ROCKDALE COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2022

Prepared by:
Finance Department

960 Pine Street NE
Conyers, Georgia 30012

INTRODUCTORY SECTION

ROCKDALE COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Rockdale County Board of Education
Conyers, Georgia

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Rockdale County Board of Education** (the "School System") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School System'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 the aggregate remaining fund information of the School System as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School System'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 generally accepted 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 generally accepted auditing standards 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 System'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 System'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 (on pages 5 through 11) and the schedules of proportionate share of the net pension liabilities, the schedules of pension contributions, the schedule of proportionate share of the net OPEB liability, the schedules of OPEB contributions, and the other post-employment benefit plan schedule of changes in net OPEB liability and related ratios (on pages 64 through 82) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The schedule of state revenue is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the schedule of expenditures of special purpose local option sales tax proceeds as required by Official Code of Georgia § 48-8-121 are also provided for the purposes of addtiional analysis and are also not a required part of the basic financial statements. The schedule of state revenue, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax, (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System'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 Rockdale County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 15, 2022

ROCKDALE COUNTY BOARD OF EDUCATION

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

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the School System were exceeded by the liabilities and deferred inflows of resources by $15.3 million. Of this amount, $25.1 million is restricted for specific purposes, $228.6 million represents the net investment in capital assets and unrestricted net position is a deficit of $238.4 million, which is directly related to the School System's net pension and net other post-employment benefit liabilities.

- The School System had $218.4 million in expenses relating to governmental activities; only $162.4 million of these expenses are offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $115.9 million were adequate to provide for these programs.

- As stated above, general revenues accounted for $115.9 million (or 42%) of all revenues totaling $278.3 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the rest.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of several parts including the MD&A, the basic financial statements and required supplementary information. The basic financial statements include two levels of statements that present different views of the School System. 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 System presenting both *short-term* and *long-term* information about the School System's overall financial status.

The fund financial statements focus on individual parts of the School System, reporting the School System'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* statement provides information about the financial relationships in which the School System acts solely as a trustee or agent for the benefit of others. The fund financial statements reflect the School System's most significant funds. In the case of the Rockdale County School System, the General Fund and the Capital Projects Fund are 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 financial statements are basically a consolidation of all of the School System's operating funds into one column called *governmental activities*. In reviewing the government-wide financial statements, a reader might ask the question, are we in a better financial position than last year? The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all School System's *assets* and *liabilities* and uses the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School System's *net position* and any changes in those assets. The change in net position is important because it tells the reader that, for the School System as a whole, the *financial position* of the School System has improved or diminished. The causes of this change may be the results of many factors, including those not under the School System's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflect the School System's governmental activities.

Fund Financial Statements

The School System uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detailed information about only the School System's significant or major funds.

Governmental Funds: Most of the School System's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using 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 System'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 differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled within the financial statements.

Fiduciary Funds: The School System is the trustee, or *fiduciary*, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School System 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 System excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School System as a whole. Table 1 provides a summary of the School System's net position for fiscal year 2022 compared to fiscal year 2021.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Assets		
Current and other assets	**$ 95,789,744**	$ 66,961,931
Capital assets, net	**234,402,976**	221,727,618
Total Assets	**330,192,720**	288,689,549
Deferred Outflows of Resources	**80,139,396**	87,275,041
Liabilities		
Current and other liabilities	**31,400,838**	24,084,976
Long-term liabilities	**186,987,724**	357,891,595
Total Liabilities	**218,388,562**	381,976,571
Deferred Inflows of Resources	**176,654,674**	38,624,529
Net Position		
Net investment in capital assets	**228,540,975**	220,559,239
Restricted	**25,121,806**	12,758,642
Unrestricted	**(238,373,901)**	(277,954,391)
Total Net Position	**$ 15,288,880**	$ (44,636,510)

Total net position increased $59.9 million in fiscal year 2022.

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

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Revenues		
Program Revenues:		
Charges for services and sales	**$ 1,754,882**	$ 844,582
Operating grants and contributions	**155,788,817**	119,783,733
Capital grants and contributions	**4,900,270**	154,440
Total Program Revenues	**162,443,969**	120,782,755
General Revenues:		
Taxes		
Property taxes:		
For maintenance and operations	**72,661,911**	71,459,972
Sales Taxes:		
Special purpose local option sales tax	**22,996,578**	22,368,501
Other sales tax	**1,635,195**	1,644,871
Other taxes	**15,526**	15,403
Grants and contributions not		
Restricted to specific programs	**12,171,712**	12,664,434
Local school activity	**2,932,367**	897,673
Investment earnings	**2,115,432**	948,804
Miscellaneous	**1,384,274**	564,292
Total General Revenues	**115,912,995**	110,563,950
Total Revenues	**278,356,964**	231,346,705
Program Expenses		
Instruction	**127,649,199**	134,259,479
Support Services:		
Pupil services	**12,305,854**	11,025,754
Improvement of instructional services	**11,528,606**	11,316,974
Educational media services	**3,042,871**	3,443,417
General administration	**2,149,847**	2,895,728
School administration	**12,395,941**	15,102,783
Business administration	**2,377,603**	2,342,403
Maintenance and operation of plant	**16,920,990**	15,101,947
Student transportation services	**10,711,816**	9,020,532
Central support services	**4,222,516**	5,821,343
Other support services	**1,395,485**	122,154
Operations of non-Instructional services		
Food services	**13,730,846**	13,186,926
Total Expenses	**218,431,574**	223,639,440
Increase (Decrease) in Net Position	**$ 59,925,390**	$ 7,707,265

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2022 with fiscal year 2021. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2022	Fiscal Year 2021	**Fiscal Year 2022**	Fiscal Year 2021
Program Expenses				
Instruction	**$ 127,649,199**	$ 134,259,479	**$ (2,226,422)**	$ (40,151,024)
Support services:				
Pupil services	**12,305,854**	11,025,754	**(9,011,452)**	(8,675,028)
Improvement of instructional services	**11,528,606**	11,316,974	**(6,365,594)**	(8,305,826)
Educational media services	**3,042,871**	3,443,417	**(2,985,412)**	(3,443,417)
General administration	**2,149,847**	2,895,728	**1,105,971**	(210,531)
School administration	**12,395,941**	15,102,783	**(11,864,769)**	(15,102,783)
Business administration	**2,377,603**	2,342,403	**(2,339,644)**	(2,332,995)
Maintenance and operation of plant	**16,920,990**	15,101,947	**(10,871,187)**	(9,322,285)
Student transportation services	**10,711,816**	9,020,532	**(7,944,016)**	(6,849,128)
Central support services	**4,222,516**	5,821,343	**(3,612,138)**	(5,738,103)
Other support services	**1,395,485**	122,154	**(1,197,528)**	76,091
Operations of non-instructional services:				
Food services	**13,730,846**	13,186,926	**1,324,586**	(2,801,656)
Total Expenses	**$ 218,431,574**	$ 223,639,440	**$ (55,987,605)**	$ (102,856,685)

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM'S FUNDS

The School System's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $280.2 million and total expenditures of $257.6 million.

General Fund Budgeting Highlights

The School System's budget is prepared according to Georgia Law and Board policy. The most significant budgeted fund is the General Fund.

During fiscal year 2022, the School System amended its General fund budget as needed. The School System uses a system-wide and site-based budgeting process. This process includes input from all schools, central office departments, parents, community members and school councils. The budgeting systems are designed to control total site and program budgets but provide flexibility for site management.

For the General Fund, the actual revenues of $252.4 million were more than the final budgeted amounts of $232.0 million by $20.4 million.

The actual expenditures of $241.9 million were more than the final budgeted expenditure amount of $218.5 million by $23.4 million.

General Fund revenues were greater than the expenditures by $10.5 million.

