

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2022

Catoosa County Board of Education

Ringgold, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

Catoosa County Board of Education

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Section I

Financial

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and fiduciary activities of the School District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial

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reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 31, 2023

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CATOOSA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTION

The discussion and analysis of the Catoosa County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2022 and June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal years 2022 and 2021 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the School District exceeded liabilities and deferred inflows of resources by $62.9 million and $35.8 million, respectively, for the fiscal years ended June 30, 2022 and 2021.

- The School District had $138.6 million and $141.8 million in expenses relating to governmental activities for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Only $101.7 million and $84.2 million of the above mentioned expenses for 2022 and 2021 were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $64.0 million and $60.3 million, respectively, for 2022 and 2021 were adequate to provide for these programs.

- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short-term liabilities, was 5.0 and 3.8 for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Generally, a ratio greater than 1.5 is considered very financially stable.

- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year 2022 with a fund balance of $25.7 million, an increase of $3.2 million from the June 30, 2021 fund balance of $22.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the School District presenting both short-term and long-term information about the overall financial status.

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2022 and 2021, the general fund, capital projects fund, and debt service fund represent the most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net position, the difference between the School District's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the School District's overall financial health or position. Over time, increases or decreases in net position are an indication of whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

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

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

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, capital projects fund, and debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting**,** which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

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

FINANCIAL ANALYSIS OF 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 fiscal years 2022 and 2021.

Table 1
Net Position

	Governmental Activities			
	Fiscal Year 2022	Percent of Total	Fiscal Year 2021	Percent of Total
Assets:				
Current Assets	$ 108,968,238	34%	$ 58,707,869	22%
Net Capital Assets	210,782,743	66%	202,897,833	78%
Total Assets	319,750,981	100%	261,605,702	100%
Deferred Outflows of Resources:				
Related to Defined Benefit Pension Plan	34,388,150	67%	33,308,449	63%
Related to OPEB Plan	16,862,466	33%	19,628,737	37%
Total Deferred Outflows of Resources	51,250,616	100%	52,937,186	100%
Liabilities:				
Current Liabilities	21,896,648	11%	15,568,234	6%
Long-Term Liabilities	177,808,234	89%	239,929,955	94%
Total Liabilities	199,704,882	100%	255,498,189	100%
Deferred Inflows of Resources:				
Related to Defined Benefit Pension Plan	66,128,382	61%	745,363	3%
Related to OPEB Plan	42,317,957	39%	22,453,054	97%
Total Deferred Inflows of Resources	108,446,339	100%	23,198,417	100%
Net Position:				
Net Investment in Capital Assets	208,609,624	332%	200,712,952	560%
Restricted	25,974,965	41%	22,648,261	63%
Unrestricted (Deficit)	(171,734,213)	-273%	(187,514,931)	-523%
Total Net Position	$ 62,850,376	100%	$ 35,846,282	100%

Total assets and deferred outflows of resources increased by $56.5 million which was primarily due to an increase in capital projects funding as a result of a general obligation bond sale.

Total liabilities and deferred inflows of resources increased by $29.5 million. The combination of the increase in total assets and deferred outflows of resources and the increase in total liabilities and deferred inflows of resources yielded an increase in net position of $27.0 million.

Table 2 shows the changes in net position for fiscal years ending June 30, 2022 and June 30, 2021.

Table 2
Change in Net Position

	Governmental Activities			
	Fiscal Year 2022	Percent of Total	Fiscal Year 2021	Percent of Total
Revenues				
Program Revenues:				
Charges for Services	$ 1,443,541	1%	$ 1,029,936	1%
Operating Grants and Contributions	97,977,302	97%	81,982,425	98%
Capital Grants and Contributions	2,264,408	2%	1,214,408	1%
Total Program Revenues	101,685,251	100%	84,226,769	100%
General Revenues:				
Property Taxes	32,944,974	52%	32,996,869	55%
Sales Taxes	16,131,891	25%	14,615,692	24%
Grants and Contributions not Restricted to Specific Programs	9,891,369	15%	9,392,157	16%
Investment Earnings	121,525	0%	284,463	0%
Miscellaneous	4,865,114	8%	3,030,129	5%
Total General Revenues	63,954,873	100%	60,319,310	100%
Total Revenues	165,640,124		144,546,079	
Program Expenses				
Instruction	87,764,503	65%	92,590,987	65%
Support Services				
Pupil Services	6,889,877	5%	7,470,593	5%
Improvement of Instructional Services	4,518,623	3%	4,481,802	3%
Educational Media Services	1,666,951	1%	1,863,293	1%
General Administration	2,704,101	2%	2,024,982	2%
School Administration	7,583,449	5%	9,139,480	7%
Business Administration	967,595	1%	944,318	1%
Maintenance and Operation of Plant	10,228,635	7%	10,244,706	7%
Student Transportation Services	7,277,195	5%	6,814,033	5%
Central Support	536,638	0%	569,318	0%
Other Support Services	1,008,545	1%	781,793	1%
Operations of Non-Instructional Services				
Community Services	461,619	0%	489,761	0%
Food Services	5,949,635	4%	4,765,752	3%
Interest on Long-Term Debt	1,078,664	1%	(395,550)	0%
Total Expenses	138,636,030	100%	141,785,268	100%
Increase in Net Position	27,004,094		2,760,811	
Beginning Net Position	35,846,282		33,085,471	
Ending Net Position	$ 62,850,376		$ 35,846,282	

Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions increased $17.5 million for governmental activities. This increase is largely due to a decrease in QBE Austerity Reduction from one fiscal period to the next and a temporary increase in grant funding due to the presence of ESSER programs.

General revenues increased by $3.6 million during fiscal year 2022. The majority of this increase came from an increase in SPLOST sales tax revenue.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity.

