 81,817,477</u>	<u>\$ 114,738,471</u>	<u>\$ 96,238,411</u>	<u>\$ 98,172,466</u>	<u>\$ 108,231,336</u>
Total	<u>\$ 81,817,477</u>	<u>\$ 114,738,471</u>	<u>\$ 96,238,411</u>	<u>\$ 98,172,466</u>	<u>\$ 108,231,336</u>
District's covered-employee payroll	\$ 80,463,389	\$ 73,476,896	\$ 83,990,766	\$ 74,472,341	\$ 72,979,531
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	101.68%	156.16%	114.58%	131.82%	148.30%
Plan fiduciary net position as a percentage of the total OPEB liability	6.14%	3.99%	4.63%	2.93%	1.61%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 2,731,998	\$ 2,810,008	\$ 2,641,797	\$ 4,223,466	\$ 4,003,392
Contributions in relation to the contractually required contributions	<u>2,731,998</u>	<u>2,810,008</u>	<u>2,641,797</u>	<u>4,223,466</u>	<u>4,003,392</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 88,614,077	\$ 80,463,389	\$ 73,476,896	\$ 83,990,766	\$ 74,472,341
Contributions as a percentage of covered-employee payroll	3.083%	3.492%	3.595%	5.028%	5.376%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Teachers Retirement System of Georgia:

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

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

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

Public Schools Employees Retirement System of Georgia:

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

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

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

School OPEB Fund:

Changes 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.

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.

The inflation assumption was lowered from 2.75% to 2.50% effective with the June 30, 2018 actuarial valuation.

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

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

III. OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted or committed for specific purposes. The School System's Special Revenue Funds have been established primarily on the basis of program purpose and include the following funds and primary funding sources:

Title I Fund was established to account for federal grant funds to provide remedial education in the areas of reading and mathematics and to provide a special education program for children who are physically handicapped.

IDEA VI-B Fund was established to account for federal grant funds, for the purpose of providing special education programs for children in pre-kindergarten through the twelfth grade.

Federal Vocational Education Fund was established to account for the federal and state grants which are utilized for the purpose of providing vocational education throughout the District.

Title V-B Fund was established to account for the federal grant funds used to promote rural education achievement programs.

Title IIA Fund was established to account for federal grant funds passed through the Georgia Department of Education, for the purpose of improving teacher quality and increasing the number of high quality teachers, para-professionals, and principals.

Literacy for Georgia Grant Fund was established to account for federal grant funds used to promote the striving readers program.

Education of Homeless Youth was established to account for federal and state grants used to enhance the educational experience for children of homeless families.

Title IIIA Fund was established to account for federal and state grants used to improve and strengthen the academic quality, institutional management, and fiscal stability of the District.

Title IV Fund was established to account for federal and state grants received for the promotion of safe and drug free schools and communities.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Principal Accounts Fund was established to account for funds of the local school which are controlled at the school level but have revenues committed or restricted for specific purposes at the local school.

PreK Fund was established to account for the funds and the activities of the District's pre-kindergarten readiness program.

Local Grants Fund was established to account for other state and local funds for which separate presentation is not considered necessary.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

SPECIAL REVENUE FUNDS						
	TITLE I	IDEA VIB	FEDERAL VOCATIONAL EDUCATION	TITLE VB	TITLE IIA	LITERACY FOR GEORGIA GRANT FUND
ASSETS						
Cash and Cash Equivalents	\$ 279,957	\$ -	\$ -	\$ 3,556	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due From Other Governments	195,838	439,695	7,691	16,262	40,597	1,635,421
Total Assets	<u>\$ 475,795</u>	<u>\$ 439,695</u>	<u>\$ 7,691</u>	<u>\$ 19,818</u>	<u>\$ 40,597</u>	<u>\$ 1,635,421</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 5,603	\$ 150	\$ -	\$ -	\$ -	\$ -
Salaries And Benefits Payable	470,192	409,980	-	19,818	-	-
Due To Other Funds	-	29,565	7,691	-	40,597	1,635,421
Total Liabilities	<u>475,795</u>	<u>439,695</u>	<u>7,691</u>	<u>19,818</u>	<u>40,597</u>	<u>1,635,421</u>
FUND BALANCES:						
Restricted for Grant Activities	-	-	-	-	-	-
Committed for Principal Discretion	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities And Fund Balances	<u>\$ 475,795</u>	<u>\$ 439,695</u>	<u>\$ 7,691</u>	<u>\$ 19,818</u>	<u>\$ 40,597</u>	<u>\$ 1,635,421</u>