CAPITAL ASSETS

At fiscal year ended June 30, 2022, the School System had $234.4 million invested in capital assets, all in governmental activities. Table 4 reflects a summary of these balances net of accumulated depreciation for fiscal year 2022 compared to fiscal year 2021 balances.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Land	**$ 10,482,095**	$ 10,342,570
Construction in Progress	**15,320,968**	27,288,301
Buildings and Improvements	**190,126,268**	167,422,552
Equipment	**12,879,602**	10,533,956
Land Improvements	**5,594,043**	6,140,239
Total	**$ 234,402,976**	$ 221,727,618

Due to the ongoing growth in Rockdale County, the School System has numerous construction projects including new buildings, additions and renovations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations are as follows –

- On November 6, 2018, the citizens of Rockdale County approved a referendum to continue collections of the Education Special Local Option Sales Tax ("ESPLOST") for five additional years. Collections began April 1, 2019, and end March 31, 2024.

- Capital Improvements – The School System plans capital improvements as future capital needs arise due to facility repair or maintenance needs. Specific capital expenditure plans are formalized in conjunction with anticipated ESPLOST receipts and anticipated annual receipts for capital outlay funds from the State of Georgia Department of Education. The School System regularly monitors anticipated capital outlay needs and has a board as well as state approved five-year Facilities Plan that documents our needs and plans to address them.

The value of the ad valorem tax digest increased by 2% in fiscal year 2022 and future projections for growth are positive.

Due to COVID-19 and the decline in State revenue projections, the School System faced Austerity cuts of $3,855,928 in fiscal year 2022. With property values on the rise, an increase in local dollars was forecasted and helped to balance the budget and offset an increase of 3.6% in the operating budget. The State later reinstated $3,855,928 in Austerity for fiscal year 2022 due to the increase in State revenue collections. With property tax revenue stabilizing, the School System was able to provide a salary step increase for all employees in fiscal year 2022. These developments have enabled the School System to remain strong financially, and we remain optimistic about the ability of the School System to maximize all of our financial resources to provide a quality education to our students.

CONTACTING THE SCHOOL SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School System's finances and to show the School System's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Keith Hull, Chief Financial Officer for the Rockdale County Board of Education, 954 North Main Street, Conyers, Georgia 30012. You may also email your questions to Mr. Hull at kehull@rockdale.k12.ga.us.

BASIC FINANCIAL STATEMENTS

ROCKDALE COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 47,197,537
Investments	18,760,761
Receivables:	
Interest	16,989
Taxes	6,061,437
Accounts	436,010
Intergovernmental	22,823,182
Inventories	493,828
Capital assets, nondepreciable	25,803,063
Capital assets, depreciable (net of accumulated depreciation)	208,599,913
Total assets	330,192,720
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	54,320,244
Other post-employment benefits	25,819,152
Total deferred outflows of resources	80,139,396
LIABILITIES	
Accounts payable	4,100,727
Accrued payroll and payroll withholdings	21,437,336
Contracts payable	4,879,127
Retainage payable	982,874
Intergovernmental payable	774
Workers' compensation claims payable due within one year	395,000
Workers' compensation claims payable due in more than one year	500,729
Compensated absences due within one year	88,346
Compensated absences due in more than one year	147,366
Net other post-employment benefit liability	113,427,953
Net pension liability, due in more than one year	72,428,330
Total liabilities	218,388,562
DEFERRED INFLOWS OF RESOURCES	
Pensions	107,548,352
Other post-employment benefits	69,106,322
Total deferred inflows of resources	176,654,674
NET POSITION	
Net investment in capital assets	228,540,975
Restricted for OPEB plan	4,446,924
Restricted for capital projects	18,609,303
Restricted for program activities	2,374,780
Unrestricted	(238,683,102)
Total net position	$ 15,288,880

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

ROCKDALE COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 127,649,199	$ 42,407	$ 120,480,100	$ 4,900,270	$ (2,226,422)
Pupil services	12,305,854	900,582	2,393,820	-	(9,011,452)
Improvement of instructional services	11,528,606	-	5,163,012	-	(6,365,594)
Educational media services	3,042,871	-	57,459	-	(2,985,412)
General administration	2,149,847	-	3,255,818	-	1,105,971
School administration	12,395,941	-	531,172	-	(11,864,769)
Business services	2,377,603	-	37,959	-	(2,339,644)
Maintenance and operations	16,920,990	-	6,049,803	-	(10,871,187)
Student transportation	10,711,816	-	2,767,800	-	(7,944,016)
Central support services	4,222,516	-	610,378	-	(3,612,138)
Other support services	1,395,485	-	197,957	-	(1,197,528)
School nutrition	13,730,846	811,893	14,243,539	-	1,324,586
Total governmental activities	$ 218,431,574	$ 1,754,882	$ 155,788,817	$ 4,900,270	(55,987,605)
General revenues:					
Property taxes					72,661,911
Sales taxes, for capital projects					22,996,578
Other sales taxes					1,635,195
Other taxes					15,526
Grants and contributions not restricted to specific programs					12,171,712
Local school activity					2,932,367
Unrestricted investment earnings					2,115,432
Miscellaneous					1,384,274
Total general revenues					115,912,995
Change in net position					59,925,390
Net position, beginning of year					(44,636,510)
Net position, end of year					$ 15,288,880

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

ROCKDALE COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	$ 40,128,678	$ 7,068,859	$ 47,197,537
Investments	4,713,006	14,047,755	18,760,761
Receivables:			
Interest	16,989	-	16,989
Taxes	3,734,741	2,326,696	6,061,437
Accounts	436,010	-	436,010
Intergovernmental	21,459,788	1,363,394	22,823,182
Inventories	493,828	-	493,828
Total assets	$ 70,983,040	$ 24,806,704	$ 95,789,744
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 3,945,906	$ 154,821	$ 4,100,727
Contracts payable	-	4,879,127	4,879,127
Intergovernmental payable	774	-	774
Retainage payable	38,070	944,804	982,874
Accrued payroll and payroll withholdings	21,437,336	-	21,437,336
Total liabilities	25,422,086	5,978,752	31,400,838
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	2,628,402	-	2,628,402
Unavailable revenue - grants	-	217,847	217,847
Total deferred inflows of resources	2,628,402	217,847	2,846,249
FUND BALANCES			
Nonspendable for inventories	493,828	-	493,828
Restricted for:			
Program activities	1,918,459	-	1,918,459
Capital projects	-	18,609,303	18,609,303
OPEB plan	4,446,924	-	4,446,924
Assigned:			
Capital projects	-	802	802
Self-insurance	190,618	-	190,618
School activity accounts	1,608,080	-	1,608,080
Subsequent period's budget	3,500,000	-	3,500,000
Unassigned	30,774,643	-	30,774,643
Total fund balances	42,932,552	18,610,105	61,542,657
Total liabilities, deferred inflows of resources and fund balances	$ 70,983,040	$ 24,806,704	$ 95,789,744

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

ROCKDALE COUNTY BOARD OF EDUCATION

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

Amounts reported for governmental activities in the statement of net position are different from amounts reported in the balance sheet of governmental funds due to the following:

Fund balances - total governmental funds	$	61,542,657
Capital assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		234,402,976
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,846,249
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. Long-term liabilities at year-end consist of the following:		
Deferred outflows - pensions		54,320,244
Deferred outflows - OPEB		25,819,152
Deferred inflows - pensions		(107,548,352)
Deferred inflows - OPEB		(69,106,322)
Net pension liability		(72,428,330)
Net OPEB liability		(113,427,953)
Workers' compensation claims payable		(895,729)
Compensated absences payable		(235,712)
Net deficit - governmental activities.	$	15,288,880

