TROUP COUNTY SCHOOL DISTRICT, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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TROUP COUNTY SCHOOL DISTRICT, GEORGIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Troup County Board of Education**, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Troup County Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Troup County Board of Education, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Troup County Board of Education's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of approved special purpose local option sales tax projects, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of approved special purpose local option sales tax projects and the schedule of expenditures of federal awards (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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 18, 2021 on our consideration of the Troup County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Troup County Board of Education'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 Troup County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 18, 2021

TROUP COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

The discussion and analysis of Troup County School District (the "School District")'s financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at the close of the fiscal year 2020, causing a deficit net position of $6.2 million.
- The School District's total net position increased by $2.1 million (25.5%) during the current fiscal year. The Governmental Activities' increase was $1.5 million (18.7%) and the Business-type Activities' increase was $628 thousand or 196.4%. Total net position of Governmental Activities increased due to an increase in property taxes, sales taxes and state funding.
- Governmental activities general revenues accounted for approximately $62.8 million or 42.3% of all revenues. Governmental activities program specific revenues in the form of charges for services, operating grants contributions and capital grants/contributions accounted for approximately $85.8 million or 57.7% of total Governmental Activities' revenues of approximately $148.6 million.
- The School District had $146.1 million of expenses related to Governmental Activities; only approximately $85.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues totaling approximately $62.8 million. General revenues were primarily derived from Property Taxes of approximately $49.2 million and Special Local Option Sales Taxes of approximately $13.4 million.
- Among the major funds, the General Fund had $120.4 million in revenues and $120.3 million in expenditures. The General Fund's fund balance decreased by approximately $1.6 million to approximately $17.1 million which represents 14.2% of total General Fund expenditures.
- Total net position for Business-type activities was $308,395.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the Troup County School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Troup County School District, the General Fund is by far the most significant fund.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows and inflows of resources, and liabilities using the accrual basis of accounting similar to the accounting methods used by most private-sector companies. These bases of accounting take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provided a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements See pages 11 through 17.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Proprietary financial statements may be viewed on pages 18 through 20.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds generally include school clubs and organizations within the principal's accounts. Fiduciary fund statements may be viewed on pages 21 and 22.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements may be viewed on pages 23 through 56.

THE SCHOOL DISTRICT AS A WHOLE

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

Table 1 provides a summary of the School District's net position for 2020 compared to 2019:

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

	Governmental Activities		Business-type Activities		Total Net Position		Total % Change
	2019	2020	2019	2020	2019	2020	2019-20
Current and Other Assets	$ 16.5	$ 29.3	$ 0.2	$ 0.4	$ 16.7	$ 29.7	77.8%
Capital Assets	189.7	198.5	1.2	1.2	190.9	199.7	4.6%
Total Assets	206.2	227.8	1.4	1.6	207.6	229.4	10.5%
Deferred Outflow of Resources	33.0	41.4	0.2	0.3	33.2	41.7	25.6%
Other Liabilities	20.6	37.1	0.7	0.5	21.3	37.6	76.5%
Long Term Liabilities	195.8	209.6	1.2	1.1	197.0	210.7	7.0%
Total Liabilities	216.4	246.7	1.9	1.6	218.3	248.3	13.7%
Deferred Inflow of Resouces	31.0	29.0	0.1	0.1	31.1	29.1	-6.6%
Net Position:							
Net Investment in Capital Assets	187.7	196.1	1.1	1.2	188.8	197.3	4.5%
Restricted	0.2	0.2	-	-	0.2	0.2	0.0%
Unrestricted (deficit)	(195.9)	(202.8)	(1.4)	(0.9)	(197.3)	(203.7)	3.2%
Total Net Position	$ (8.0)	$ (6.5)	$ (0.3)	$ 0.3	$ (8.3)	$ (6.2)	-25.3%

Total net position increased $2.1 million. Current and Other Assets increased $13 million due to asset capitalizations for SPLOST projects. Capital Assets increased by $8.8 million due to large construction projects beginning in fiscal year 2020, less the annual depreciation. The increases were related to SPLOST V construction activities of which some are still in construction in progress. The overall long-term liabilities increased based on increases to the School District's share of the Teachers Retirement System

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019:

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

	Governmental Activities		Business-type Activities		Total Change in Net Position		Total % Change
	2019	2020	2019	2020	2019	2020	2019-20
Revenues							
Program Revenues							
Charges for Services	$ 3.9	$ 3.0	$ 1.7	$ 1.8	$ 5.6	$ 4.8	-14.3%
Operating Grants & Contributions	71.9	81.0	5.9	5.4	77.8	86.4	11.1%
Capital Grants & Contributions	0.5	1.7	-	-	0.5	1.7	240.0%
General Revenues							
Property Taxes	46.0	49.2	-	-	46.0	49.2	7.0%
Sales Taxes	12.5	13.4	-	-	12.5	13.4	7.2%
Other	0.3	0.3	-	-	0.3	0.3	0.0%
Total Revenues	135.1	148.6	7.6	7.2	142.7	155.8	9.2%
Expenses							
Instruction	78.3	92.0	-	-	78.3	92.0	17.5%
Pupil Support Services	9.6	10.7	-	-	9.6	10.7	11.5%
Improvement of Instructional Services	4.9	5.1	-	-	4.9	5.1	4.1%
Educational Media	2.3	2.2	-	-	2.3	2.2	-4.3%
Federal Grant Administration	0.2	0.2	-	-	0.2	0.2	0.0%
General Administration	1.6	2.0	-	-	1.6	2.0	25.0%
School Administration	8.2	9.8	-	-	8.2	9.8	19.5%
Business Administration	1.1	1.7	-	-	1.1	1.7	54.5%
Maintenance/Operation of Facilities	10.7	11.3	-	-	10.7	11.3	5.6%
Student Transportation Services	10.3	9.8	-	-	10.3	9.8	-4.9%
Central Support Services	0.9	1.0	-	-	0.9	1.0	11.1%
Other Support Services	0.1	0.2	-	-	0.1	0.2	100.0%
Business-type Activities	-	-	8.0	7.6	8.0	7.6	-5.0%
Community Services	0.1	-	-	-	0.1	-	-100.0%
School Nutrition	-	0.1	-	-	-	0.1	0.0%
Total Expenses	128.3	146.1	8.0	7.6	136.3	153.7	12.8%
Transfers	(0.5)	(1.0)	0.5	1.0		-	0.0%
Change in Net Position	**6.3**	**1.5**	**0.1**	**0.6**	**6.4**	**2.1**	-67.2%
Beginning Net Position	**(14.3)**	**(8.0)**	**(0.4)**	**(0.3)**	**(14.7)**	**(8.3)**	-43.5%
Ending Net Postion	**$ (8.0)**	**$ (6.5)**	**$ (0.3)**	**$ 0.3**	**$ (8.3)**	**$ (6.2)**	-25.3%

District-wide Activities

Revenues for total District-wide activities were approximately $155.8 million. This was an increase of 9.2%, while expenses increased by 12.8%. The increase in revenue was primarily due to an increase in Operating Grants & Contributions.