(continued)

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS
	EDUCATION OF HOMELESS YOUTH	TITLE IIIA	TITLE IV	PRINCIPAL ACCOUNTS	PREK	LOCAL GRANTS	
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,384,449	\$ 363,928	\$ 697,884	\$ 2,729,774
Investments	-	-	-	500,000	-	-	500,000
Accounts Receivable	-	-	-	-	-	77,391	77,391
Due From Other Governments	25,163	22,120	31,921	-	-	-	2,414,708
Total Assets	<u>\$ 25,163</u>	<u>\$ 22,120</u>	<u>\$ 31,921</u>	<u>\$ 1,884,449</u>	<u>\$ 363,928</u>	<u>\$ 775,275</u>	<u>\$ 5,721,873</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 1,500	\$ 5,123	\$ 9,437	\$ -	\$ 300	\$ 22,113
Salaries And Benefits Payable	-	19,590	22,401	-	363,928	-	1,305,909
Due To Other Funds	25,163	1,030	4,397	612,856	-	-	2,356,720
Total Liabilities	<u>25,163</u>	<u>22,120</u>	<u>31,921</u>	<u>622,293</u>	<u>363,928</u>	<u>300</u>	<u>3,684,742</u>
FUND BALANCES:							
Restricted for Grant Activities	-	-	-	-	-	774,975	774,975
Committed for Principal Discretion	-	-	-	1,262,156	-	-	1,262,156
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,262,156</u>	<u>-</u>	<u>774,975</u>	<u>2,037,131</u>
Total Liabilities And Fund Balances	<u>\$ 25,163</u>	<u>\$ 22,120</u>	<u>\$ 31,921</u>	<u>\$ 1,884,449</u>	<u>\$ 363,928</u>	<u>\$ 775,275</u>	<u>\$ 5,721,873</u>