Table 3
Cost of Services

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Instruction	$ 87,764,503	$ 92,590,987	$ 10,636,052	$ 28,171,545
Support Services				
Pupil Services	6,889,877	7,470,593	5,171,823	5,764,835
Improvement of Instructional Services	4,518,623	4,481,802	2,065,618	2,389,510
Educational Media Services	1,666,951	1,863,293	186,234	499,958
General Administration	2,704,101	2,024,982	801,304	197,155
School Administration	7,583,449	9,139,480	4,226,171	6,107,729
Business Administration	967,595	944,318	880,706	939,245
Maintenance and Operation of Plant	10,228,635	10,244,706	6,513,217	6,653,118
Student Transportation Services	7,277,195	6,814,033	5,772,354	4,961,770
Central Support Services	536,638	569,318	518,343	564,245
Other Support Services	1,008,545	781,793	659,797	554,530
Operations of Non-Instructional Services				
Community Services	461,619	489,761	293,180	323,993
Food Services	5,949,635	4,765,752	(1,852,684)	826,416
Interest on Long-Term Debt	1,078,664	(395,550)	1,078,664	(395,550)
Total Expenses	$ 138,636,030	$ 141,785,268	$ 36,950,779	$ 57,558,499

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2022, 26.7% of government-wide expenses were supplemented by taxes and other general revenues compared to 40.6% in 2021.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of $248.4 million and total expenses and other financing uses of $203.0 million. There was an increase in the fund balance totaling $45.5 for the governmental funds as a whole. The majority of this increase is due to a $42.0 million general obligation bond sale that occurred during fiscal year 2022 which increased the capital projects fund balance. The $25.7 million fund balance in the general fund reflects that the School District continues to be able to adequately meet current costs.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, funded primarily through state revenue and local property tax revenue. During the course of fiscal years 2022 and 2021, the School District amended its general fund budget as needed.

During fiscal year 2022 the general fund had final actual revenues totaling $148.8 million, which represented an increase from the original budgeted amount of $123.4 million by $25.4 million. This difference (final actual vs. original budget) was due to the elimination of the QBE Austerity Reduction and a temporary increase in Federal funds due to the ESSER programs.

Final actual expenditures during fiscal year 2022 totaling $145.3 million represented an increase from the original budgeted amount of $128.2 million by $17.1 million. The increase in actual expenditures versus original budget expenditures was due primarily to the utilization of ESSER funds to address learning loss, add instructional resources, and increase sanitization processes/resources.

CAPITAL ASSETS

At the fiscal years ended June 30, 2022 and June 30, 2021, the School District had $210.8 million and $202.9 million, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land; buildings; transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Land	$ 6,945,750	$ 6,945,750
Land Improvements	10,347,655	10,620,982
Buildings and Improvements	175,159,014	179,238,678
Equipment	5,021,073	5,488,393
Construction in Progress	13,309,251	604,030
Total	$ 210,782,743	$ 202,897,833

The overall capital assets increased in fiscal year 2022 by $7.9 million largely due to multiple large construction projects beginning in 2022 that have added greatly to the construction in progress total.

The construction in progress balance at June 30, 2022 consist of the following projects:

- From Here to Career College & Career Academy Construction
- Lakeview Fort-Oglethorpe High School Theater Addition
- Lakeview Fort-Oglethorpe High School Athletics Renovations
- Tiger Creek Elementary School Auditorium Renovation

DEBT ADMINISTRATION

At June 30, 2022, the School District had $57.5 million in total debt outstanding with $10.2 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2022 and 2021.

Table 5
Changes in Long-Term Debt

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
General Obligation Bonds	$ 50,820,000	$ 17,210,000
Unamortized Bond Premiums	6,599,260	107,440
Financed Purchases	24,017	36,025
Compensated Absences	74,828	66,793
Total	$ 57,518,105	$ 17,420,258

The School District issued new general obligation bonds in the amount of $42.0 million on July 13, 2021. The bonds will be repaid from sales tax proceeds of an Education Special Purpose Local Option Sales Tax (ESPLOST) that begins July 1, 2022 and ends June 30, 2027. Final payment on the 2021 general obligation bonds will occur on August 1, 2027.

CURRENT ISSUES

Fiscal year 2022 was a successful year for the Catoosa County School District. While challenges occurred as both staff and students returned to a more normal instructional schedule post the COVID-19 pandemic, the School District as a whole continued to see strong graduation rates, recording the second highest rate ever. Instructional positions and resources were increased with the help of ESSER funding to combat learning loss and provide additional resources for all students. The School District emphasized new approaches to identify students who needed more instructional support or areas where grade levels as a whole needed a new approach to reach specific goals by implementing tools such as data walls and forming literacy teams. Investments in professional learning continued to combat learning loss with programs like LETRS training for all elementary level educators. All of this was accomplished while keeping expenses lower than earned revenues largely due to an elimination of the QBE Austerity Reduction and temporary availability of ESSER funding. Regardless, the School District was able to maintain its strong financial position in 2022. However, several challenges remain in the near future.

The rising cost of employee benefits continues to be a major expenditure for the School District. In fiscal year 2022, the School District spent approximately $35.5 million on employee benefits alone. The required employer contribution rates for Teachers Retirement System of Georgia (TRS) increased from 19.06% to 19.81% in 2022. Continued economic uncertainty, including rapid inflation across most sectors, will likely lead to an increase in future years and could force the School District to once again start contributing at well over 20% next year and beyond. Additionally, due to economic factors, the School District faces more competition for potential employees than it has in a number of years. To combat this reality, the School District increased all pay scales by 15% for 2023 in hopes to maintain current staff and attract new candidates to the School District.

The impact of COVID-19 will continue to be felt for years to come and has changed the way the School Board approaches many challenges. Worthwhile investments have been made in all areas utilizing the ESSER funding, as well as other sources, to make meaningful impacts in the instruction of the student body, keep facilities clean and safe, and give staff the flexibility to continue instructing the students either in person, in a hybrid manner, or virtually regardless of societal circumstances. However, ESSER funding will cease in the next couple of years and the School District will have to determine what programs can be continued and at what financial cost they will come with.

Approximately 89% of general fund expenses, the main operating fund for the School District, were related to salaries and employee benefits for the year ended June 30, 2022. More than a third of certified personnel in the School District have 21 years or more of experience resulting in salaries at the highest possible state pay level. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that Catoosa County students receive a quality education from effective personnel.

In 2022, the School District voted to roll back the millage rate from 16.722 to 15.089 due to increased property values. This maintained the level of funding received from property taxes by the School District in previous years without passing on a higher tax bill to Catoosa County residents. This represents the new lowest millage rate in Catoosa County since 2001. The net digest for fiscal year 2022 increased to $1.919 billion, which produced approximately $1,919,000 per mill. We expect the tax digest to continue growing for fiscal year 2023 with the current economic factors. As shown in Table 3, property tax, sales tax, and other general revenues are responsible for covering 27% of the School District's costs, down from 41% in fiscal year 2021 due to temporary ESSER funding. It is anticipated that this pressure to provide local monies to meet mandated educational requirements and operational costs will continue and return to pre-ESSER levels in the next couple of years.

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 Austin Carter at the Catoosa County Board of Education, at 307 Cleveland Street, Ringgold, Georgia 30736. You may also email your questions to acarter@catoosa.k12.ga.us.