Sales tax revenues were approximately $13.4 million, for an increase of $900K or 7.2% increases. Property tax increases were approximately $49.2 million or $3.2 million (or 7%) higher than year before due to higher market appraisal values from reviews conducted by the County Assessor's Office. Expenses increased by $17.4 million or 12.8%.

The State of Georgia completely eliminated austerity reductions related to the QBE formula for the 2019 fiscal year. Austerity reductions have totaled over $72.9 million since their inception in fiscal year 2003 versus the normal QBE funding level. The original fiscal year 2020 budget contained mandated salary increases.

The District's millage rate for fiscal year 2020 was maintained at 18.85.

The School District's millage rate of 18.85 is still near the cap of 20.00 mills, above which increases must be approved by the voters of the District. The local tax digest is benefiting from the growth of KIA and its associated suppliers. Additionally, an increase in residential appraisal value positively impacted the fiscal year 2020 property tax collections.

The dependence upon State Aid/Formula grants and local property taxes remains very apparent. State funding represents 56% of total governmental activities revenue and local property and sales taxes represent 42.6% of the total revenues of $148.6 million. The potential of state budget cuts and lack of future increases to fund all state mandated activities will continue to increase the importance of local funding sources and other required expense reductions to the School District. Instruction comprises 53% of total governmental activities program expenses.

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

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

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

	Governmental Activities		Percentage Change	Net Cost of Service		Total % Change
	2019	2020	2019-2020	2019	2020	2019-2020
Expense Function						
Expenses						
Instruction	$ 78.3	$ 92.2	17.8%	$ 21.2	$ 24.9	17.5%
Pupil Support Services	9.6	10.7	11.5%	6.6	7.8	18.2%
Improvement of Instructional Services	4.9	5.0	2.0%	2.6	3.3	26.9%
Educational Media	2.3	2.2	-4.3%	0.7	0.4	-42.9%
General Administration	1.6	0.2	-87.5%	(0.5)	0.2	-140.0%
Federal Grant Administration	0.2	2.0	0.0%	0.2	(0.4)	0.0%
School Administration	8.2	9.8	19.5%	4.8	6.0	25.0%
Business Administration	1.1	1.7	54.5%	1.0	1.6	60.0%
Maintenance/Operation of Facilities	10.7	11.3	5.6%	7.0	7.7	10.0%
Student Transportation Services	10.3	9.7	-5.8%	7.8	7.5	-3.8%
Central Support Services	0.9	1.0	11.1%	0.9	1.0	11.1%
Other Support Services	0.1	0.2	100.0%	(0.4)	0.2	-150.0%
School Nutrition	0.1	0.1	0.0%	0.1	0.1	0.0%
Interest on Long-term Debt	-	-	0.0%	-	-	0.0%
Total Expenses	$ 128.3	$ 146.1	13.9%	$ 52.0	$ 60.3	16.0%

The total cost of services for governmental activities increased by $17.8 million in fiscal year 2020. The net cost of services increased by $8.3 million.

Business-Type Activities

Business-type activities include the School District's student food service operation and after school programs conducted by the elementary schools. These programs had revenues of $7.2 million and expenses of approximately $7.6 million.

The School District's Funds

Information about the School District's major funds starts on page 13. All governmental funds had total revenues of $146 million and expenditures of approximately $151.2 million. The overall decrease in the fund balance, after transfers, was approximately $6.1 million. This was a result of the General Fund's fund balance decreasing by approximately $3.6 million, Capital Projects Fund's fund balance decreasing by $3.2 million, and Other Governmental Funds' fund balance increasing by $756 thousand. Capital Project Fund decreased as several major SPLOST V projects were completed or in progress during 2020.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Actual revenue for the General Fund was $120.4 million and actual expenditures for the General Fund were $120.3, resulting in an excess of revenues of approximately $100K.

The School District had a decrease in the ending General Fund's Fund Balance of approximately $3.6 million from fiscal year 2020. This resulted in an ending fund balance of $15.1 million or 12.6% of total expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District had approximately $198.5 million (net of accumulated depreciation) invested in land, land improvements, buildings, machinery/equipment, and vehicles at the end of fiscal year 2020 for Governmental Activities.

Table 4 shows fiscal 2020 balances compared to 2019:

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

	Governmental Activities		Business-Type Activities		Total Capital Assets		Total % Change
	2019	2020	2019	2020	2019	2020	2019-2020
Land	$ 5.2	$ 5.3	$ -	$ -	$ 5.2	$ 5.3	1.9%
Construction in Progress	12.6	15.8	-	-	12.6	15.8	25.4%
Land Improvements	2.5	1.6	-	-	2.5	1.6	-36.0%
Buildings	141.8	149.0	-	-	141.8	149.0	5.1%
Machinery & Equipment	24.5	24.0	1.2	1.2	25.7	25.2	-1.9%
Vehicles	3.1	2.8	-	-	3.1	2.8	-9.7%
Total	**$ 189.7**	**$ 198.5**	**$ 1.2**	**$ 1.2**	**$ 190.9**	**$ 199.7**	**4.6%**

The increase in capital assets occurred due to ongoing construction of items and the continued depreciation of existing assets.

Debt Administration

The School District had $0 in bonds outstanding at June 30, 2019 and 2020.

The School District maintains an AA2 bond rating with Moody's Investment Services and an AA+ rating with Standard & Poor's based upon the Georgia State Intercept Program. The School District's issuer credit rating was increased to AA- from A by Standard and Poor's on June 3, 2011 based upon the District's long-standing maintenance of strong reserve levels, positive operations, and tax base growth due in part to the recent additional of a KIA automotive plant to the District's service area. The AA- rating is based on the District's own creditworthiness.

For The Future

The Troup County School District increased its net position in Governmental Activities from a deficit of $8 million to $6.5 million deficit. The overall increase in net position of $1.5 million for Governmental Activities was positive for the financial strength of the School District. However, as the preceding information shows, the School District continues to face increasing dependence on local and state revenue sources. Given the impact of COVID-19, the outlook for increased state funding for K-12 education and the continued escalation of mandated employee benefit expenses in the next 2-3 years poses the biggest future challenge for the School District.