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

ROCKDALE COUNTY BOARD OF EDUCATION

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

	General	Capital Projects	Total Governmental Funds
REVENUES			
Local sources	$ 81,635,830	$ 22,778,731	$ 104,414,561
State sources	111,467,870	4,900,270	116,368,140
Federal sources	57,265,588	-	57,265,588
Interest income	2,079,922	35,510	2,115,432
Total revenues	252,449,210	27,714,511	280,163,721
EXPENDITURES			
Current:			
Instruction	148,357,599	1,645,967	150,003,566
Pupil services	12,382,699	136,574	12,519,273
Improvement of instructional services	12,897,625	-	12,897,625
Educational media services	3,207,507	-	3,207,507
General administration	2,487,278	6,300	2,493,578
School administration	14,527,787	-	14,527,787
Business services	2,589,207	-	2,589,207
Maintenance and operations	14,033,289	1,923,210	15,956,499
Student transportation	11,469,248	98,605	11,567,853
Central support services	4,303,396	206,415	4,509,811
Other support services	1,484,786	-	1,484,786
School nutrition	13,807,450	218,375	14,025,825
Capital outlay	380,596	11,454,029	11,834,625
Total expenditures	241,928,467	15,689,475	257,617,942
Net change in fund balances	10,520,743	12,025,036	22,545,779
FUND BALANCE, beginning of year	32,411,809	6,585,069	38,996,878
FUND BALANCE, end of year	$ 42,932,552	$ 18,610,105	$ 61,542,657

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

ROCKDALE COUNTY BOARD OF EDUCATION

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

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

Net change in fund balances - total governmental funds.	$	22,545,779
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Total capital outlay		24,552,941
Total depreciation		(11,877,583)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,033,828)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The adjustments for these items are as follows:		
Adjustment to record pension expense and related revenue for pension special funding situation, net of fund level amounts		(772,929)
Change in net pension liability and deferred inflows and outflows related to pension activity		20,782,551
Change in workers' compensation claim liability		585,634
Change in compensated absences liability		14,617
Change in net OPEB liability and deferred inflows and outflows related to OPEB activity		5,128,208
Change in net position - governmental activities	$	59,925,390

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

ROCKDALE COUNTY BOARD OF EDUCATION

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Local sources	$ 69,152,289	$ 69,171,886	$ 81,635,830	$ 12,463,944
State sources	100,522,249	100,853,059	111,467,870	10,614,811
Federal sources	21,135,454	61,957,935	57,265,588	(4,692,347)
Investment Earnings	21,000	21,000	2,079,922	2,058,922
Total revenues	190,830,992	232,003,880	252,449,210	20,445,330
EXPENDITURES				
Current:				
Instruction	112,365,760	124,811,777	148,357,599	(23,545,822)
Pupil services	7,423,605	9,659,638	12,382,699	(2,723,061)
Improvement of instructional services	14,116,457	13,485,398	12,897,625	587,773
Educational media services	2,836,629	2,934,216	3,207,507	(273,291)
General administration	2,852,876	3,498,679	2,487,278	1,011,401
School administration	12,235,430	12,276,337	14,527,787	(2,251,450)
Business services	3,012,045	2,184,467	2,589,207	(404,740)
Maintenance and operations	12,114,153	18,758,112	14,033,289	4,724,823
Student transportation	8,793,477	10,238,933	11,469,248	(1,230,315)
Central support services	2,538,310	3,066,000	4,303,396	(1,237,396)
Other support services	12,000	226,322	1,484,786	(1,258,464)
School nutrition	12,006,250	12,088,405	13,807,450	(1,719,045)
Capital outlay	-	5,250,000	380,596	4,869,404
Total expenditures	190,306,992	218,478,284	241,928,467	(23,450,183)
Net change in fund balances	524,000	13,525,596	10,520,743	(3,004,853)
FUND BALANCE, beginning of year	32,411,809	32,411,809	32,411,809	-
FUND BALANCE, end of year	$ 32,935,809	$ 45,937,405	$ 42,932,552	$ (3,004,853)

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

ROCKDALE COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private Purpose Trust Fund	School Activity Funds
ASSETS		
Cash	$ 11,839	$ 115,746
Investments	63,224	-
Accounts Receivable		
Total assets	75,063	115,746
LIABILITIES		
Accounts payable	-	115,746
Total liabilities	-	115,746
NET POSITION		
Held in trust for scholarships	75,063	-
Total net position	$ 75,063	$ -

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

ROCKDALE COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Private Purpose Trust Fund	School Activity Funds
ADDITIONS		
Contributions	$ 9,964	$ -
Local sources	-	560,258
Interest income	142	-
Total additions	10,106	560,258
DELETIONS		
Collections disbursed	-	619,969
Total deletions	-	619,969
Change in net position	10,106	(59,711)
NET POSITION, beginning of year	64,957	59,711
NET POSITION, end of year	$ 75,063	$ -

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Rockdale County Board of Education (the "School System") operates under a Board/Superintendent form of government. The five-member Board is elected by the public and the Board appoints the superintendent. These five elected members have decision making authority, the power to designate management, and the ability to significantly influence operations. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voter approval.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The proportionate share of the School System's net pension liability has been allocated to the pension plan based on actual contributions made to the plan during the measurement period to actuarially determine the proportionate share of each participating employer.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the School System considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School System.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School System must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School System on a reimbursement basis.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The School System reports the following major governmental funds:

The ***General Fund*** is the School System's primary operating fund. It accounts for all financial resources of the School System, except those required to be accounted for in another fund.

The ***Capital Projects Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST") as well as bond proceeds and revenues from local and state sources to be used for land and building acquisitions and construction and renovations of new educational and administrative facilities.

Additionally, the School System reports the following fund types:

The ***Private Purpose Trust Fund*** reports trust arrangements under which principal and income are accumulated and may be expended to provide college scholarships.

The ***Custodial Fund*** is used to account for student club and class accounts.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Cash and Investments

The School System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments (Continued)

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

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds".

F. On-Behalf Payments

The State of Georgia makes certain pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2022, was $395,757.

G. Inventories

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

H. Non-Monetary Transactions

The School System received from the United States Department of Agriculture through ("USDA") the Georgia Department of Education approximately $1,370,961 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as a revenue and an expenditure in the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS"), the Employees' Retirement System of Georgia ("ERS"), and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from TRS/ERS/PSERS fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due payable in accordance with benefit terms. Investments are reported at fair value. See also Note 8, Retirement Plans.

J. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Property, plant and equipment are depreciated using the straight-line method over the estimated useful life of the asset. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capitalization thresholds and estimated useful lives of capital assets are as follows:

Asset	Capitalization Threshold	Years
Land	All	N/A
Land improvements	$ 25,000	20
Buildings and improvements	5,000	20 – 75
Equipment	25,000	5 – 20
Intangible assets	500,000	5 – 80

K. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to assets, the statement of financial position/governmental funds balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of resources that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The Governmental Activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. See also Note 8 – Retirement Plans and Note 9 – Other Post-Employment Benefits.

In addition to liabilities, the statement of financial position/governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources.* This separate financial statement element represents an acquisition of resources that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to changes in the net pension liability as discussed below, the School System has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The Governmental Activities report deferred inflows of resources related to the reporting of the net pension liability and net OPEB liability. These deferred inflows of resources will be amortized over five years.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Accumulated unpaid sick leave benefits do not vest and, therefore, are not accrued in any fund, but are recognized as expenditures or expenses when incurred. Accumulated unpaid vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

N. Other Post-employment Benefits ("OPEB")

For purposes of measuring the net OPEB liability (asset), 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 the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the long-term disability (the "LTD"), Survivors, and Medical Benefit Plan OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of the LTD, Survivors, and Medical Benefit Plan and additions to/deductions from the LTD, Survivors, and Medical Benefit Plan net position have been determined on the same basis as they are reported by the LTD, Survivors, and Medical Benefit Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The LTD, Survivors, and Medical Benefit Plan is considered unfunded.

O. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Board of Education is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Fund Balance (Continued) – Fund balances are classified as follows:

Nonspendable: Fund balances that are not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).

Committed: Fund balances that can be used only for the specific purposes determined by an approved resolution of the School System. Commitments may be changed or lifted only by referring to formal action that imposed the original constraint on the fund (e.g., the School System's commitment in connection with future construction projects).

Assigned: Fund balances intended to be used by the School System for specific purposes. Intent can be expressed by the School System or by a designee to whom the School System delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The School System reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

The responsibility for designating funds to specific classifications shall be as follows:

Committed: The Rockdale County Board of Education (the "Board") is the School System'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.