Catoosa County Board of Education

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CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 92,783,075
Accounts Receivable, Net	
Interest	8,333
Taxes	2,675,620
State Government	10,964,155
Federal Government	2,115,129
Other	222,180
Inventories	153,901
Prepaid Items	45,845
Capital Assets, Non-Depreciable	20,255,001
Capital Assets, Depreciable (Net of Accumulated Depreciation)	190,527,742
Total Assets	319,750,981
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	34,388,150
Related to OPEB Plan	16,862,466
Total Deferred Outflows of Resources	51,250,616
LIABILITIES	
Accounts Payable	42,313
Salaries and Benefits Payable	15,040,362
Interest Payable	1,058,750
Claims Incurred but not Reported (IBNR)	1,177,873
Contracts Payable	3,374,864
Retainages Payable	1,065,801
Deposits and Unearned Revenues	136,685
Net Pension Liability	45,024,111
Net OPEB Liability	75,266,018
Long-Term Liabilities	
Due Within One Year	10,151,860
Due in More Than One Year	47,366,245
Total Liabilities	199,704,882
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	66,128,382
Related to OPEB Plan	42,317,957
Total Deferred Inflows of Resources	108,446,339
NET POSITION	
Net Investment in Capital Assets	208,609,624
Restricted for	
Bus Replacement	386,100
Continuation of Federal Programs	2,959,290
Debt Service	9,040,886
Capital Projects	13,588,689
Unrestricted (Deficit)	(171,734,213)
Total Net Position	$ 62,850,376

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

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 87,764,503	$ 217,447	$ 75,095,779	$ 1,815,225	$ (10,636,052)
Support Services					
Pupil Services	6,889,877	364,175	1,345,265	8,614	(5,171,823)
Improvement of Instructional Services	4,518,623	-	2,453,005	-	(2,065,618)
Educational Media Services	1,666,951	40,118	1,440,599	-	(186,234)
General Administration	2,704,101	-	1,838,373	64,424	(801,304)
School Administration	7,583,449	65,140	3,292,138	-	(4,226,171)
Business Administration	967,595	-	86,889	-	(880,706)
Maintenance and Operation of Plant	10,228,635	56,065	3,336,084	323,269	(6,513,217)
Student Transportation Services	7,277,195	-	1,504,841	-	(5,772,354)
Central Support Services	536,638	-	18,295	-	(518,343)
Other Support Services	1,008,545	324,501	24,247	-	(659,797)
Operations of Non-Instructional Services					
Community Services	461,619	161,693	2,153	4,593	(293,180)
Food Services	5,949,635	214,402	7,539,634	48,283	1,852,684
Interest on Long-Term Debt	1,078,664	-	-	-	(1,078,664)
Total Governmental Activities	$ 138,636,030	$ 1,443,541	$ 97,977,302	$ 2,264,408	(36,950,779)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					32,222,113
Other Taxes					722,861
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					14,879,049
Other Sales Tax					1,252,842
Grants and Contributions not Restricted to Specific Programs					9,891,369
Investment Earnings					121,525
Miscellaneous					4,865,114
Total General Revenues					63,954,873
Change in Net Position					27,004,094
Net Position - Beginning of Year					35,846,282
Net Position - End of Year					$ 62,850,376

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

CATOOSA COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 27,819,639	$ 54,872,120	$ 10,091,316	$ 92,783,075
Accounts Receivable, Net				
Interest	-	13	8,320	8,333
Taxes	1,288,096	1,387,524	-	2,675,620
State Government	9,790,153	1,174,002	-	10,964,155
Federal Government	2,115,129	-	-	2,115,129
Other	222,180	-	-	222,180
Inventories	153,901	-	-	153,901
Prepaid Items	45,845	-	-	45,845
Total Assets	$ 41,434,943	$ 57,433,659	$ 10,099,636	$ 108,968,238
LIABILITIES				
Accounts Payable	$ 42,313	$ -	$ -	$ 42,313
Salaries and Benefits Payable	15,040,362	-	-	15,040,362
Contracts Payable	-	3,374,864	-	3,374,864
Retainages Payable	-	1,065,801	-	1,065,801
Deposits and Unearned Revenues	136,685	-	-	136,685
Total Liabilities	15,219,360	4,440,665	-	19,660,025
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	521,853	-	-	521,853
FUND BALANCES				
Nonspendable	199,746	-	-	199,746
Restricted	3,191,489	52,992,994	10,099,636	66,284,119
Assigned	3,277,328	-	-	3,277,328
Unassigned	19,025,167	-	-	19,025,167
Total Fund Balances	25,693,730	52,992,994	10,099,636	88,786,360
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 41,434,943	$ 57,433,659	$ 10,099,636	$ 108,968,238

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

CATOOSA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - governmental funds (Exhibit "C")			$ 88,786,360
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Land	$	6,945,750	
Construction in progress		13,309,251	
Buildings and improvements		234,542,668	
Equipment		17,309,763	
Land improvements		13,884,554	
Accumulated depreciation		(75,209,243)	210,782,743
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension liability	$	(45,024,111)	
Net OPEB liability		(75,266,018)	(120,290,129)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.			
Related to pensions	$	(31,740,232)	
Related to OPEB		(25,455,491)	(57,195,723)
Taxes that are not available to pay for current period expenditures are deferred in the funds.			521,853
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.			
Bonds payable	$	(50,820,000)	
Accrued interest payable		(1,058,750)	
Financed purchase arrangement payable		(24,017)	
Compensated absences payable		(74,828)	
Unamortized bond premiums		(6,599,260)	
Claims payable		(1,177,873)	(59,754,728)
Net position of governmental activities (Exhibit "A")			$ 62,850,376

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 33,017,692	$ -	$ -	$ 33,017,692
Sales Taxes	1,252,842	14,879,049	-	16,131,891
State Funds	83,112,002	2,264,408	-	85,376,410
Federal Funds	25,038,780	-	-	25,038,780
Charges for Services	1,443,541	-	-	1,443,541
Investment Earnings	81,140	24,475	15,910	121,525
Miscellaneous	4,826,022	39,092	-	4,865,114
Total Revenues	148,772,019	17,207,024	15,910	165,994,953
EXPENDITURES				
Current				
Instruction	95,158,977	8,586	-	95,167,563
Support Services				
Pupil Services	7,564,149	-	-	7,564,149
Improvement of Instructional Services	5,016,999	-	-	5,016,999
Educational Media Services	1,894,952	-	-	1,894,952
General Administration	1,810,018	1,058,972	-	2,868,990
School Administration	8,783,698	-	-	8,783,698
Business Administration	1,064,654	-	-	1,064,654
Maintenance and Operation of Plant	9,699,028	361,230	-	10,060,258
Student Transportation Services	6,234,452	-	-	6,234,452
Central Support Services	592,764	-	-	592,764
Other Support Services	1,065,045	-	-	1,065,045
Community Services	445,903	-	-	445,903
Food Services Operation	5,914,889	-	-	5,914,889
Capital Outlay	-	13,053,383	-	13,053,383
Debt Services				
Principal	12,008	-	8,390,000	8,402,008
Bond Issuance Costs	-	500,566	-	500,566
Interest	3,058	-	1,805,750	1,808,808
Total Expenditures	145,260,594	14,982,737	10,195,750	170,439,081
Revenues over (under) Expenditures	3,511,425	2,224,287	(10,179,840)	(4,444,128)
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds	-	42,000,000	-	42,000,000
Premiums on Bonds Sold	-	7,919,114	-	7,919,114
Transfers In	-	350,000	1,611,637	1,961,637
Transfers Out	(350,000)	(1,611,637)	-	(1,961,637)
Total Other Financing Sources (Uses)	(350,000)	48,657,477	1,611,637	49,919,114
Net Change in Fund Balances	3,161,425	50,881,764	(8,568,203)	45,474,986
Fund Balances - Beginning	22,532,305	2,111,230	18,667,839	43,311,374
Fund Balances - Ending	$ 25,693,730	$ 52,992,994	$ 10,099,636	$ 88,786,360