Locally, the School District maintained the millage rate for fiscal year 2020 at 18.85. This leaves us only an additional 1.15 mills before reaching the maximum of 20 mills above which increases require voter approval. The current housing market created an increase in property values and it increased at a higher rate due to growth of KIA and related suppliers.

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

State QBE funds and state formula grants increased by $7.2 million in the fiscal year 2020 due to eliminating QBE austerity reductions and increased equalization funding. Total austerity reductions since their inception in the fiscal year 2003 totaled $72.9 million with these reductions finally 100% eliminated in 2019.

Local school districts continue to struggle with the unfunded mandates required by state and federal regulations. This puts pressure on local funding sources to maintain the current programs. The fiscal year 2021 budget plan is using $2.5 million of CARES funds and $3.9 in reserves of the General Fund to balance the budget. The School District continues to conduct in-depth reviews of all operations to reduce expenditures and find new revenue sources to offset these funding shortfalls.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	$ 13,360,313	$ 126,535	$ 13,486,848
Investments	500,000	-	500,000
Accounts Receivable	505,645	-	505,645
Taxes Receivable, Net Of Allowance	2,865,060	-	2,865,060
Due From Other Governments	12,079,217	169,969	12,249,186
Inventory	15,043	-	15,043
Prepaid items	20,398	120,619	141,017
Capital Assets (Nondepreciable)	21,061,572	-	21,061,572
Capital Assets (Net Of Accumulated Depreciation)	177,427,127	1,231,583	178,658,710
Total Assets	227,834,375	1,648,706	229,483,081
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension Related Items	31,334,610	298,662	31,633,272
Deferred Outflows of Resources - OPEB Related Items	10,034,139	-	10,034,139
Total Deferred Outflows Of Resources	41,368,749	298,662	41,667,411
LIABILITIES			
Accounts Payable	980,139	3,100	983,239
Salaries And Benefits Payable	15,449,706	506,084	15,955,790
Construction Contracts Payable	1,224,718	-	1,224,718
Retainage Payable	1,148,420	-	1,148,420
Tax Anticipation Note Payable	18,000,000	-	18,000,000
Accrued Interest	66,674	-	66,674
Claims Payable	254,196	-	254,196
Net Pension Liability	112,148,064	1,067,113	113,215,177
Net OPEB Liability	96,238,411	-	96,238,411
Compensated absences, Due Within One Year	617,034	4,932	621,966
Compensated Absences, Due In More Than One Year	616,569	10,550	627,119
Total Liabilities	246,743,931	1,591,779	248,335,710
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension Related Items	4,959,804	47,194	5,006,998
Deferred Inflows of Resources - OPEB Related Items	24,036,314	-	24,036,314
Total Deferred Inflows Of Resources	28,996,118	47,194	29,043,312
NET POSITION			
Net Investment In Capital Assets	196,115,561	1,231,583	197,347,144
Restricted For Grant Activities			
Grant Activities	227,564	-	227,564
Unrestricted (deficit)	(202,880,050)	(923,188)	(203,803,238)
Total Net Position (deficit)	$ (6,536,925)	$ 308,395	$ (6,228,530)

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	$ 92,045,531	$ 871,978	$ 64,544,144	$ 1,727,355	$ (24,902,054)	$ -	$ (24,902,054)
Pupil Support Services	10,702,165	1,929,339	1,003,590	-	(7,769,236)	-	(7,769,236)
Improvement Of Instructional Services	5,054,371	-	1,782,990	-	(3,271,381)	-	(3,271,381)
Educational Media	2,159,864	-	1,736,731	-	(423,133)	-	(423,133)
Federal Grant Administration	213,193	-	-	-	(213,193)	-	(213,193)
General Administration	2,016,487	-	2,465,127	-	448,640	-	448,640
School Administration	9,789,245	-	3,760,728	-	(6,028,517)	-	(6,028,517)
Business Administration	1,695,532	-	100,158	-	(1,595,374)	-	(1,595,374)
Maintenance And Operation Of Facilities	11,343,861	21,000	3,615,490	-	(7,707,371)	-	(7,707,371)
Student Transportation Services	9,754,077	215,933	1,994,494	-	(7,543,650)	-	(7,543,650)
Central Support Services	1,011,566	-	5,983	-	(1,005,583)	-	(1,005,583)
Other Support Services	215,195	-	12,390	-	(202,805)	-	(202,805)
Community Services	41,250	-	-	-	(41,250)	-	(41,250)
School Nutrition	83,993	-	-	-	(83,993)	-	(83,993)
Total Governmental Activities	146,126,330	3,038,250	81,021,825	1,727,355	(60,338,900)	-	(60,338,900)
Business-Type Activities:							
Food Service	7,234,586	723,783	5,443,964	-	-	(1,066,839)	(1,066,839)
After School Programs	332,648	1,075,567	-	-	-	742,919	742,919
Total Business-Type Activities	7,567,234	1,799,350	5,443,964	-	-	(323,920)	(323,920)
Total Primary Government	$ 153,693,564	$ 4,837,600	$ 86,465,789	$ 1,727,355	(60,338,900)	(323,920)	(60,662,820)
General Revenues:							
Taxes:							
Property Taxes, Levied For General Purposes					49,188,379	-	49,188,379
Sales Taxes					13,360,800	-	13,360,800
Unrestricted Investment Earnings					72,662	-	72,662
Miscellaneous					171,296	-	171,296
Transfers					(952,089)	952,089	-
Total General Revenues And Transfers					61,841,048	952,089	62,793,137
Change In Net Position					1,502,148	628,169	2,130,317
Net Position (deficit) - Beginning					(8,039,073)	(319,774)	(8,358,847)
Net Position (deficit) - Ending					$ (6,536,925)	$ 308,395	$ (6,228,530)