Assigned: The School System has authorized the Superintendent and the Assistant Superintendent for Financial Services as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

It is the goal of the School System to achieve and maintain an unassigned fund balance in the General Fund at fiscal year-end of not less than 5% of budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. §20-2-167(a) 5. If the unassigned fund balance at fiscal year-end falls below the goal, the School System shall develop a restoration plan to achieve and maintain the minimum fund balance.

When multiple categories of fund balance are available for expenditures (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the School System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e., the amount that the School System has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

P. Use of Estimates

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

NOTE 2. BUDGETARY DATA

The budget is a complete financial plan for the School System'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 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.

NOTE 2. BUDGETARY DATA (CONTINUED)

The budgetary process begins with the School System'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 System'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, as Treasurer of the Rockdale County Board of Education, is authorized and directed to spend funds of the School System in accordance with the annual operating budget. However, the Superintendent is authorized to spend funds for a single occurrence up to $25,000 for miscellaneous items or services not identified by a specific line item but having a general line-item category. The Superintendent will report such line-item transfer to the Board.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool ("Georgia Fund 1"). The investment in Georgia Fund 1 represents the School System's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. Treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, bankers' acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer. As of June 30, 2022, the School System's investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

		Investment Maturities (in Years)							
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	Rating
Entity wide:									
U.S. Treasuries	$ 517,150	$ 153,657	$ 198,452	$ 23,367	$ -	$ -	$ 85,724	$ 55,950	N/A
Corporate bonds	33,323	-	-	22,952	-	10,371	-	-	A+
Corporate bonds	117,767	-	24,533	45,773	16,979	-	10,358	20,124	A
Corporate bonds	174,286	-	90,990	22,460	-	41,577	-	19,258	A-
Corporate bonds	21,100	-	-	-	-	10,906	10,194	-	AA-
Corporate bonds	216,958	-	71,787	92,331	-	10,569	15,912	26,360	BBB+
Corporate bonds	165,485	-	93,010	11,674	21,075	30,344	-	9,383	BBB
Corporate bonds	79,027	-	22,836	56,191	-	-	-	-	BBB-
Georgia Fund 1	14,396,435	14,396,435	-	-	-	-	-	-	AAAf
U.S. Government Bonds	28,130	-	-	28,130	-	-	-	-	AA+
I-Shares Bond Market Fund	699,997	699,997	-	-	-	-	-	-	N/A
Municipal Bonds	151,574	-	90,678	60,897	-	-	-	-	AA
Municipal Bonds	59,564	-	-	59,564	-	-	-	-	AA-
Municipal Bonds	56,831	-	-	56,831	-	-	-	-	AAA
Municipal Bonds	95,678	-	68,908	-	26,770	-	-	-	N/A
Mutual Bond Funds	2,010,680	2,010,680	-	-	-	-	-	-	N/A
	$ 18,823,985	$ 17,260,769	$ 661,194	$ 480,169	$ 64,824	$ 103,766	$ 122,187	$ 131,075	

Investments are reported in the following activities:

Governmental	$ 18,760,761
Fiduciary	63,224
	$ 18,823,985

Interest Rate Risk. The School System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2022, all of the School System's deposits were properly collateralized in accordance with state law and applicable GASB pronouncements.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The School System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The School System has the following recurring fair value measurements as of June 30, 2022:

Investment	Level 1	Level 2
U.S. Treasuries	$ 517,150	$ -
I-Shares Bond Market Fund	699,997	-
Mutual Bond Funds	2,010,680	-
Corporate Bonds	807,946	-
U.S. Government Bonds	28,130	-
Municipal Bonds	-	363,647
	4,063,903	363,647
Georgia Fund 1	14,396,435	-
Total Investments	$ 18,460,338	$ 363,647

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

NOTE 4. RECEIVABLES

Receivables at June 30, 2022 for the School System's individual major funds are as follows:

	General	Capital Projects	Total
Interest	$ 16,989	$ -	$ 16,989
Taxes	5,539,465	2,326,696	7,866,161
Accounts	436,010	-	436,010
Intergovernmental	21,459,788	1,363,394	22,823,182
Net total receivable	$ 27,452,252	$ 3,690,090	$ 31,142,342

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education. Sales taxes are collected by the state on the School System's behalf. Property taxes are collected by the Rockdale County Tax Commissioner on the School System's behalf.

NOTE 5. PROPERTY TAXES

Rockdale County bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. State law limits the School System's tax levy for operations to 20 mills (one mill equals $1 per thousand dollars of assessed value); however, the voters of Rockdale County have authorized the School System to levy a higher rate. The millage rate for tax year 2021 was 22.717 mills. Assessed values for property tax purposes are determined by the Rockdale County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes were levied on July 20, 2021, billed on September 15, 2021, and payable on or before November 15, 2021. Rockdale County may place liens on property once the related tax payments become delinquent. Liens were placed on delinquent accounts on November 16, 2021.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis. Beginning in April 2013, a title ad valorem tax is assessed upon the sale of a vehicle, which replaces the personal property tax due annually on the payor's date of birth.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

`	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 10,342,570	$ 139,525	$ -	$ -	$ 10,482,095
Construction in progress	27,288,301	16,383,193	-	(28,350,526)	15,320,968
Total	37,630,871	16,522,718	-	(28,350,526)	25,803,063
Capital assets, being depreciated:					
Buildings and improvements	265,035,038	-	(62,400)	28,350,526	293,323,164
Land improvements	14,838,672	-	-	-	14,838,672
Machinery and equipment	30,567,929	8,030,223	(51,698)	-	38,546,454
Total	310,441,639	8,030,223	(114,098)	28,350,526	346,708,290
Less accumulated depreciation for:					
Buildings and improvements	(97,612,486)	(5,646,810)	62,400	-	(103,196,896)
Land improvements	(8,698,433)	(546,196)	-	-	(9,244,629)
Machinery and equipment	(20,033,973)	(5,684,577)	51,698	-	(25,666,852)
Total	(126,344,892)	(11,877,583)	114,098	-	(138,108,377)
Total capital assets, being depreciated, net	184,096,747	(3,847,360)	-	28,350,526	208,599,913
Governmental activities capital assets, net	$ 221,727,618	$ 12,675,358	$ -	$ -	$ 234,402,976

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the School System as follows:

Governmental activities:	
Instruction	$ 9,475,904
Pupil services	816,121
Educational media services	120,588
School administration	93,433
Business administration	6,655
Maintenance and operations	523,526
Student transportation	429,620
Central support services	110,886
School nutrition	300,850
Total depreciation expense - governmental activities	$ 11,877,583

NOTE 7. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Workers' compensation claims	$ 1,481,363	$ 108,318	$ (693,952)	$ 895,729	$ 395,000
Compensated absences	250,329	81,118	(95,735)	235,712	88,346
Net OPEB liability	158,427,285	569,477	(45,568,809)	113,427,953	-
Net pension liability	197,732,618	12,020,724	(137,325,012)	72,428,330	-
Governmental activities: Long-term liabilities	$ 357,891,595	$ 12,779,637	$ (183,683,508)	$ 186,987,724	$ 483,346

Workers' compensation claims payable, compensated absences, the net other post-employment benefit liability, and the net pension liability are liquidated primarily by the General Fund.

NOTE 8. RETIREMENT PLANS

Teachers' Retirement System

Plan Description

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

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. 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 System's contractually required contribution rate for the year ended June 30, 2022, was 19.81% of annual School System payroll. School System contributions to TRS were $22,606,235 for the year ended June 30, 2022.

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

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

At June 30, 2022, the School System reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel. The amounts recognized by the School System 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 System were as follows:

School System's proportionate share of the net pension liability	$ 72,288,183
State of Georgia's proportionate share of the net pension liability associated with the School System	199,528
Total	$ 72,487,711

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021, was determined using standard roll-forward techniques. The School System'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 System's proportion was 0.817339%, which was an increase of 0.002211% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School System recognized pension expense of $2,296,169 and revenue of ($380,105) for support provided by the State of Georgia for certain support personnel.