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

CATOOSA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ 45,474,986
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 14,086,796	
Depreciation expense	(6,201,886)	7,884,910
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(72,718)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
General obligation bonds issued, including a premium of $7,919,114	$ (49,919,114)	
Bond principal retirements	8,390,000	
Financed purchase arrangement payments	12,008	(41,517,106)
District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	$ 11,721,892	
OPEB expense	3,563,184	15,285,076
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest on issuance of bonds	$ (700,208)	
Amortization of bond premium	1,427,294	
Compensated absences	(8,035)	
Claims	(770,105)	(51,054)
Change in net position of governmental activities (Exhibit "B")		$ 27,004,094

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

EXHIBIT "G"

		CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	$	667,656
Receivables, Net		
Other		40,429
Total Assets		708,085
LIABILITIES		
Salaries and Benefits Payable		24,380
NET POSITION		
Restricted		
Individuals, Organizations, and Other Governments	$	683,705

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

CATOOSA COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDCUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

EXHIBIT "H"

	CUSTODIAL FUNDS
ADDITIONS	
Contributions	
Donors	$ 94,023
Miscellaneous	530,075
Total Additions	624,098
DEDUCTIONS	
Other Deductions	531,980
Change in Net Position	92,118
Net Position - Beginning	591,587
Net Position - Ending	$ 683,705

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund type:

- Custodial funds are used to report resources held by the School District in a purely custodial capacity.

Basis of Accounting

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted resources available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

New Accounting Pronouncements

In fiscal year 2022, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government’s financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The adoption of this statement did not have an impact on the School District's financial statements.

Cash and Cash Equivalents

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

Receivables

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

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 10,000	20 to 80 years
Buildings and Improvements	$ 10,000	20 to 80 years
Equipment	$ 10,000	5 to 15 years
Intangible Assets	$ 100,000	10 to 20 years

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Vacation leave of 5 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 5 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Catoosa County Board of Commissioners adopted the property tax levy for the 2021 tax digest year (calendar year) on August 31, 2021 (levy date) based on property values as of January 1, 2021. Taxes were due on December 20, 2021 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. The Catoosa County Tax Commissioner and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for maintenance and operations amounted to $28,326,491.

The tax millage rate levied for the 2021 tax digest year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	15.089 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $3,968,340 during fiscal year ended June 30, 2022.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $14,879,049 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

The Superintendent is authorized by the Board to approve adjustments of no more than 5% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is

anticipated to be more than 5% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS

Collateralization of Deposits

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

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

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2022, School District had deposits with a carrying amount of $93,450,731, and a bank balance

of $99,222,372. The bank balances insured by Federal depository insurance were $1,000,000 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution's trust department or agent in the School District's name were $176,548.

At June 30, 2022, $98,045,824 of the School District's bank balances was exposed to custodial credit risk. Of this balance, $84,643,355 was in the State's Secure Deposit Program (SDP) and the remaining balance of $13,402,469 was held by the pledging financial institution's trust department or agent but not in the School District's name.

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2021	Increases	Decreases	Balances June 30, 2022
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	$ 6,945,750	$ -	$ -	$ 6,945,750
Construction in Progress	604,030	12,705,221	-	13,309,251
Total Capital Assets				
Not Being Depreciated	7,549,780	12,705,221	-	20,255,001
Capital Assets,				
Being Depreciated				
Buildings and Improvements	233,887,127	655,541	-	234,542,668
Equipment	16,804,783	504,980	-	17,309,763
Land Improvements	13,663,500	221,054	-	13,884,554
Less Accumulated Depreciation:				
Buildings and Improvements	54,648,449	4,735,205	-	59,383,654
Equipment	11,316,390	972,300	-	12,288,690
Land Improvements	3,042,518	494,381	-	3,536,899
Total Capital Assets,				
Being Depreciated, Net	195,348,053	(4,820,311)	-	190,527,742
Governmental Activities				
Capital Assets - Net	$ 202,897,833	$ 7,884,910	$ -	$ 210,782,743

Current year depreciation expense by function is as follows:

Instruction		$ 4,074,935
Support Services		
Pupil Services	$ 19,336	
General Administration	144,624	
Maintenance and Operation of Plant	725,698	
Student Transportation Services	1,118,593	
Community Services	10,310	2,018,561
Food Services		108,390
		$ 6,201,886

NOTE 6: INTERFUND TRANSFERS

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

	Transfers From		
Transfers to	General Fund	Capital Projects Fund	Total
Capital Projects Fund	$ 350,000	$ -	$ 350,000
Debt Service Fund	-	1,611,637	1,611,637
Total	$ 350,000	$ 1,611,637	$ 1,961,637

Transfers are used to move sales tax revenues collected by the capital projects fund to the debt service fund to pay principal and interest for the general obligation bonds as required in the bond resolution, to move funds from the general fund to the capital projects fund for capital outlay and to move over-collections of sales tax revenues for general obligation bonds where all debt service requirements have been met are made back to the capital projects fund from the debt service fund.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation (G.O.) Bonds	$ 17,210,000	$ 42,000,000	$ 8,390,000	$ 50,820,000	$ 8,820,000
Unamortized Bond Premiums	107,440	7,919,114	1,427,294	6,599,260	1,319,852
Financed Purchases	36,025	-	12,008	24,017	12,008
Compensated Absences (1)	66,793	8,035	-	74,828	-
	$ 17,420,258	$ 49,927,149	$ 9,829,302	$ 57,518,105	$ 10,151,860

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

General Obligation Debt Outstanding

The School District's bonded debt consists of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The School District repays general obligation bonds from voter-approved sales taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2022. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from the general fund or a direct annual ad

valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

During the current year, the School District issued general obligation bonds totaling $42,000,000 to fund the construction of a College & Career Academy, the addition of a theater wing to Lakeview Fort Oglethorpe High School, Phase 1 of Boynton Elementary, and miscellaneous capital project needs.