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL FUND	CAPITAL PROJECTS FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 10,657,293	$ 1,859,360	$ 843,660	$ 13,360,313
Investments	-	-	500,000	500,000
Accounts Receivable	505,645	-	-	505,645
Taxes Receivable, Net Of Allowance	1,099,193	1,765,867	-	2,865,060
Due From Other Governments	8,677,622	1,637,355	1,764,240	12,079,217
Due From Other Funds	13,743,409	-	-	13,743,409
Advance to Other Funds	14,089,636	-	-	14,089,636
Inventory	15,043	-	-	15,043
Prepaid Items	20,398	-	-	20,398
Total Assets	$ 48,808,239	$ 5,262,582	$ 3,107,900	$ 57,178,721
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 816,731	$ 77,600	$ 85,808	$ 980,139
Construction Contracts Payable	-	1,224,718	-	1,224,718
Tax Anticipation Note Payable	18,000,000	-	-	18,000,000
Accrued Interest	66,674	-	-	66,674
Retainage Payable	-	1,148,420	-	1,148,420
Salaries And Benefits Payable	14,177,846	-	1,271,860	15,449,706
Due To Other Funds	254,196	13,000,000	743,409	13,997,605
Advance From Other Funds	-	14,089,636	-	14,089,636
Total Liabilities	33,315,447	29,540,374	2,101,077	64,956,898
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue - Taxes	375,002	-	-	375,002
Unavailable Revenue - Sales Taxes	-	648,341	-	648,341
Unavailable Revenue - State Funding	-	1,637,355	-	1,637,355
Total Deferred Inflow Of Resources	375,002	2,285,696	-	2,660,698
FUND BALANCES:				
Nonspendable:				
Prepaid items	20,398	-	-	20,398
Inventory	15,043	-	-	15,043
Advance from other funds	14,089,636	-	-	14,089,636
Restricted For:				
Grant Activities	-	-	227,564	227,564
Committed For :				
Principal Discretion	-	-	779,329	779,329
Assigned For Appropriation Of Next Year's Budget	3,770,977	-	-	3,770,977
Unassigned	(2,778,264)	(26,563,488)	(70)	(29,341,822)
Total Fund Balances	15,117,790	(26,563,488)	1,006,823	(10,438,875)
Total Liabilities, Deferred Inflow Of Resources And Fund Balances	$ 48,808,239	$ 5,262,582	$ 3,107,900	$ 57,178,721

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

TOTAL FUND BALANCES--GOVERNMENTAL FUNDS			$ (10,438,875)
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.			
Cost	$ 312,103,152		
Less Accumulated Depreciation	(113,614,453)		198,488,699
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.			
Property Taxes	375,002		
Sales Taxes	648,341		
State Funding	1,637,355		2,660,698
The net pension liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.			
Net Pension Liability	$ (112,148,064)		
Pension Related Deferred Outflows of Resources	31,334,610		
Pension Related Deferred Inflows of Resources	(4,959,804)		(85,773,258)
The net OPEB liability is not a financial liability in governmental fund activities and is therefore not reported in governmental funds.			
Net OPEB Liability	$ (96,238,411)		
Pension Related Deferred Outflows of Resources	10,034,139		
Pension Related Deferred Inflows of Resources	(24,036,314)		(110,240,586)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Compensated absences			(1,233,603)
TOTAL NET POSITION--GOVERNMENTAL ACTIVITIES			$ (6,536,925)

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	GENERAL FUND	CAPITAL PROJECTS FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	$ 49,360,704	$ -	$ -	$ 49,360,704
Sales Taxes	-	12,712,459	-	12,712,459
Fees And Charges	576,910	-	1,929,339	2,506,249
State Aid	70,127,835	383,556	2,394,805	72,906,196
Federal Aid	135,408	-	8,173,953	8,309,361
Contributions	-	-	27,966	27,966
Earnings On Investments	62,881	9,781	-	72,662
Miscellaneous	171,296	-	-	171,296
Total Revenues	120,435,034	13,105,796	12,526,063	146,066,893
EXPENDITURES				
Current:				
Instruction	72,612,398	-	7,744,844	80,357,242
Pupil Support Services	8,078,879	-	2,373,661	10,452,540
Improvement Of Instructional Services	3,411,398	-	1,456,290	4,867,688
Educational Media	2,073,620	-	7,086	2,080,706
Federal Grant Administration	-	-	213,193	213,193
General Administration	1,828,036	-	149,351	1,977,387
School Administration	9,160,262	-	347,961	9,508,223
Business Administration	1,666,064	-	-	1,666,064
Maintenance And Operation Of Facilities	11,274,159	-	-	11,274,159
Student Transportation Services	8,959,038	-	337,726	9,296,764
Central Support Services	982,366	-	-	982,366
Other Support Services	140,813	-	29,752	170,565
Community Services	41,250	-	-	41,250
School Nutrition	83,993	-	-	83,993
Capital Outlay	-	18,207,713	-	18,207,713
Total Expenditures	120,312,276	18,207,713	12,659,864	151,179,853
Excess (Deficiency) Of Revenues Over Expenditures	122,758	(5,101,917)	(133,801)	(5,112,960)
OTHER FINANCING SOURCES (USES)				
Transfers In	$ -	$ 2,000,000	$ 1,211,350	$ 3,211,350
Transfers Out	(3,701,947)	(140,203)	(321,289)	(4,163,439)
Total Other Financing Sources (Uses)	(3,701,947)	1,859,797	890,061	(952,089)
Net Change In Fund Balances	(3,579,189)	(3,242,120)	756,260	(6,065,049)
Fund Balances, Beginning Of Year	18,696,979	(23,321,368)	250,563	(4,373,826)
Fund Balances, End Of Year	$ 15,117,790	$ (26,563,488)	$ 1,006,823	$ (10,438,875)

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TOTAL NET CHANGE IN FUND BALANCES--GOVERNMENTAL FUNDS			$ (6,065,049)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:			
	Capital Outlays	$ 18,555,400	
	Depreciation Expense	(9,734,172)	8,821,228
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.			
	Property Taxes	$ (172,325)	
	Sales Taxes	648,341	
	State Funding	1,637,355	2,113,371
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.			(2,895,816)
In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of OPEB and related items.			(535,470)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
	Change in Compensated Absences	$ (166,116)	
	Change in Claims Payable	230,000	63,884
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 1,502,148