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,250,258	$ -
Changes of assumptions	13,991,144	-
Net difference between projected and actual earnings on pension plan investments	-	105,737,193
Changes in proportion and differences between School System contributions and proportionate share of contributions	391,924	1,649,345
School System contributions subsequent to the measurement date	22,606,235	-
Total	$ 54,239,561	$ 107,386,538

School System contributions subsequent to the measurement date of $22,606,235 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	$ (14,835,680)
2024	(14,436,572)
2025	(20,476,741)
2026	(26,004,219)

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00 - 8.75% average, including inflation
Investment rate of return	7.25% net of pension plan investment expense, including inflation
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 (ages set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 Projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

Discount Rate (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School System's proportionate share of the net pension liability	$ 194,725,214	$ 72,288,183	$ (28,040,514)

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

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.

Pension Plan Fiduciary Net Position

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System (Continued)

Benefits Provided

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

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

Contributions

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

Individuals who became members prior to July 1, 2012, contributed $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012, contributed $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.

NOTE 8. RETIREMENT PLANS (CONTINUED)

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

Pension Liabilities and Pension Expense

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

State of Georgia's proportionate share of the net pension liability associated with the School System	$ 278,996

For the year ended June 30, 2022, the School System recognized pension expense of $278,996 and revenue of $278,996 for support provided by the State of Georgia.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	N/A
Investment rate of return	7.00%, net 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-2010 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%

NOTE 8. RETIREMENT PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(1.50) %
Domestic large equities	46.40	9.20
Domestic small equities	1.10	13.40
International developed market equities	11.70	9.20
International emerging market equities	5.80	10.40
Alternatives	5.00	10.60
Total	100.00 %	

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

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

Discount Rate

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

Employees' Retirement System ("ERS")

Plan Description

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

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan ("GSEPS"). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of ten years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

NOTE 8. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System ("ERS") (Continued)

Benefits Provided (Continued)

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

Contributions

Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The School System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2022 was 24.63% of annual covered payroll for Old and New Plan members and 21.57% for GSEPS members. The School System's contributions to ERS totaled $37,008 for the year ended June 30, 2022. 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.

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

At June 30, 2022, the School System reported a liability for its proportionate share of the net pension liability of ERS in the amount of $140,147.

The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021, was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the School System's proportion was 0.005992%, which was a decrease of 0.000573% from its proportion measured as of June 30, 2020.

NOTE 8. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System ("ERS") (Continued)

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

For the year ended June 30, 2022, the School System recognized pension expense of ($42,653). At June 30, 2022, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,317	$ -
Changes of assumptions	40,358	-
Net difference between projected and actual earnings on pension plan investments	-	129,529
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	32,285
School System contributions subsequent to the measurement date	37,008	-
Total	$ 80,683	$ 161,814

School System contributions subsequent to the measurement date of $37,008 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	$ (30,076)
2024	(21,987)
2025	(31,478)
2026	(34,598)

NOTE 8. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System ("ERS") (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.00 - 6.75%, including inflation
Investment rate of return	7.00%, net pension plan investment expense, including inflation

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale 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 used for post-retirement mortality assumptions are as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System ("ERS") (Continued)

Actuarial Assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	(1.50) %
Domestic large equities	46.40	9.20
Domestic small equities	1.10	13.40
International developed market equities	11.70	9.20
International emerging market equities	5.80	10.40
Alternatives	5.00	10.60
Total	100.00 %	

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

Discount Rate

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

Employees' Retirement System ("ERS") (Continued)

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

The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net pension liability	$ 256,816	$ 140,147	$ 41,477

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

Defined Contribution Plan

On January 1, 1983, the Rockdale County Board of Education began an employer paid 403(b) annuity plan for the group of employees covered under PSERS. Recognizing that PSERS was a limited defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the School System's desire to supplement the retirement of this group.

The Board selected Union Mutual as the provider of this plan. For each employee covered under PSERS, the Board contributes to the plan an amount equal to 5.65% of the employee's base pay. Employees contribute 2% of base pay.

The employee becomes vested in the plan with zero years of experience. Employees who were employed 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.

NOTE 8. RETIREMENT PLANS (CONTINUED)

Defined Contribution Plan (Continued)

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

Fiscal Year	Percentage Contributed	Required Contribution
2022	100%	$ 471,431
2021	100%	414,307
2020	100%	411,247

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

State of Georgia School Employees' Post-employment Benefit Fund

Plan Description

The Board participates in the State of Georgia School Employees' Post-employment Benefit Fund (the "School OPEB Fund") which is another post-employment benefit ("OPEB") plan administered by the State of Georgia Department of Community Health ("DCH"). Certified teachers and non-certified employees of the Board as defined in §20-2-875 of the 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 of the State of Georgia and administered by a Board of Community Health ("DCH Board"). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/statewide-reporting/acfr.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Benefits

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

Contributions

As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the Board were $3,668,596 for the year ended June 30, 2022. Active employees are not required to contribute to the School OPEB Fund.

At June 30, 2022, the Board reported a liability of $111,096,453 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 System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2021. At June 30, 2021, the School System's proportion was 1.0254743%, which was a decrease of 0.034203% from its proportion measured as of June 30, 2020.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

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

For the year ended June 30, 2022, the Board recognized OPEB expense of $ (1,638,188). At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	$ -	$ 50,726,287
Changes of assumptions	20,343,475	9,065,400
Net difference between projected and actual earnings on OPEB plan investments	-	176,164
Changes in proportion and differences between School System contributions and proportionate share of contributions	1,711,285	7,266,374
School System contributions subsequent to the measurement date	3,668,596	-
Total	$ 25,723,356	$ 67,234,225

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

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

School System contributions subsequent to the measurement date of $3,668,596 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2023	$ (11,228,021)
2024	(10,665,962)
2025	(8,410,204)
2026	(5,778,363)
2027	(7,022,079)
2028	(2,074,836)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00 – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare Eligible	6.750%
Medicare Eligible	5.125%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

- For TRS Members: 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 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 (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 Projection 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 Projection scale 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 adjusted 106% for males and 158% for females) with the MP-2019 Projection scale applied generationally.

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

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

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

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

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 %	

*Rates shown are net of the 2.50% assumed rate 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 cashflows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

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

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

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School System's proportionate share of the net OPEB liability	$ 127,008,161	$ 111,096,453	$ 97,776,847

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

The following presents the School System's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate as well as what the School System'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 rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School System's proportionate share of the net OPEB liability	$ 94,269,647	$ 111,096,453	$ 132,131,283

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Rockdale County Board of Education Long-Term Disability, Survivors', and Retiree Medical Benefit Plan

Plan Descriptions and Membership Information. In 1983, Rockdale County Board of Education withdrew from Social Security (including Medicare) and authorized benefit replacement plans for employees. These plans included a Long-Term Disability ("LTD"), Survivors' and Retiree Medical Benefit Plan (the "Plan"), which is a single-employer, defined benefit plan. The Plan is administered by a trustee, Truist Bank, under the direction of the Rockdale County Board of Education. The Plan benefits are paid from a Voluntary Employee Benefits Association ("VEBA"). Assets within the VEBA are not considered to be plan assets because these assets are also used to provide benefits to active employees. The Plan is considered unfunded. However, total assets within this VEBA at June 30, 2022, were $4,446,924.

Long-Term Disability Plan

The LTD Plan pays monthly disability income benefits after five months of continuous disability. Coverage ends at the earliest of age 65, cessation of disability, or death. The School System now purchases this coverage from an insurance provider. No active employees have been covered by this benefit since August 2000, when the School System first purchased coverage from an insurance provider. No former employees received LTD payments from the Plan during the fiscal year ended June 30, 2022.