Of the total amount originally authorized, $7,000,000 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2016	5.00%	8/24/2016	8/1/2022	$ 40,000,000	$ 8,820,000
General Government - Series 2021	5.00%	7/13/2021	8/1/2027	42,000,000	42,000,000
				$ 82,000,000	$ 50,820,000

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

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2023	$ 8,820,000	$ 2,320,500	$ 1,319,852
2024	7,580,000	1,910,500	1,319,852
2025	7,970,000	1,521,750	1,319,852
2026	8,380,000	1,113,000	1,319,852
2027	8,810,000	683,250	1,319,852
2028	9,260,000	231,500	-
Total Principal and Interest	$ 50,820,000	$ 7,780,500	$ 6,599,260

Obligations Under Financed Purchases

The School District has acquired band equipment under the provisions of financed purchase agreements for accounting purposes because they provide for a transfer of ownership by the end of the payment schedule.

If sufficient funds are not appropriated to make payments required under this agreement for the original term or any renewal term, this agreement shall terminate at the end of the then current original term or renewal term, and the School District shall not be obligated to make payments under this agreement beyond the then current term, and all of the School District's right, title and interest in and to the equipment shall terminate at the end of the then current term. If such a non-appropriation occurs, the School District shall, no later than the end of the then-current term, return the equipment to a location in the continental United States specified by the lessor, freight and insurance prepaid by the School District, and in the condition in which it is required to be maintained hereunder.

The following assets were acquired through financed purchase agreements and are reflected in the capital asset note at fiscal year-end:

	Governmental Activities
Equipment	$ 53,850
Less: Accumulated Depreciation	24,055
	$ 29,795

Debt currently outstanding associated with financed purchase agreements is as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Band Equipment - LFO	0.00%	7/1/2019	7/1/2024	$ 29,085	$ 11,634
Band Equipment - RHS	0.00%	3/1/2021	3/1/2024	24,765	12,383
				$ 53,850	$ 24,017

The following is a schedule of total finance purchase payments:

Fiscal Year Ended June 30:	Principal	Interest
2023	$ 12,008	$ 3,058
2024	12,009	3,058
Total Principal and Interest	$ 24,017	$ 6,116

Compensated Absences

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

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

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

Workers' Compensation

The School District has established a limited risk management program for workers' compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of $450,000 loss per occurrence, up to the statutory limit.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2021	$ 342,563	$ 436,428	$ 371,223	$ 407,768
2022	$ 407,768	$ 1,164,873	$ 394,768	$ 1,177,873

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2021	$ -	$ 22,686	$ 22,686	$ -
2022	$ -	$ 6,268	$ 6,268	$ -

Surety Bond

The School District purchased a surety bond to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$ 25,000

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2022:

Nonspendable		
Inventories	$ 153,901	
Prepaid Assets	45,845	$ 199,746
Restricted		
Bus Replacement	$ 386,100	
Continuation of Federal Programs	2,805,389	
Capital Projects	52,992,994	
Debt Service	10,099,636	66,284,119
Assigned		
School Activity Accounts	$ 1,774,701	
Local Capital Outlay Projects	1,500,000	
Other - Battlefield	2,627	3,277,328
Unassigned		19,025,167
Fund Balance, June 30, 2022		$ 88,786,360

When multiple categories of fund balance are available for an expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

NOTE 10: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

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

Project	Unearned Executed Contracts (1)	Payments through June 30, 2022 (2)	Funding Available From State (1)
College and Career Academy Project	$ 20,379,022	$ 6,389,915	$ -
LFO High School Theater Project	16,128,839	2,452,717	171,208
LFO High School Athletics Project	70,465	3,467,199	-
LFO High School Tennis Project	338,731	706,925	-
Tiger Creek Elementary Auditorium Project	376,518	188,906	-
	$ 37,293,575	$ 13,205,662	$ 171,208

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

(2) Payments include contracts and retainages payable at year end.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $2,554,007 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2022, the School District reported a liability of $75,266,018 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the School District's proportion was 0.694924%, which was an increase of 0.004138% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of ($1,010,066). At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 34,366,225
Changes of assumptions	13,782,369	6,141,659
Net difference between projected and actual earnings on OPEB plan investments	-	119,348
Changes in proportion and differences between School District contributions and proportionate share of contributions	526,090	1,690,725
School District contributions subsequent to the measurement date	2,554,007	-
Total	$ 16,862,466	$ 42,317,957

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

Year Ended June 30:	OPEB
2023	$ (7,506,129)
2024	$ (6,763,316)
2025	$ (4,882,396)
2026	$ (3,421,095)
2027	$ (4,202,516)
Thereafter	$ (1,234,046)

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

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible	5.13%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

Mortality rates were based on the Pub-2010 Mortality Tables for Males or Females, as appropriate, as follows:

- For TRS members: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all 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.
- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation with 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 employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

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

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*Net of Inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 2.20%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20%) or 1-percentage-point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School District's proportionate share of the Net OPEB liability	$ 86,045,939	$ 75,266,018	$ 66,242,205

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	$ 63,866,134	$ 75,266,018	$ 89,516,769

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

NOTE 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% 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, of which 19.77% of payroll was required from the School District and 0.04% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $13,430,979 and $23,645 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $263,000.

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 of $45,024,111 for its proportionate share of the net pension liability for TRS.

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

School District's proportionate share of the net pension liability	$	45,024,111
State of Georgia's proportionate share of the net pension liability associated with the School District		81,456
Total	$	45,105,567

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

At June 30, 2021, the School District's TRS proportion was 0.509073%, which was an increase of 0.009363% from its proportion measured as of June 30, 2020.

At June 30, 2022, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $228,062.