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State Funds	$ 67,805,993	$ 67,805,993	$ 70,127,835	$ 2,321,842
Federal Funds	745,000	745,000	135,408	(609,592)
Local And Other Funds	47,678,111	47,678,111	50,171,791	2,493,680
Total Revenues	116,229,104	116,229,104	120,435,034	4,205,930
EXPENDITURES				
Current				
Instruction	70,654,336	70,654,336	72,612,398	(1,958,062)
Pupil Support Services	7,885,169	7,885,169	8,078,879	(193,710)
Improvement Of Instructional Services	3,751,136	3,751,136	3,411,398	339,738
Educational Media	2,178,203	2,178,203	2,073,620	104,583
General Administration	1,905,531	1,905,531	1,828,036	77,495
School Administration	8,573,884	8,573,884	9,160,262	(586,378)
Business Administration	1,602,000	1,602,000	1,666,064	(64,064)
Maintenance And Operation Of Facilities	10,848,739	10,848,739	11,274,159	(425,420)
Student Transportation Services	9,068,409	9,068,409	8,959,038	109,371
Central Support Services	1,000,771	1,000,771	982,366	18,405
Community Service	508,313	508,313	41,250	467,063
School Nutrition	-	-	83,993	(83,993)
Other Support Services	41,250	41,250	140,813	(99,563)
Total Expenditures	118,017,741	118,017,741	120,312,276	(2,294,535)
Excess (Deficiency) Of Revenues Over Expenditures	(1,788,637)	(1,788,637)	122,758	1,911,395
OTHER FINANCING USES				
Transfers Out	(1,166,994)	(1,166,994)	(3,701,947)	(2,534,953)
Total Other Financing Uses	(1,166,994)	(1,166,994)	(3,701,947)	(2,534,953)
NET CHANGE IN FUND BALANCE	(2,955,631)	(2,955,631)	(3,579,189)	(623,558)
FUND BALANCE, BEGINNING OF YEAR	18,696,979	18,696,979	18,696,979	-
FUND BALANCE, END OF YEAR	$ 15,741,348	$ 15,741,348	$ 15,117,790	$ (623,558)

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND			
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
ASSETS AND OTHER DEBITS				
Current Assets				
Cash	$ 5	$ 126,530	$ 126,535	$ -
Due From Other Funds	-	-	-	254,196
Due From Other Governments	169,969	-	169,969	-
Prepaid Items	120,619	-	120,619	-
Total Current Assets	290,593	126,530	417,123	254,196
Noncurrent Assets				
Machinery/Equipment	3,176,509	-	3,176,509	-
Less Accumulated Depreciation	(1,944,926)	-	(1,944,926)	-
Total Noncurrent Assets	1,231,583	-	1,231,583	-
Total Assets	1,522,176	126,530	1,648,706	254,196
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - Pension Related Items	298,662	-	298,662	-
Total Deferred Outflows of Resources	298,662	-	298,662	-
LIABILITIES				
Current Liabilities				
Accounts Payable	3,100	-	3,100	-
Claims Payable	-	-	-	254,196
Salaries And Benefits Payable	506,084	-	506,084	-
Compensated absences - current	4,932	-	4,932	-
Total Current Liabilities	514,116	-	514,116	254,196
Long-Term Liabilities				
Net Pension Liability	1,067,113	-	1,067,113	-
Compensated absences - long-term	10,550	-	10,550	-
Total Long-Term Liabilities	1,077,663	-	1,077,663	-
Total Liabilities	1,591,779	-	1,591,779	254,196
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources - Pension Related Items	47,194	-	47,194	-
Total Deferred Outflows Of Resources	47,194	-	47,194	-
NET POSITION				
Investment In Capital Assets	1,231,583	-	1,231,583	-
Unrestricted (Deficit)	(1,049,718)	126,530	(923,188)	-
Total Net Position	$ 181,865	$ 126,530	$ 308,395	$ -

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND			
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
OPERATING REVENUES				
Food Service Charges	$ 723,783	$ -	$ 723,783	$ -
After School Programs Charges	-	1,075,567	1,075,567	-
Charges To Other Funds	-	-	-	634,775
Total Operating Revenues	723,783	1,075,567	1,799,350	634,775
OPERATING EXPENSES				
Current:				
Payroll Cost	6,249,215	76,616	6,325,831	-
Professional And Contract Services	408,743	256,032	664,775	-
Supplies And Materials	411,528	-	411,528	-
Depreciation	165,100	-	165,100	-
Claims Expenses	-	-	-	634,775
Total Operating Costs	7,234,586	332,648	7,567,234	634,775
Operating Income (Loss)	(6,510,803)	742,919	(5,767,884)	-
Nonoperating Revenues:				
State Matching And Other	164,474	-	164,474	-
Grants-Child Nutrition Program	5,279,490	-	5,279,490	-
Total Nonoperating Revenue	5,443,964	-	5,443,964	-
Income (Loss) Before Transfers	(1,066,839)	742,919	(323,920)	-
Transfers out	-	(839,102)	(839,102)	-
Transfers in	1,791,191	-	1,791,191	-
Change in Net Position	724,352	(96,183)	628,169	-
Total Net Position (Deficit), Beginning Of Year	(542,487)	222,713	(319,774)	-
Total Net Position, End Of Year	$ 181,865	$ 126,530	$ 308,395	$ -

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	ENTERPRISE FUND			
	SCHOOL NUTRITION PROGRAM	NON-MAJOR ACE PROGRAM	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUND - WORKERS' COMPENSATION GOVERNMENTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Received From User Charges	$ 631,720	$ 1,075,567	$ 1,707,287	$ -
Received From Charges To Other Funds	-	-	-	642,487
Payments To Employees For Services	(6,466,683)	(76,616)	(6,543,299)	-
Payments For Self-Insured Claims	-	-	-	(642,487)
Payments To Suppliers For Goods/Services	(1,095,662)	(33,319)	(1,128,981)	-
Net Cash Provided By (Used In) Operating Activities	(6,930,625)	965,632	(5,964,993)	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Nonoperating Grants Received	5,443,964	-	5,443,964	-
Purchase of Capital Assets	(202,584)	-	(202,584)	-
Principal Payments	(102,104)	-	(102,104)	-
Net Cash Provided By Noncapital Financing	5,139,276	-	5,139,276	-
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	1,791,191	(839,102)	952,089	-
Net Increase (Decrease) In Cash/Cash Equivalents	(158)	126,530	126,372	-
Cash/Cash Equivalents June 30, 2019	163	-	163	-
Cash/Cash Equivalents June 30, 2020	$ 5	$ 126,530	$ 126,535	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating Income (Loss)	$ (6,510,803)	$ 742,919	$ (5,767,884)	$ -
Adjustments To Reconcile Operating Loss To Net Cash Provided By (Used In) Operating Activities:				
Depreciation	165,100	-	165,100	-
Changes in Assets And Liabilities:				
Decrease in Due From Other Funds	-	1,192,360	1,192,360	7,712
Increase in Due From Other Governments	(67,220)	-	(67,220)	-
Increase in Prepaid Items	(120,619)	-	(120,619)	-
Increase in Pension Related Deferred Outflows of Resources	(72,505)	-	(72,505)	-
Decrease in Accounts Payable	(50,257)	(70)	(50,327)	-
Decrease in Salaries And Benefits Payable	(150,602)	-	(150,602)	-
Decrease in Unearned Revenue	(24,843)	-	(24,843)	-
Decrease in Claims Payable	-	-	-	(7,712)
Decrease in Due To Other Funds	(104,515)	(969,577)	(1,074,092)	-
Decrease in Pension Related Deferred Inflows of Resources	(33,815)	-	(33,815)	-
Increase in Net Pension Liability	37,610	-	37,610	-
Increase in Compensated Absences	1,844	-	1,844	-
Net Cash Provided by (Used In) Operating Activities	$ (6,930,625)	$ 965,632	$ (5,964,993)	$ -