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS					
	TITLE I	IDEA VIB	FEDERAL VOCATIONAL EDUCATION	TITLE VB	TITLE IIA	LITERACY FOR GEORGIA GRANT FUND
REVENUES						
Fees And Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid	-	-	-	-	-	1,635,421
Federal Aid	4,230,880	3,584,104	170,894	189,988	472,285	-
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	4,230,880	3,584,104	170,894	189,988	472,285	1,635,421
EXPENDITURES						
Current:						
Instruction	2,800,475	2,150,792	112,653	16,978	10,320	469,681
Pupil Support Services	606,991	3,574	-	-	-	1,043,460
Improvement Of Instructional Services	753,044	417,531	52,786	166,365	157,789	-
Educational Media Services	-	-	5,455	-	17,175	-
Federal Grant Administration	202,679	-	-	-	-	-
General Administration	7,258	633,274	-	6,645	2,001	-
School Administration	-	-	-	-	-	-
Student Transportation Services	123,545	375,674	-	-	-	-
Other Support Services	21,888	3,259	-	-	-	122,280
Total Expenditures	4,515,880	3,584,104	170,894	189,988	187,285	1,635,421
Excess (Deficiency) Of Revenues Over Expenditures	(285,000)	-	-	-	285,000	-
OTHER FINANCING SOURCES (USES)						
Transfers In	285,000	-	-	-	-	-
Transfers Out	-	-	-	-	(285,000)	-
Total Other Financing Sources (Uses)	285,000	-	-	-	(285,000)	-
Net Change In Fund Balances	-	-	-	-	-	-
Fund Balances (deficit), Beginning Of Year	-	-	-	-	-	-
Fund Balances, End Of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS						TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	EDUCATION OF HOMELESS YOUTH	TITLE IIIA	TITLE IV	PRINCIPAL ACCOUNTS	PREK	LOCAL GRANTS	
REVENUES							
Fees And Charges	\$ -	\$ -	\$ -	\$ 2,531,724	\$ -	\$ -	\$ 2,531,724
State Aid	-	-	-	-	2,352,618	20,226	4,008,265
Federal Aid	52,202	48,733	243,888	-	-	-	8,992,974
Contributions	-	-	-	-	-	318,486	318,486
Miscellaneous	-	-	-	-	-	570,526	570,526
Total Revenues	52,202	48,733	243,888	2,531,724	2,352,618	909,238	16,421,975
EXPENDITURES							
Current:							
Instruction	-	28,439	20,490	11,587	2,321,663	261,314	8,204,392
Pupil Support Services	-	1,922	211,189	1,123,243	-	-	2,990,379
Improvement Of Instructional Services	-	18,372	3,064	-	-	-	1,568,951
Educational Media Services	-	-	-	-	-	-	22,630
Federal Grant Administration	7,090	-	-	-	-	-	209,769
General Administration	43,722	-	8,762	-	-	-	701,662
School Administration	-	-	-	1,347,072	22,410	-	1,369,482
Student Transportation Services	1,390	-	-	-	8,475	12,725	521,809
Other Support Services	-	-	383	-	-	-	147,810
Total Expenditures	52,202	48,733	243,888	2,481,902	2,352,548	274,039	15,736,884
Excess (Deficiency) Of Revenues Over Expenditures	-	-	-	49,822	70	635,199	685,091
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	285,000
Transfers Out	-	-	-	-	-	-	(285,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change In Fund Balances	-	-	-	49,822	70	635,199	685,091
Fund Balances (deficit), Beginning Of Year	-	-	-	1,212,334	(70)	139,776	1,352,040
Fund Balances, End Of Year	\$ -	\$ -	\$ -	\$ 1,262,156	\$ -	\$ 774,975	\$ 2,037,131

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF APPROVED SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3)</u>	<u>PROJECT STATUS</u>
SPLOST V					
Providing additional real property for future school expansions, elementary school construction, elementary school, middle school and/or high school renovations and expansions; additions to, renovations of, repairs and improvements to and equipping of existing educational buildings, properties and facilities of the School District, including without limitation safety and security projects, HVAC, roofing and flooring replacements and renovations, physical education facilities and improvements, and resurfacing and parking facilities; technology/software upgrades and additions; infrastructure, textbooks and equipment; additional school buses; and paying expenses incident thereto	\$ 65,358,827	\$ 63,100,000	\$ 2,420,768	\$ 60,485,321	Complete
Interest expense on bonds sold under SPLOST V	2,700,000	-	-	-	Complete
Totals for SPLOST V	<u>\$ 68,058,827</u>	<u>\$ 63,100,000</u>	<u>2,420,768</u>	<u>\$ 60,485,321</u>	
			Total SPLOST expenditures	2,420,768	
			Expenditures funded by State sources	927,170	
			Total expenditures	<u>\$ 3,347,938</u>	

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

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

(3) The voters of Troup County approved the imposition of a 1% sales tax to fund the above project(s) (and retire associated debt).
Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the project(s).

IV. SINGLE AUDIT SECTION



**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***

**To the Superintendent and Members of
the Troup County School District
LaGrange, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Troup County Board of Education (the "District"), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 21, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 21, 2023



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

**To the Superintendent and Members of
the Troup County School District
La Grange, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Troup County Board of Education's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the 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 then ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 in the Auditor's Responsibilities for the Audit Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 21, 2023