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

For the year ended June 30, 2022, the School District recognized pension expense of $1,707,083 for TRS and $2,398 for PSERS and revenue of $2,136 for TRS and $2,398 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,744,184	$ -
Changes of assumptions	8,714,271	-
Net difference between projected and actual earnings on pension plan investments	-	65,857,557
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,498,716	270,825
School District contributions subsequent to the measurement date	13,430,979	-
Total	$ 34,388,150	$ 66,128,382

The School District contributions subsequent to the measurement date for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ended June 30:	TRS
2023	$ (8,565,040)
2024	$ (8,278,948)
2025	$ (12,369,659)
2026	$ (15,957,564)

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

Teachers Retirement System:

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

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

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

Public School Employees Retirement System:

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

Mortality rates are as follows:

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

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

Asset class	TRS Target allocation	Long-term expected real rate of return*	PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.80)%	30.00%	(1.50)%
Domestic large stocks	46.30%	9.30%	46.40%	9.20%
Domestic small stocks	1.20%	13.30%	1.10%	13.40%
International developed market stocks	11.50%	9.30%	11.70%	9.20%
International emerging market stocks	6.00%	11.30%	5.80%	10.40%
Alternative	5.00%	10.60%	5.00%	10.60%
Total	100.00%		100.00%	

* Rates shown are net of inflation

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

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:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 121,283,028	$ 45,024,111	$ (17,464,808)

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

Defined Contribution Plan

On July 1 2006, the School District began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School District selected Lincoln Financial Group as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to 3% of the employee's base pay.

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

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

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

Fiscal Year	Percentage Contributed	Required Contribution
2022	100%	$ 139,987
2021	100%	$ 146,519
2020	100%	$ 146,404

NOTE 14: TAX ABATEMENTS

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

For the fiscal year ended June 30, 2022, Catoosa County abated property taxes due to the School District that were levied on August 31, 2021 and due on December 20, 2021 totaling $228,666. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to Shaw Industries Project LVT for continued investment in operations and local employment. The abatement amounted to $108,083.
- A property tax abatement to Shaw Industries Project LVT (2) 2017 Expansion Project for continued investment in operations and local employment. The abatement amounted to $88,312.

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CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.509073%	$ 45,024,111	$ 81,456	$ 45,105,567	$ 66,376,347	67.83%	92.03%
2021	0.499710%	$ 121,049,321	$ 220,922	$ 121,270,243	$ 64,552,736	187.52%	77.01%
2020	0.499544%	$ 107,415,468	$ 203,201	$ 107,618,669	$ 61,087,120	175.84%	78.56%
2019	0.500762%	$ 92,952,154	$ 177,268	$ 93,129,422	$ 59,773,765	155.51%	80.27%
2018	0.504993%	$ 93,854,504	$ 177,490	$ 94,031,994	$ 58,135,486	161.44%	79.33%
2017	0.511997%	$ 105,630,690	$ 194,964	$ 105,825,654	$ 56,273,693	187.71%	76.06%
2016	0.519443%	$ 79,080,039	$ 146,607	$ 79,226,646	$ 54,931,930	143.96%	81.44%
2015	0.528899%	$ 66,819,412	$ 125,073	$ 66,944,485	$ 54,125,004	123.45%	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2022	$ 13,430,979	$ 13,430,979	$ -	$ 67,919,071	19.77%
2021	$ 12,628,503	$ 12,628,503	$ -	$ 66,376,347	19.03%
2020	$ 13,621,593	$ 13,621,593	$ -	$ 64,552,736	21.10%
2019	$ 12,743,116	$ 12,743,116	$ -	$ 61,087,120	20.86%
2018	$ 10,028,866	$ 10,028,866	$ -	$ 59,773,765	16.78%
2017	$ 8,280,396	$ 8,280,396	$ -	$ 58,135,486	14.24%
2016	$ 8,015,839	$ 8,015,839	$ -	$ 56,276,693	14.24%
2015	$ 7,210,177	$ 7,210,177	$ -	$ 54,931,930	13.13%
2014	$ 6,645,843	$ 6,645,843	$ -	$ 54,125,004	12.28%
2013	$ 6,290,446	$ 6,290,446	$ -	$ 55,132,412	11.41%

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.00%	$ -	$ 228,062	$ 228,062	$ 2,888,997	N/A	98.00%
2021	0.00%	$ -	$ 1,564,792	$ 1,564,792	$ 2,742,028	N/A	84.45%
2020	0.00%	$ -	$ 1,412,511	$ 1,412,511	$ 2,566,076	N/A	85.02%
2019	0.00%	$ -	$ 1,378,944	$ 1,378,944	$ 2,409,737	N/A	85.26%
2018	0.00%	$ -	$ 1,184,443	$ 1,184,443	$ 2,181,359	N/A	85.69%
2017	0.00%	$ -	$ 1,643,699	$ 1,643,699	$ 2,231,706	N/A	81.00%
2016	0.00%	$ -	$ 1,061,104	$ 1,061,104	$ 2,160,106	N/A	87.00%
2015	0.00%	$ -	$ 958,505	$ 958,505	$ 2,125,207	N/A	88.29%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.694924%	$ 75,266,018	$ -	$ 75,266,018	$ 36,864,048	204.17%	6.14%
2021	0.690786%	$ 101,460,376	$ -	$ 101,460,376	$ 34,715,953	292.26%	3.99%
2020	0.700614%	$ 85,980,370	$ -	$ 85,980,370	$ 30,026,520	286.35%	4.63%
2019	0.070102%	$ 89,097,491	$ -	$ 89,097,491	$ 30,011,938	296.87%	2.93%
2018	0.701443%	$ 98,552,459	$ -	$ 98,552,459	$ 29,213,712	337.35%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CATOOSA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2022	$ 2,554,007	$ 2,554,007	$ -	$ 38,459,710	6.64%
2021	$ 2,585,000	$ 2,585,000	$ -	$ 36,864,048	7.01%
2020	$ 2,336,078	$ 2,336,078	$ -	$ 34,715,953	6.73%
2019	$ 3,773,293	$ 3,773,293	$ -	$ 30,026,520	12.57%
2018	$ 3,633,316	$ 3,633,316	$ -	$ 30,011,398	12.11%
2017	$ 3,657,379	$ 3,657,379	$ -	$ 29,213,712	12.52%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Teachers Retirement System
Change of benefit terms: There have been no changes in benefit terms.

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

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

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

Public School Employees Retirement System
Changes of benefit terms: There have been no changes in benefit terms.

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).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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 or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

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

Changes in assumptions:
June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of emloyees are members of the Employees Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

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

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

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% of June 30, 2019, and to 2.22% as of June 30. 2020.