Survivors' Benefit Plan

The Survivors' Benefit Plan provides monthly income benefits to surviving spouses and children of deceased employees. A surviving spouse receives 50% of the first $750 of monthly wages plus 30% of monthly wages in excess of $750, paid for his or her lifetime or until remarried. Each surviving child receives 15% of the first $750 of monthly wages plus 5% of monthly wages in excess of $750, paid until age 19 (or, if a student, age 23). If there are more than two children, the amount each receives is proportionately reduced. The total monthly benefit is capped at $3,000. The capped benefit is offset by Social Security survivor benefits and by benefits payable from the TRS and the PSERS.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Rockdale County Board of Education Long-Term Disability, Survivors', and Retiree Medical Benefit Plan (Continued)

Retiree Medical Benefit Plan

On April 1, 1986, the School System was required to re-enter the Medicare program. The Retiree Medical Benefit Plan is available to those employees hired prior to this date who retire after attaining age 65 and have 20 years of service with the Rockdale County Board of Education. The plan benefits pay for Medicare Part A coverage for the lifetime of the retiree, unless he or she receives Medicare via other Medicare-covered employment or as the spouse of a Medicare-eligible worker. Spouses are not covered. During the year ended June 30, 2022, there were no eligible participants receiving benefits from the retiree medical benefit plan.

Membership consisted of the following at June 30, 2022:

	Long-term Disability Plan	Survivors' Benefit Plan	Medical Benefit Plan	Total Participants
Retirees and beneficiaries eligible for benefits	-	12	-	12
Active plan members	-	2,036	-	2,036
Total participants	-	2,048	-	2,048

Summary of Significant Accounting Policies. The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Funding Policy. The contribution requirements of plan members and the School System, as employer, are established and may be amended by the Board. The Plan 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, with no significant assets accumulating as would occur in an advance funding strategy.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Rockdale County Board of Education Long-Term Disability, Survivors', and Retiree Medical Benefit Plan (Continued)

Retiree Medical Benefit Plan (Continued)

The components of the net OPEB liability at June 30, 2022, were as follows:

Total OPEB Liability	$	2,331,500
Plan Fiduciary Net Position		-
Net OPEB Liability	$	2,331,500

The Plan's fiduciary net position as a percentage of its total OPEB liability is 0.00%.

Actuarial Methods and Assumptions

The total OPEB liability was determined as of June 30, 2022, using the following actuarial assumptions and methods:

Valuation date	July 1, 2021
Actuarial cost method	Entry age, as a level percent of pay
Actuarial asset valuation method	N/A
Inflation rate	2.25%
Discount rate	3.54%
Salary increases	4.00%
Long-term expected rate of return	N/A
Mortality table	PubT-2010 Mortality Table for teachers and PubG-2010 Mortality Table for all others, projected by the MP-2021 Mortality Improvement Scale

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Rockdale County Board of Education Long-Term Disability, Survivors', and Retiree Medical Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was the discount rate shown above. The Plan is not funded. Therefore, the June 30, 2022, 20-year tax-free municipal bond yield of 3.54% was used as the discount rate.

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate.

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
OPEB liability	$ 2,560,455	$ 2,331,500	$ 2,135,188

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

At June 30, 2022, the Board reported an OPEB liability of $2,331,500. The OPEB liability was measured as of June 30, 2022. The total OPEB was based on an actuarial valuation as of July 1, 2020. For the year ended June 30, 2022, the Board recognized OPEB expense of $273,757. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,465,595
Changes of assumptions and other inputs	95,796	406,502
Total	$ 95,796	$ 1,872,097

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Rockdale County Board of Education Long-Term Disability, Survivors', and Retiree Medical Benefit Plan (Continued)

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

Schedule of Deferred Inflow/Outflow Recognition

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2023	$ (258,292)
2024	(258,292)
2025	(258,292)
2026	(258,292)
2027	(256,362)
2028 and after	(486,771)

NOTE 10. RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts; theft of damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation; unemployment compensation; and dental benefits. The School System is self-insured for workers' compensation and unemployment compensation. The School System purchases commercial insurance for all other risks of loss. The School System has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three years.

Workers' Compensation

The School System is partially self-insured for workers' compensation claims of its employees. Claims exceeding $450,000 per occurrence are covered through a private insurance carrier. The School System is liable for any other claims filed. The School System has entered into a contract with a third-party to administer the program. Activity is accounted for in the General Fund.

NOTE 10. RISK MANAGEMENT (CONTINUED)

Unemployment Compensation

The School System is self-insured for unemployment compensation claims of its employees. Activity is accounted for in the General Fund.

Changes in the balances of claims liabilities for the years June 30, 2021, and June 30, 2022, for which the School System is self-insured are as follows:

Unemployment Compensation	June 30, 2022	June 30, 2021
Unpaid claims, beginning of fiscal year	**$ -**	$ -
Incurred claims (including IBNRs)	**187,484**	5,506
Claim payments and changes in estimates	**(187,484)**	(5,506)
Unpaid claims, end of fiscal year	**$ -**	$ -

NOTE 11. COMMITMENTS AND CONTINGENCIES

In addition to the liabilities enumerated in the balance, at June 30, 2022, the School System has contractual commitments on uncompleted contracts of approximately $13,135,361.

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

The School System participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022, may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 12. TAX ABATEMENTS

For the year ended June 30, 2022, the School System property tax revenues were reduced by $1,125,779 under agreements entered into by Rockdale County, Georgia. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered. In order to qualify, certain eligibility requirements must be met and are based on economic development goals of each project. Generally, a project will create employment opportunities, promote trade and commerce in the County, and increase the tax base. If a company fails to meet the criteria established in the agreement, recovery payments may apply.

REQUIRED SUPPLEMENTARY INFORMATION

ROCKDALE 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,

	2022	2021	2020	2019
School System's proportion of the net pension liability	**0.817339%**	0.815128%	0.817320%	0.833367%
School System's proportionate share of the net pension liability	**$ 72,288,183**	$ 197,455,906	$ 175,745,900	$ 154,690,766
State of Georgia's proportionate share of the net pension liability associated with the School System	**199,528**	613,834	559,930	485,029
Total	**$ 72,487,711**	$ 198,069,740	$ 176,305,830	$ 155,175,795
School System's covered payroll	**$ 106,366,485**	$ 105,149,768	$ 99,687,000	$ 99,404,872
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**67.96%**	187.79%	176.30%	155.62%
Plan fiduciary net position as a percentage of the total pension liability	**92.03%**	77.01%	78.56%	80.27%

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

2018	2017	2016	2015
0.840805%	0.828341%	0.794126%	0.779641%
156,266,199	$ 170,895,984	$ 120,897,798	$ 98,497,357
1,629,188	2,758,586	2,121,922	1,711,358
157,895,387	$ 173,654,570	$ 123,019,720	$ 100,208,715
96,491,016	$ 90,878,662	$ 83,881,658	$ 79,538,860
161.95%	188.05%	144.13%	123.84%
79.33%	76.06%	81.44%	84.03%

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019
Contractually required contribuitions	**$ 22,606,235**	$ 20,273,452	$ 22,228,661	$ 20,834,583
Contributions in relation to the contractually required contribution	**22,606,235**	20,273,452	22,228,661	20,834,583
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
School System's covered payroll	**$ 114,115,270**	$ 106,366,485	$ 105,149,768	$ 99,687,000
Contributions as a percentage of covered payroll	**19.81%**	19.06%	21.14%	20.90%

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

2018	2017	2016	2015
16,709,959	$ 13,769,268	$ 12,968,385	$ 11,030,438
16,709,959	13,769,268	12,968,385	11,030,438
-	$ -	$ -	$ -
99,404,872	$ 96,491,016	$ 90,878,662	$ 83,881,658
16.81%	14.27%	14.27%	13.15%

ROCKDALE COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

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

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

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

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

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYTEM
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019
School System's proportion of the net pension liability	**0.00%**	0.00%	0.00%	0.00%
School System's proportionate share of the net pension liability	**$ -**	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	**278,996**	1,971,232	1,799,043	1,713,507
Total	**$ 278,996**	$ 1,971,232	$ 1,799,043	$ 1,713,507
School System's covered payroll	**$ 6,367,450**	$ 5,394,744	$ 5,438,636	$ 5,282,001
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**N/A**	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	**98.00%**	84.45%	85.02%	85.26%

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

2018	2017	2016	2015
0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -
1,527,524	1,946,485	1,328,114	1,051,360
$ 1,527,524	$ 1,946,485	$ 1,328,114	$ 1,051,360
$ 5,173,829	$ 5,027,927	$ 5,076,450	$ 4,733,503
N/A	N/A	N/A	N/A
85.69%	81.00%	87.00%	88.29%

ROCKDALE COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

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

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

A new funding policy was initially adopted by the Board of 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 assumptions utilized by the System based on the experience study prepared for the five-year period ended June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021, Total Pension Liability.