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	PRIVATE-PURPOSE TRUST	AGENCY FUNDS
ASSETS		
Cash	$ 5,435	$ 5,461,671
Investments	13,055	-
Total Assets	$ 18,490	$ 5,461,671
LIABILITIES		
Due To Student Groups	$ -	$ 319,684
Due To Others		5,087,292
Due to Employees	-	54,695
Total Liabilities	-	$ 5,461,671
NET POSITION		
Restricted For Scholarships	18,490	
Total Liabilities and Net Position	$ 18,490	

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

THE ACCOMPANYING FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to employees, students or to external parties.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The School District reports the following major governmental funds:

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

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

The School District reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

Fiduciary Funds - These funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds of the School District. The fiduciary funds include the following types:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Agency Funds – There are two agency funds. The school activities fund is used to account for money collected primarily through the fundraising efforts of individual school activity organizations. The flexible spending fund is used to account for money collected through payroll deductions for flexible spending accounts.

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

D. Deposits and Investments

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Inventories and Prepaid Items

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

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

F. Interfund Transactions

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

G. Capital Assets

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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

H. Compensated Absences

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

I. Long-Term Debt

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity/Net Position

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

Net Position

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

Net investment in capital assets - This represents the School District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position - These represent resources for which the School District is legally or contractually obligated to spend resources for bus replacement, continuation of federal programs, debt service and capital projects in accordance with restrictions imposed by external third parties or enabling legislation.

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

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

Fund Balance

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity/Net Position (Continued)

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

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

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

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

- Committed
- Assigned
- Unassigned

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

K. Pensions

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Pensions (Continued)

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

L. Use of Estimates in the Preparation of Financial Statements

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District reports seven (5) types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. The School District reports (1) a deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2020 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2021. The School District reports (2) a deferred outflow of resources for experience gains or losses related to the pension plan, (3) a deferred outflow of resources for the changes in actuarial assumptions on the pension plan and OPEB plan; and (4) a deferred outflow of resources for the changes in proportional differences in contributions for the pension plan and OPEB Plan which will be amortized over the remaining service period. The School District also reports (5) a deferred outflow of resources for the net difference between projected and actual investment earnings on the OPEB assets, which will be amortized over a five year period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

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

N. Other Postemployment Benefits (OPEB)

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

NOTE B - BUDGETARY INFORMATION

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

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

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2020.

General Fund:		
Instruction	$	1,958,062
Support services:		
Pupil support services		193,710
School administration		586,378
Business administration		64,064
Maintenance and operation of plant		425,420
School nutrition		83,993
Other support services		99,563

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

NOTE C - DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

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

Investment	Maturity	Fair Value
Certificate of Deposit	13 months	$ 250,000
Certificate of Deposit	18 months	250,000
Certificate of Deposit	14 months	13,055
Georgia Fund 1	WAM - 38 days	584,886
		$ 1,097,941

INTEREST RATE RISK

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

FAIR VALUE MEASUREMENTS

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

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

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2020, the financial institution holding all of the School District's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2020, all of the School District's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE D - TAXES RECEIVABLE

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on federal, state or other grants for expenditures made but not reimbursed, and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met.

The property tax levy was fixed on July 3, 2019 based on property values assessed as of January 1, 2019. Taxes were payable on or before November 15, 2019. An interest penalty of 12% per annum is charged on property taxes paid after that date. Taxes collected within the current fiscal year or within 60 days after fiscal year-end on the 2019 tax digest are reported as revenue in the governmental funds for fiscal year 2020. The Troup County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2020, for school operations were $49,360,704. Property taxes became an enforceable lien on January 20, 2020. All property tax receivables are shown net of an allowance for uncollectible taxes. State law limits the School District's tax levy for operations to 20 mills (one mill equals $1 per thousand dollars of assessed value). Taxes levied in the calendar year 2019 for the 2020 fiscal year operations were assessed at 18.85 mills. This was the same rate as the prior year. There is currently no levy for school bonds.

NOTE D - TAXES RECEIVABLE (CONTINUED)

Special Purpose Local Option Sales Tax is collected by the State of Georgia and remitted to the School District approximately 30 days after the period of collection. SPLOST funds are to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years. The School District's most recent re-authorization was November 2015 for the sales tax collection period covering July 1, 2017 through June 30, 2022. SPLOST IV collections for the fiscal year ended June 30, 2020 at the fund reporting level were $12,712,459.

On June 30, 2020, the School District reported property tax receivables of $1,099,193 net of allowance for uncollectible amounts. An allowance of $40,486 has been established in the General Fund for taxes in dispute and estimated amounts that will not be collected. Sales tax receivables totaled $1,765,867 from SPLOST V June 2020 collections to be received in July 2020.

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Interfund receivable and payable balances at June 30, 2020 are as follows:

Interfund Payable	Interfund Receivable	Amount
Capital Projects Fund	General Fund	$ 13,000,000
General Fund	Internal Service Fund	$ 254,196
Non-Major Governmental Funds	General Fund	$ 743,409

Advances to/from other funds at June 30, 2020 are as follows:

Interfund Payable	Interfund Receivable	Amount
Capital Projects Fund	General Fund	$ 14,089,636

The advance from the General Fund to the Capital Project Fund relates to cash flow advances for various projects. Amounts are being repaid on a schedule spanning more than a year. The total advance will be repaid by June 30, 2022 in accordance with the School District's repayment plan in place at June 30, 2020.