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Award Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	215GA324N1199	\$ 1,824,754
National School Lunch Program	10.555	215GA324N1099	5,863,395
National School Lunch Program (non-cash) (1)	10.555	215GA324N1099	557,225
After-School Snack	10.555	215GA324N1099	94,304
COVID-19 Emergency Operational Costs Reimbursement Grant	10.555	215GA324N1099	489,439
Total Child Nutrition Cluster			8,829,117
Child & Adult Care Food Program	10.558	N/A	370,757
Total U. S. Department of Agriculture			9,199,874
U. S. DEPARTMENT OF DEFENSE			
R.O.T.C. Program	12.Unknown	N/A	105,678
Total U. S. Department of Defense			105,678
U. S. DEPARTMENT OF EDUCATION			
Passed through Georgia Department of Education:			
Title I Programs - Improving the Academic Achievement of the Disadvantaged	84.010	S010A210010	4,071,620
Title I Programs - Neglected and Delinquent	84.010	S010A210010	109,261
Title I Programs - School Improvement	84.010	S010A210010	50,000
Total Title I, Part A			4,230,881
Title II-A - Improving Teacher Quality	84.367	S367A210001	470,585
Title II-A - Advanced Placement Grant	84.367	S367A210001	1,700
Total Title II-A			472,285
Title III - Limited English Proficient	84.365	S365A210010	48,667
Title III - Immigrant	84.365	S365A210010	66
Total Title III			48,733
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A210011	243,888
Title V-B - Rural and Low-Income Schools	84.358	S365B210010	189,988
Special Education Cluster:			
Title VI-B Flowthrough	84.027	H027A210073	2,802,724
Title VI-B Readiness in Literacy	84.027	H027A210073	166,605
COVID-19: Title VI-B Supplemental Relief	84.027	H027A210073	526,977
Title VI-B Preschool	84.173	H173A210081	49,588
COVID-19: Title VI-B Preschool Supplemental Relief	84.173	H173A210081	38,209
Total Special Education Cluster			3,584,103
Education for Homeless Youth	84.196	S196A210011	49,840
Vocational Grants - Program Improvement	84.048	V048A210010	145,337
Vocational Grants - Perkins Reserve	84.048	V048A210010	10,815
Vocational Grants - Perkins Carryover	84.048	V048A210010	14,742
Total Vocational Grants			170,894
Elementary & Secondary School Emergency Relief Fund:			
COVID-19: CARES Act Elementary & Secondary School Emergency Relief Grant	84.425D	S425D210012	9,471,642
COVID-19: ARP Act Elementary & Secondary School Emergency Relief Grant	84.425U	S425U210012	4,051,131
COVID-19: ESSER - CARES - CTAE Supervision	84.425D	S425D210012	5,677
COVID-19: ESSER III - ARP - LL Residential Treatment	84.425U	S425U210012	22,113
COVID-19: ESSER III - ARP - Homeless Children and Youth	84.425U	S425U210012	2,362
Total Elementary & Secondary School Emergency Relief Fund			13,552,925
Total U. S. Department of Education			22,543,537
Total Expenditures of Federal Awards			\$ 31,849,089

Notes to the Schedule of Expenditures of Federal Awards

(1) The amounts shown for the Food Distribution Program represents the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.

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

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Troup County Board of Education and is presented on the modified accrual basis of accounting.

The School District did not utilize the 10% de minimis indirect cost rate.

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 Award. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial
statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal Control over major federal programs:

Material weaknesses identified?

_____ yes X no

Significant deficiencies identified?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal programs:

Assistance Listing Number

84.425D & 84.425U

Name of Federal Program or Cluster

COVID-19 Elementary & Secondary
School Emergency Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$955,473

Auditee qualified as low-risk auditee?

_____ yes X no

**TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION IV
STATUS OF PRIOR AUDIT FINDINGS**

2021-001 Capital Asset Reporting

Criteria: Internal controls should be in place to ensure governmental type capital assets are properly reported in the financial statements and in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of depreciable capital assets and accumulated depreciation for governmental activities.

Status: Resolved

2021-002 Contracts and Retainage Payable

Criteria: Internal controls should be in place to ensure accounts payable is properly reported in the financial statements and in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of accounts payable for business-type activities.

Status: Resolved