CATOOSA COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 32,218,205	$ 32,218,205	$ 33,017,692	$ 799,487
Sales Taxes	975,000	975,000	1,252,842	277,842
State Funds	77,497,606	83,353,078	83,112,002	(241,076)
Federal Funds	9,922,330	31,210,506	25,038,780	(6,171,726)
Charges for Services	2,027,988	2,027,988	1,443,541	(584,447)
Investment Earnings	3,278	3,278	81,140	77,862
Miscellaneous	780,000	780,000	4,826,022	4,046,022
Total Revenues	123,424,407	150,568,055	148,772,019	(1,796,036)
EXPENDITURES				
Current				
Instruction	83,229,397	102,464,325	95,158,977	7,305,348
Support Services				
Pupil Services	5,416,475	7,837,522	7,564,149	273,373
Improvement of Instructional Services	4,216,346	5,905,135	5,016,999	888,136
Educational Media Services	1,614,585	1,644,318	1,894,952	(250,634)
General Administration	1,386,799	1,437,205	1,810,018	(372,813)
School Administration	8,463,828	8,848,943	8,783,698	65,245
Business Administration	911,428	1,000,532	1,064,654	(64,122)
Maintenance and Operation of Plant	9,032,712	9,575,406	9,699,028	(123,622)
Student Transportation Services	5,792,922	6,211,457	6,234,452	(22,995)
Central Support Services	984,786	1,003,596	592,764	410,832
Other Support Services	246,198	270,418	1,065,045	(794,627)
Community Services	6,519,628	6,726,097	5,914,889	811,208
Food Services Operation	381,885	384,038	445,903	(61,865)
Debt Service	-	-	15,066	(15,066)
Total Expenditures	128,196,989	153,308,992	145,260,594	8,048,398
Excess of Revenues over (under) Expenditures	(4,772,582)	(2,740,937)	3,511,425	6,252,362
OTHER FINANCING SOURCES(USES)				
Other Sources	389,370	389,370	-	(389,370)
Other Uses	(440,000)	(440,000)	(350,000)	90,000
Total Other Financing Sources (Uses)	(50,630)	(50,630)	(350,000)	(299,370)
Net Change in Fund Balances	(4,823,212)	(2,791,567)	3,161,425	5,952,992
Fund Balances - Beginning	22,651,883	22,651,663	22,532,305	(119,358)
Fund Balances - Ending	$ 17,828,671	$ 19,860,096	$ 25,693,730	$ 5,833,634

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.
The actual revenues and expenditures of the various principal accounts are $3,726,534 and $3,450,655, respectively.

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

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	225GA324N1199	$ 1,467,513
National School Lunch Program	10.555	225GA324N1199	3,235,911
COVID-19 - National School Lunch Program	10.555	225GA324N1099	589,241
Total U. S. Department of Agriculture			5,292,665
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	144,422
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	4,487,462
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	5,588,782
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	29,159
Total Education Stabilization Fund			10,249,825
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A200073	257,823
Grants to States	84.027A	H027A210073	1,440,966
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	479,168
Preschool Grants	84.173A	H173A200081	6,746
Preschool Grants	84.173A	H173A210081	43,748
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	31,211
Total Special Education Cluster			2,259,662
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A210010	114,147
Education for Homeless Children and Youth	84.196A	S196A210011	74,344
English Language Acquisition State Grants	84.365A	S365A200010	5,354
English Language Acquisition State Grants	84.365A	S365A210010	17,693
Student Support and Academic Enrichment Program	84.424A	S424A200011	63,340
Student Support and Academic Enrichment Program	84.424A	S424A210011	125,621
Supporting Effective Instruction State Grants	84.367A	S367A200001	31,626
Supporting Effective Instruction State Grants	84.367A	S367A210001	237,725
Title I Grants to Local Educational Agencies	84.010A	S010A200010-20A	1,814,632
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	196,448
Total Other Programs			2,680,930
Total U. S. Department of Education			15,190,417

CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Federal Communications Commission, U.S.			
Direct			
Emergency Connectivity Fund Program	32.009		3,379,019
Health and Human Services, U. S. Department of			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	220GACCC5	55,951
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program	12. UNKNOWN		168,678
Total Expenditures of Federal Awards			$ 24,086,730

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Catoosa County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2022

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 1,258,716	$ -	$ 1,258,716
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	3,438,168	-	3,438,168
Kindergarten Program - Early Intervention Program	655,711	-	655,711
Primary Grades (1-3) Program	7,541,430	-	7,541,430
Primary Grades - Early Intervention (1-3) Program	2,207,155	-	2,207,155
Upper Elementary Grades (4-5) Program	3,848,059	-	3,848,059
Upper Elementary Grades - Early Intervention (4-5) Program	1,177,841	-	1,177,841
Middle School (6-8) Program	7,061,499	-	7,061,499
High School General Education (9-12) Program	6,361,559	-	6,361,559
Vocational Laboratory (9-12) Program	2,565,608	-	2,565,608
Students with Disabilities	14,500,466	-	14,500,466
Gifted Student - Category VI	3,763,229	-	3,763,229
Remedial Education Program	1,901,935	-	1,901,935
Alternative Education Program	535,072	-	535,072
English Speakers of Other Languages (ESOL)	239,918	-	239,918
One-Time QBE Adjustment	2,592,068	-	2,592,068
Media Center Program	1,355,266	-	1,355,266
20 Days Additional Instruction	403,984	-	403,984
Staff and Professional Development	241,214	-	241,214
Principal Staff and Professional Development	4,682	-	4,682
Indirect Cost			
Central Administration	1,783,845	-	1,783,845
School Administration	2,873,551	-	2,873,551
Facility Maintenance and Operations	2,705,039	-	2,705,039
Mid-term Adjustment Hold-Harmless	192,378	-	192,378
Amended Formula Adjustment	417,580	-	417,580
Charter System Adjustment	1,093,476	-	1,093,476
Categorical Grants			
Pupil Transportation			
Regular	1,118,645	-	1,118,645
Nursing Services	210,885	-	210,885
Education Equalization Funding Grant	9,891,369	-	9,891,369
Other State Programs			
Food Services	374,446	-	374,446
Hygiene Products	7,522	-	7,522
Math and Science Supplements	36,377	-	36,377
Preschool Disability Services	183,338	-	183,338
School Safety Grant	867	-	867
Teachers Retirement	23,645	-	23,645
Tuition for Multiple Disabilities	82,291	-	82,291
Vocational Education	200,168	-	200,168
Office of the State Treasurer			
Public School Employees Retirement	263,000	-	263,000
Technical College System of Georgia			
Vocational-Technology School	-	2,264,408	2,264,408
	$ 83,112,002	$ 2,264,408	$ 85,376,410

See notes to the basic financial statements.