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019
School System's proportion of the net pension liability	**0.005992%**	0.006565%	0.008860%	0.010113%
School System's proportionate share of the net pension liability	**$ 140,147**	$ 276,712	$ 365,611	$ 415,749
School System's covered payroll	**$ 143,646**	$ 171,285	$ 228,119	$ 259,194
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**97.56%**	161.55%	160.27%	160.40%
Plan fiduciary net position as a percentage of the total pension liability	**87.62%**	76.21%	76.74%	76.68%

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

2018	2017	2016	2015
0.009981%	0.010212%	0.010636%	0.011296%
$ 405,362	$ 483,070	$ 430,907	$ 423,670
$ 246,011	$ 237,447	$ 253,256	$ 254,355
164.77%	203.44%	170.15%	166.57%
76.33%	72.34%	76.20%	77.99%

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019
Contractually required contributions	**$ 37,008**	$ 35,423	$ 42,239	$ 56,528
Contributions in relation to the contractually required contribution	**37,008**	35,423	42,239	56,528
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
School System's covered payroll	**$ 150,256**	$ 143,646	$ 171,285	$ 228,119
Contributions as a percentage of covered payroll	**24.63%**	24.66%	24.66%	24.78%

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

2018	2017	2016	2015
$ 63,995	$ 60,740	$ 58,697	$ 55,615
63,995	60,740	58,697	55,615
$ -	$ -	$ -	$ -
$ 259,194	$ 246,011	$ 237,447	$ 253,256
24.69%	24.69%	24.72%	21.96%

ROCKDALE COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

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

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

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on June 18, 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 assumptions utilized by the System based on the experience study prepared for the five-year period ended June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. 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.

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

ROCKDALE 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,

	2022	2021	2020	2019	2018
School System's proportion of the net OPEB liability	**1.025743%**	1.059946%	1.052531%	1.077414%	1.092704%
School System's proportion of the net OPEB liability	**$ 111,096,453**	$155,681,382	$129,168,136	$ 136,936,013	$ 153,524,473
School System's covered employee payroll	**$ 95,997,348**	$ 88,807,276	$ 76,272,547	$ 77,119,421	$ 76,037,867
School System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	**115.73%**	175.30%	169.35%	177.56%	201.91%
Plan fiduciary net position as a percentage of the total OPEB liability	**6.14%**	3.99%	4.63%	2.93%	1.61%

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

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018
Contractually required contribution	**$ 3,668,596**	$ 3,815,593	$ 3,584,489	$ 5,668,609	$ 5,584,135
Contributions in relation to the contractually required contribution	**3,668,596**	3,815,593	3,584,489	5,668,609	5,584,135
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -
School System's covered employee payroll	**$ 103,854,221**	$ 95,997,348	$ 88,807,276	$ 76,272,547	$ 77,119,421
Contributions as a percentage of covered employee payroll	**3.53%**	3.97%	4.04%	7.43%	7.24%

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

ROCKDALE COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Benefit Terms

There have been no changes in benefit terms.

Changes of Assumptions

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

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

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

For the June 30, 2017, actuarial valuation, participation assumption, tobacco use assumption and morbidity factors were revised.

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

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LTD, SURVIVORS' AND MEDICAL BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	**$ 474,395**	$ 490,126	**$** 521,785	$ 442,258	$ 447,415
Interest	**57,654**	61,427	97,508	104,724	101,087
Change of benefit terms	**-**	-	-	-	-
Differences between expected and actual experience	**(503,563)**	(408,250)	(607,474)	(512,775)	-
Change of assumptions	**(347,708)**	(41,977)	(79,437)	168,352	(23,790)
Benefit payments	**(95,181)**	(106,072)	(106,735)	(108,228)	(140,620)
Net change in total OPEB liability	**(414,403)**	(4,746)	(174,353)	94,331	384,092
Total OPEB liability - beginning	**2,745,903**	2,750,649	2,925,002	2,830,671	2,446,579
Total OPEB liability - ending	**2,331,500**	2,745,903	2,750,649	2,925,002	2,830,671
Plan Fiduciary Net Position					
Net investment income	**-**	-	-	-	-
Benefit payments	**-**	-	-	-	-
Administrative expenses	**-**	-	-	-	-
Other	**-**	-	-	-	-
Net change in plan fiduciary net position	**-**	-	-	-	-
Plan fiduciary net position - beginning	**-**	-	-	-	-
Plan fiduciary net position - ending	**-**	-	-	-	-
Net OPEB liability	**$ 2,331,500**	$ 2,745,903	**$** 2,750,649	$ 2,925,002	$ 2,830,671
Plan fiduciary net position as a percentage of total OPEB liability	**0.0%**	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	**$ 107,479,970**	$ 98,534,833	**$** 92,701,861	$ 89,440,074	$ 80,373,301
Net OPEB liability as a percentage of covered employee payroll	**2.2%**	2.8%	3.0%	3.3%	3.5%

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

ROCKDALE COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LTD, SURVIVORS' AND MEDICAL BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018
Contractually required contribution	**$ -**	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	**-**	-	-	-	-
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -
School System's covered employee payroll	**$ 107,479,970**	$ 98,534,833	$ 92,701,861	$ 89,440,074	$ 80,373,301
Contributions as a percentage of covered employee payroll	**0.00%**	0.00%	0.00%	0.00%	0.00%

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

ROCKDALE COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
LTD, SURVIVORS', AND MEDICAL BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

The discount rate used to calculate the total OPEB liability decreased from 2.16% at the beginning of the fiscal year to 3.54% at the end. The increase in the discount rate resulted in a $326 thousand decrease in the liability. The demographic assumptions as of June 30,2022 are the same as those used for the prior year-end, except that the mortality assumption has been updated by replacing the MP–2020 Improvement Scale with the MP–2021 Improvement Scale, which decreased the OPEB liability by $22 thousand.

SUPPLEMENTARY INFORMATION

ROCKDALE COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST V FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
(1) The cost of acquiring, constructing, and installing safety and security property improvements, safety and security equipment, and safety and security technology improvements for existing schools and other facilities.	$ 5,000,000	$ 5,000,000	$ 1,095,369	$ 429,280	$ 1,524,649
(2) The cost of acquiring instructional and administrative technology improvements for existing schools and other facilities (including, without limitation, laptop and other individual devices for students, teachers, and staff).	30,000,000	30,000,000	7,962,555	1,791,320	9,753,875
(3) The cost of modifying, adding to, renovation, repairing, improving, and equipping existing school buildings, existing athletic facilities, and other buildings and facilities useful or desirable in connection therewith, including the renovation of existing school buildings into administrative buildings; acquiring land for future schools; and acquiring any necessary property thereof, both real and personal.	46,500,000	46,500,000	27,636,375	13,370,270	41,006,645
(4) The cost of acquiring school buses and vehicles and navigational, surveillance communications, and safety and security enhancements for school buses and vehicles and acquiring musical instruments.	3,500,000	3,500,000	-	98,605	98,605
Totals	$ 85,000,000	$ 85,000,000	$ 36,694,299	$ 15,689,475	$ 52,383,774