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

Interfund transfers for the year ended June 30, 2020 were as follows:

Transfers In	Transfers Out	Amount
Non Major Governmental Funds	Non Major Governmental Funds	$ 321,289
Non Major Governmental Funds	Non Major Enterprise Funds	839,102
School Nutrition	Capital Projects Fund	140,203
School Nutrition	General Fund	1,650,988
Capital Projects Fund	General Fund	2,000,000
Non Major Governmental Funds	General Fund	50,959
		$ 5,002,541

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

NOTE F - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

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

Office of the State Treasurer	
Paid to the State System of Teacher's Retirement System for School Employees' Retirement (TRS)	$ 58,740
Paid to the Public School Employees' Retirement System for Public School Employees' Retirement (PSERS)	341,563
Total Payments	$ 400,303

NOTE G - NON-MONETARY TRANSACTIONS

The School District received from the United States Department of Agriculture through the Georgia Department of Education $450,035 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues and expenditures in the Food Nutrition Program Fund.

NOTE H - CAPITAL ASSETS

The following tables summarize the changes in capital assets for governmental and business-type activities, respectively, as of June 30, 2020:

	Beginning Balance	Increases	Decreases / Transfers	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 5,166,276	$ 129,338	$ -	$ 5,295,614
Construction in Progress	12,606,473	17,914,126	(14,754,641)	15,765,958
Total Capital Assets, Not Being Depreciated	17,772,749	18,043,464	(14,754,641)	21,061,572
Capital Assets, Being Depreciatated				
Land Improvements	7,403,247	11,278	-	7,414,525
Buildings	211,358,699	15,799	13,501,591	224,876,089
Machinery & Equipment	38,975,999	271,259	1,253,050	40,500,308
Vehicles	18,037,058	213,600	-	18,250,658
Total Capital Assets, Being Depreciated	275,775,003	511,936	14,754,641	291,041,580
Less Accumulated Depreciation For:				
Land Improvements	(4,945,574)	(809,780)	-	(5,755,354)
Buildings	(69,505,320)	(6,350,393)	-	(75,855,713)
Machinery & Equipment	(14,480,099)	(1,998,049)	-	(16,478,148)
Vehicles	(14,949,288)	(575,950)	-	(15,525,238)
Total Accumulated Depreciation	(103,880,281)	(9,734,172)	-	(113,614,453)
Total Capital Assets, Being Depreciated, Net	171,894,722	(9,222,236)	14,754,641	177,427,127
Governmental Activities Capital Assets, Net	$ 189,667,471	$ 8,821,228	$ -	$ 198,488,699

Depreciation expense was charged to functions as follows:

Instruction	$ 8,937,195
Support services	
Educational media services	79,158
Maintenance and operation of facilities	108,188
Student transportation services	609,631
Total Governmental Activities depreciation expense	$ 9,734,172

NOTE H - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Being Depreciatated				
Machinery & Equipment	$ 2,973,925	$ 202,584	-	$ 3,176,509
Total Capital Assets, Being Depreciated	2,973,925	202,584	-	3,176,509
Less Accumulated Depreciation For:				
Machinery & Equipment	(1,779,826)	(165,100)	-	(1,944,926)
Total Accumulated Depreciation	(1,779,826)	(165,100)	-	(1,944,926)
Business-Type Activities Capital Assets, Net	$ 1,194,099	$ 37,484	-	$ 1,231,583

Depreciation expense was charged to functions as follows:

School Nutrition Program	$ 165,100
Total Business-Type Activities Depreciation Expense	$ 165,100

NOTE I - GENERAL LONG TERM DEBT

The changes in long-term debt during the fiscal year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Net Pension Liability	$ 96,480,028	$ 28,890,262	$ 13,222,226	$ 112,148,064	$ -
Net OPEB Liability	98,172,466	10,526,112	12,460,167	96,238,411	-
Claims Payable	491,908	473,633	711,345	254,196	-
Compensated Absences	1,067,487	705,272	539,156	1,233,603	617,034
Total Long-Term Debt	$ 196,211,889	$ 40,595,279	$ 26,932,894	$ 209,874,274	$ 617,034
Business-Type Activities:					
Note payable	$ 102,104	$ -	$ 102,104	$ -	$ -
Net Pension Liability	1,029,503	274,897	237,287	1,067,113	-
Compensated Absences	13,638	8,899	7,055	15,482	4,932
Total Long-Term Debt	$ 1,145,245	$ 283,796	$ 346,446	$ 1,082,595	$ 4,932

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

NOTE J - RISK MANAGEMENT

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

Workers' Compensation Claims

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

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

Fiscal Year	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability
2020	$ 491,908	$ 367,667	$ 605,379	$ 254,196
2019	406,132	528,586	442,810	491,908

Unemployment Claims

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

NOTE K - RETIREMENT PLANS

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

Plan Description

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

NOTE K - RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2020. The School District's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual School District payroll. School District contributions to TRS were $14,218,181 for the fiscal year ended June 30, 2020.

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

At June 30, 2020, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

District's proportionate share of the net pension liability	$	113,215,177
State of Georgia's proportionate share of the net pension liability associated with the District		572,187
Total	$	113,787,364

The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30 2019, the School District's proportion was 0.526516%, which was an increase of 0.001202% from its proportion measured as of June 30, 2018.

NOTE K - RETIREMENT PLANS (CONTINUED)

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

For the fiscal year ended June 30, 2020, the School District recognized pension expense of $17,045,287 and revenue of $34,914 for support provided by the State of Georgia for certain support personnel. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 2,695,999
Changes of assumptions	10,864,473	-
Changes in proportion and differences between District contributions and proportionate share of contributions	169,234	2,277,434
Differences between expected and actual experience	6,381,384	33,565
District contributions subsequent to the measurement date	14,218,181	-
Total	$ 31,633,272	$ 5,006,998

School District contributions subsequent to the measurement date of $14,218,181 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ending June 30:	
2021	$ 4,895,877
2022	485,203
2023	3,294,905
2024	3,732,108
Total	$ 12,408,093

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception for the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25%, and the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.10)%
Domestic large equities	51.00	8.90
Domestic small equities	1.50	13.20
International developed market equities	12.40	8.90
International emerging market equities	5.10	10.90
Total	100.00%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, which was a decrease from the discount rate of 7.50% utilized in the previous valuation. 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 K - RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 183,781,368	$ 113,215,177	$ 55,184,695

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 publically available at www.trsga.com/publications.

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

Plan Description

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

NOTE K - RETIREMENT PLANS (CONTINUED)

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

Benefits Provided

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

Upon retirement, the member will receive a monthly benefit of $15.25, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions

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

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

Pension Liabilities and Pension Expense

At June 30, 2020, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 2,171,258

The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2019.