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CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2022

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
ESPLOST IV:			
(1) Making capital expenditures for instructional purposes, acquiring instructional and technological equipment (including but not limited to wireless electronic devices, desktop and laptop computers, smartboards, projectors, scanners, printers, and student response devices) and acquiring the wiring and other infrastructure necessary to accommodate the use of such technology equipment; and	$ 23,121,409	$ 5,521,000	Completed
(2) Installing roofing, sprinklers, HVAC, paving, plumbing, electrical wiring and fixtures, painting, fences, alarms, telephone upgrading, equipping, lighting, and general land improvements.	5,150,000	9,176,116	Completed
Subtotal ESPLOST IV	28,271,409	14,697,116	
ESPLOST V:			
(1) Acquiring safety and security materials and devices in the attempt to secure the safety of students, employees and property;	5,514,000	3,050,651	July 2023
(2) Acquiring or purchasing of motor vehicles, buses, vans, or other transportation apparatus;	3,520,000	2,551,053	July 2023
(3) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	47,666,000	30,860,080	July 2023
(4) Acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks and student learning and response devices;	10,400,000	13,152,282	July 2023
(5) Acquiring land and buildings for schools, school campuses, maintenance facilities, training, and sports facilities;	2,000,000	84,074	July 2023
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures; and	7,000,000	13,904,184	July 2023
(7) Purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic systems, and other educationally related personality.	2,900,000	238,815	July 2023
Subtotal ESPLOST V	79,000,000	63,841,139	

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
ESPLOST IV:				
(1) Making capital expenditures for instructional purposes, acquiring instructional and technological equipment (including but not limited to wireless electronic devices, desktop and laptop computers, smartboards, projectors, scanners, printers, and student response devices) and acquiring the wiring and other infrastructure necessary to accommodate the use of such technology equipment; and	$ 34,891	$ 5,486,109	$ 5,521,000	$ -
(2) Installing roofing, sprinklers, HVAC, paving, plumbing, electrical wiring and fixtures, painting, fences, alarms, telephone upgrading, equipping, lighting, and general land improvements.	-	9,176,116	9,176,116	-
Subtotal ESPLOST IV	34,891	14,662,225	14,697,116	-
ESPLOST V:				
(1) Acquiring safety and security materials and devices in the attempt to secure the safety of students, employees and property;	466,266	2,050,651	-	-
(2) Acquiring or purchasing of motor vehicles, buses, vans, or other transportation apparatus;	166,200	1,051,053	-	-
(3) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	4,687,027	22,735,080	-	-
(4) Acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks and student learning and response devices;	-	10,027,282	-	-
(5) Acquiring land and buildings for schools, school campuses, maintenance facilities, training, and sports facilities;	-	84,074	-	-
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures; and	236,926	10,779,184	-	-
(7) Purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic systems, and other educationally related personality.	31,296	204,228	-	-
Subtotal ESPLOST V	5,587,715	46,931,552	-	-

See notes to the basic financial statements.

CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2022

SCHEDULE "10"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
ESPLOST VI:			
(1) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	69,000,000	50,000,000	June 2026
(2) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures;	1,000,000	1,000,000	June 2026
(3) Repairing, refurbishing, remodeling or renovating existing schools, structures and properties owned or operated by the School District;	1,000,000	1,000,000	June 2026
(4) Technology and instruction equipment, including acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks, student learning and student response devices, smartboards, scanners, projector/projection devices, e-books, chromebooks, electronic pads, I-pads, printers, screens, teaching devices and systems, wired and wireless electronic devices, internet books, charging stations or carts, software and licenses, desktop computers, laptop and tablet computers, intercoms, phones systems, servers, fiber-optics, wireless access points, networks, speakers, amplifiers, special education devices, ear pieces, musical instruments, as well as component or non-component infrastructure or accessories reasonable or necessary to accommodate the use of such materials and devices;	450,000	450,000	June 2026
(5) Acquiring safety, security and physical educational materials and devices to secure the safety and health of students, employees, and property, including locks, still and video cameras, alarms, door jamb security devices, door replacements, security doors, sprinklers, sensors, re-keying of locks, and medically-related devices or items; acquiring or purchasing of motor vehicles, busses, vans, or other transportation apparatus, as well as equipment to enhance, improve or repair such apparatus; purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic equipment or communication devices, electronic systems, and other educationally-related or construction-related personality; and	1,000,000	1,000,000	June 2026
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, and accessory buildings, drive-under canopies for all purposes and other energy-efficient or weather-protective structures or improvements to install or store instructional materials, instructional machines or devices, construction tools, construction machinery, or other sporting personality.	6,550,000	5,000,000	June 2026
Subtotal ESPLOST VI	79,000,000	58,450,000	
Total	$ 186,271,409	$ 136,988,254	

CATOOSA COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2022

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
ESPLOST VI:				
(1) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	6,497,731	-	-	-
(2) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures;	-	-	-	-
(3) Repairing, refurbishing, remodeling or renovating existing schools, structures and properties owned or operated by the School District;	-	-	-	-
(4) Technology and instruction equipment, including acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks, student learning and student response devices, smartboards, scanners, projector/projection devices, e-books, chromebooks, electronic pads, I-pads, printers, screens, teaching devices and systems, wired and wireless electronic devices, internet books, charging stations or carts, software and licenses, desktop computers, laptop and tablet computers, intercoms, phones systems, servers, fiber-optics, wireless access points, networks, speakers, amplifiers, special education devices, ear pieces, musical instruments, as well as component or non-component infrastructure or accessories reasonable or necessary to accommodate the use of such materials and devices	-	-	-	-
(5) Acquiring safety, security and physical educational materials and devices to secure the safety and health of students, employees, and property, including locks, still and video cameras, alarms, door jamb security devices, door replacements, security doors, sprinklers, sensors, re-keying of locks, and medically-related devices or items; acquiring or purchasing of motor vehicles, busses, vans, or other transportation apparatus, as well as equipment to enhance, improve or repair such apparatus; purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic equipment or communication devices, electronic systems, and other educationally-related or construction-related personality; and	-	-	-	-
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, and accessory buildings, drive-under canopies for all purposes and other energy-efficient or weather-protective structures or improvements to install or store instructional materials, instructional machines or devices, construction tools, construction machinery, or other sporting personality.	30,351	-	-	-
Subtotal ESPLOST VI	6,528,082	-	-	-
Total	$ 12,150,687	$ 61,593,777	$ 14,697,116	$ -

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
(3) The voters of Catoosa County approved the imposition of a 1% sales tax to fund the above projects 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 projects.
(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

	ESPLOST IV	ESPLOST V	ESPLOST VI
Prior Years	$ 5,333,766	7,200,972	-
Current Year	-	650,750	1,155,000
Total	$ 5,333,766	7,851,722	1,155,000

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Section II

Compliance and Internal Control Reports

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Catoosa County Board of Education (School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 31, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 31, 2023

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Catoosa County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

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requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 31, 2023

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section IV

Findings and Questioned Costs

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
32.009	Emergency Connectivity Fund
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Fund

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

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.