ROCKDALE COUNTY BOARD OF EDUCATION

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

Agency/Funding	Governmental Funds		Total
	General	Capital Projects	
Grants			
Bright From the Start:			
Georgia Department of Early Care and Learning:			
Pre-kindergarten program	$ 1,517,292	$ -	$ 1,517,292
Georgia Department of Education			
Quality Basic Education			
Direction instructional cost:			
Kindergarten Program	4,470,952	-	4,470,952
Kindergarten Program - Early Intervention Program	498,348	-	498,348
Primary Grades (1-3) Program	11,214,492	-	11,214,492
Primary Grades - Early Intervention (1-3) Program	2,084,293	-	2,084,293
Upper Elementary Grades (4-5) Program	5,827,437	-	5,827,437
Upper Elementary Grades - Early Intervention (4-5) Program	1,632,739	-	1,632,739
Middle School (6-8) Program	12,021,019	-	12,021,019
High School General Education (9-12) Program	13,489,855	-	13,489,855
Vocational Laboratory (9-12) Program	2,269,716	-	2,269,716
Students with Disabilities	14,988,940	-	14,988,940
Gifted Student - Category VI	4,989,141	-	4,989,141
Remedial Education Program	874,970	-	874,970
Alternative Education Program	940,673	-	940,673
English Speakers of Other Languages ("ESOL")	1,713,362	-	1,713,362
Media Center Program	1,973,460	-	1,973,460
20 Days Additional Instruction	622,613	-	622,613
Staff and Professional Development	326,242	-	326,242
One Time QBE Adjustment	3,602,355	-	3,602,355
Principal Staff and Professional Development	5,167	-	5,167
Indirect cost:			
Central administration	2,164,594	-	2,164,594
School administration	3,852,287	-	3,852,287
Facility maintenance and operations	3,958,074	-	3,958,074
Mid-term adjustment hold harmless	450,706	-	450,706
Amended formula adjustment	588,514	-	588,514
Categorical grants			
Pupil transportation:			
Regular	1,223,995	-	1,223,995
Nursing services	317,121	-	317,121
Vocational supervisor	23,340	-	23,340
Education equalization funding	12,171,712	-	12,171,712
Other state programs:			
Food services	725,434	-	725,434
Hygiene products in Georgia schools	9,201	-	9,201
Math and science supplements	71,854	-	71,854
Preschool handicapped	269,969	-	269,969
Teachers' retirement	60,787	-	60,787
Vocational education	132,548	-	132,548
School safety grant	4,010	-	4,010
Rule 10 Special Education State Grant	45,688	-	45,688
Georgia State Financing and Investing Commission:			
Reimbursement on construction projects	-	4,900,270	4,900,270
Office of the State Treasurer:			
Public School Employees' Retirement	334,970	-	334,970
	$ 111,467,870	$ 4,900,270	$ 116,368,140

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Rockdale County Board of Education
Conyers, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockdale County Board of Education (the "School System") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 15, 2022

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Rockdale County Board of Education
Conyers, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Rockdale County Board of Education's (the "School System") 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 System's major federal programs for the year ended June 30, 2022. The School System'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 System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School System and to meet our 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 System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School System'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 to express an opinion on the School System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School System's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School System'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 System's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 have not been identified.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 15, 2022

ROCKDALE COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through ID Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through from Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	225GA324N1099	$ 2,845,902
National School Lunch Program	10.555	225GA324N1099	9,445,281
COVID-19 Supply Chain Assistance Grant	10.555	225GA324N1099	326,683
COVID-19 Emergency Operations Disbursement Grant	10.555	225GA324N1099	579,124
Total Child Nutrition Cluster			13,196,990
Passed through from Natural Resources Conservation Service:			
Solid and Water Conservation	10.902	N/A	29,327
Total U.S. Department of Agriculture			13,226,317
U.S. DEPARTMENT OF DEFENSE			
Direct Federal Award:			
Junior ROTC	12. Unknown	N/A	221,481
U.S. DEPARTMENT OF EDUCATION			
Passed through from Georgia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	S010A200010	903,666
Title I - Grants to Local Educational Agencies	84.010	S010A210010-21	3,847,142
Total Title I - Grants to Local Educational Agencies			4,750,808
Title II - Part A - Supporting Effective Instruction State Grants	84.367	S367A200001	247,999
Title II - Part A - Supporting Effective Instruction State Grants	84.367	S367A210001	318,071
Total Title II - Part A - Supporting Effective Instruction State Grants			566,070
Title III - Limited English Proficient	84.365	S365A200010	17,847
Title III - Limited English Proficient	84.365	S365A210010	59,935
Total Title III - Limited English Proficient			77,782
Passed through the Georgia Department of Education			
Special Education Cluster:			
Grants to States	84.027	H027A200073	339,817
Grants to States	84.027	H027A210073	2,922,389
COVID-19 American Rescue Plan ("ARP") - Grants to State and LEAs	84.027X	H027X210073	731,649
Preschool Grants	84.173	H173A210081	77,834
COVID-19 American Rescue Plan ("ARP") - Age 3-5 Grants	84.173X	H173X210081	47,689
Total Special Education Cluster			4,119,378
Comprehensive Literacy Development	84.371	S371C190016-19A	2,573,495
Comprehensive Literacy Development	84.371	S371C200016-19A	820,181
Total Comprehensive Literacy Development			3,393,676
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D190012	79,828
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	5,778,889
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	46,523
COVID-19 - American Rescue Plan Elementary and Secondary School	84.425U	S425U210012	21,397,187
COVID-19 - American Rescue Plan Elementary and Secondary School	84.425U	S425U210012	110,056
COVID-19 - Homeless Children and Youth (ARP-HCY)	84.425W	S425W210011	892
Total COVID-19 Education Stabilization Funds			27,413,375
Twenty-First Century Community Learning Centers	84.287	S287C200010	60,095
Twenty-First Century Community Learning Centers	84.287	S287C210010	199,522
			259,617
Vocational Education - Basic Grants to States	84.048	V048A200010	16,993
Vocational Education - Basic Grants to States	84.048	V048A210010	163,583
Total Vocational Education - Basic Grants to States			180,576
Education for Homeless Children and Youth	84.196	S196A200011	20,243
Student Support and Academic Enrichment Program	84.424	S42A200011	118,270
Student Support and Academic Enrichment Program	84.424	S424A21001	174,854
Total Student Support and Academic Enrichment Program			293,124
Total U.S. Department of Education			41,074,649
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from Bright from the Start:			
Georgia Department of Early Care and Learning			
Child Care and Development Block Grant Cluster	93.575	N/A	429,753
COVID-19 Child Care and Development Block Grant Cluster	93.575	N/A	64,928
Total U.S. Department of Health and Human Services			494,681
U.S. FEDERAL COMMUNICATIONS COMMISSION			
Passed through from Universal Service Administration Company			
Emergency Connectivity Fund Program	32.009	N/A	2,248,460
Total Expenditures of Federal Awards			$ 57,265,588

N/A - Not available/applicable

ROCKDALE COUNTY BOARD OF EDUCATION

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

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Rockdale County Board of Education (the "School System") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. DONATED COMMODITIES

The Child Nutrition Cluster includes $1,370,611 of non-cash expenditures in the form of donated food commodities.

NOTE 3. DE MINIMIS COST RATE

The School System elected not to use the 10% de minimis cost rate for the year ended June 30, 2022.

NOTE 4. SUBRECIPIENTS

The School System did not pass-through funds to any subrecipient during the year ended June 30, 2022.

ROCKDALE COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes __X__ None Reported
Noncompliance material to financial statements noted?	___ Yes __X__ No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	___ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	U.S. Department of Education Pass-Through from Georgia Department of Education:
84.010	Title I – Grants to Local Educational Agencies
	Education Stabilization Fund:
84.425D	COVID-19 Elementary and Secondary School Emergency Relief
84.425U	COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief
84.425W	COVID-19 Homeless Children and Youth (ARP-HCY)

ROCKDALE COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CFDA Number	Name of Federal Program or Cluster
	U.S. Federal Communications Commission Pass-Through from Universal Service Administration Company
32.009	Emergency Connectivity Fund

Dollar threshold used to distinguish between Type A and Type B programs: $1,717,968

Auditee qualified as low-risk auditee? _X__ Yes ____ No

SECTION II
FINDINGS: FINANCIAL STATEMENTS AUDIT

None Reported.

SECTION III
FINDINGS: FEDERAL PROGRAMS AUDIT

None Reported.

ROCKDALE COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

None reported.