NOTE K - RETIREMENT PLANS (CONTINUED)

Pension Liabilities and Pension Expense (Continued)

For the fiscal year ended June 30, 2020, the School District recognized pension expense of $669,589 and revenue of $669,589 for support provided by the State of Georgia.

Actuarial assumptions

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

Inflation	2.75%
Salary increase	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semi-annually

Postretirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

NOTE K - RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.10)%
Domestic large stocks	46.20	8.90
Domestic small stocks	1.30	13.20
International developed market stocks	12.40	8.90
International emerging market stocks	5.10	10.90
Alternatives	5.00	12.00
Total	100.00%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 K - RETIREMENT PLANS (CONTINUED)

Supplemental Retirement Plan – Public School Employees' Retirement System Only

Plan Description

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

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

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

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

Funding Policy

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

The School District's contributions to the Supplemental Retirement Plan for the fiscal years ended June 30, 2020, 2019, and 2018 were $159,869, $158,854, and $113,051, respectively.

NOTE L - CONTINGENCIES

Grant Programs

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

Litigation

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

NOTE M - CONSTRUCTION COMMITMENTS

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2020:

Project		
Troup High School Athletic Facility	$	220,553
LaGrange High School Athletic Facility		9,813,273
	$	10,033,826

NOTE N - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

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

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $2,641,797 for the year ended June 30, 2020. Active employees are not required to contribute to the School OPEB Fund.

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2020, the School District reported a liability of $96,238,411 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2018. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2019. At June 30, 2019, the School District's proportion was 0.784202%, which was an increase of 0.011780% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized OPEB expense of $3,177,267. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 209,578	$ -
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,840,592	-
Differences between expected and actual experience	-	10,469,738
Changes in plan assumptions	3,342,172	13,566,576
Board contributions subsequent to the measurement date	2,641,797	-
Total	$ 10,034,139	$ 24,036,314

School District contributions subsequent to the measurement date of $2,641,797 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, 2021. 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:	
2021	$ (3,709,075)
2022	(3,709,075)
2023	(3,717,131)
2024	(3,342,091)
2025	(1,837,042)
2026	(329,558)
Total	$ (16,643,972)

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions:

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 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, 2019:

Inflation	2.75%
Salary Increases	3.25 – 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	7.250%
Medicare eligible	5.375%
Ultimate trend rate	
Pre-Medicare eligible	4.75%
Medicare eligible	4.75%
Year of ultimate trend rate	
Pre-Medicare Eligible	2028
Medicare Eligible	2022

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

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

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the pension system, which covered the five-year period ending June 30, 2014 and adopted by the pension Board on November 18, 2015. The next experience study for TRS will be for the period ending June 30, 2018.

The remaining actuarial assumption (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the School District 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%	-0.10%
Domestic Stocks -- Large Cap	46.20%	8.90
Domestic Stocks -- Small Cap	1.30%	13.20
Int'l Stocks - Developed Mkt	12.40%	8.90
Int'l Stocks - Emerging Mkt	5.10%	10.90
Alternatives	5.00%	12.00
Total	100.00%	

*Net of Inflation

NOTE N - POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount rate:

The discount rate has changed since the prior measurement date from 3.87% to 3.58%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.58% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.58% per the Bond Buyer Index). The projection of cash flows used to determine the discount rate assumed that the current sharing of costs between the employer and the member will continue and that contributions from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2119. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2026. Therefore, the calculated discount rate of 3.58% was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current discount rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net OPEB liability	$ 111,860,798	$ 96,238,411	$ 83,530,300

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

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

	1% Decrease	Current Healthcare Cost trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 81,070,664	$ 96,238,411	$ 115,502,599

NOTE O – TAX ANTICIPATION NOTES

During the fiscal year ended June 30, 2020, the School District issued two short-term Tax Anticipation Notes (TAN), Series 2020, in the combined par amount of $18,000,000 and both maturing on December 31, 2020, when all principal and accrued interest becomes due. These TANs are secured by future tax revenues to be received by the School District.

The first TAN was issued on February 7, 2020 in the amount of $10,000,000 and accrues interest at 1.69% per annum. The second TAN was issued on June 30, 2020 in the amount of $8,000,000 and accrues interest at 1.81% per annum. The School District recognized $66,674 in interest on these notes during the fiscal year ended June 30, 2020.

The changes in tax anticipation notes payable during the year ended June 30, 2020 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Tax Anticipation Notes	$ -	$ 18,000,000	$ -	$ 18,000,000

II. REQUIRED SUPPLEMENTARY INFORMATION

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

	2020	2019	2018
District's proportion of the net pension liability	0.526516%	0.525314%	0.534596%
District's proportionate share of the net pension liability	$ 113,215,177	$ 97,509,531	$ 99,356,313
State of Georgia's proportionate share of the net pension liability associated with the District	572,187	530,877	779,096
Total	$ 113,787,364	$ 98,040,408	$ 100,135,409
District's covered payroll	$ 64,564,040	$ 62,923,926	$ 61,890,764
District's proportionate share of the net pension liability as a percentage of its covered payroll	175.35%	154.96%	160.53%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%

	2017	2016	2015
District's proportion of the net pension liability	0.538369%	0.559485%	0.590074%
District's proportionate share of the net pension liability	$ 111,071,528	$ 85,176,036	$ 74,548,068
State of Georgia's proportionate share of the net pension liability associated with the District	1,175,767	942,671	830,412
Total	$ 112,247,295	$ 86,118,707	$ 75,378,480
District's covered payroll	$ 59,053,630	$ 59,717,080	$ 60,199,226
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.09%	142.63%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

	2020	2019	2018	2017
Contractually required contributions	$ 14,218,181	$ 13,493,884	$ 10,577,512	$ 8,831,812
Contributions in relation to the contractually required contributions	14,218,181	13,493,884	10,577,512	8,831,812
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 67,257,242	$ 64,564,040	$ 62,923,926	$ 61,890,764
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%

	2016	2015	2014
Contractually required contributions	$ 8,426,953	$ 7,852,796	$ 7,392,465
Contributions in relation to the contractually required contributions	8,426,953	7,852,796	7,392,465
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 59,053,630	$ 59,717,080	$ 60,199,226
Contributions as a percentage of covered payroll	14.27%	13.15%	12.28%

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

	2020	2019	2018
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	2,171,258	2,002,859	1,690,896
Total	$ 2,171,258	$ 2,002,859	$ 1,690,896
District's covered-employee payroll	$ 7,154,752	$ 6,977,501	$ 6,391,454
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%

	2017	2016	2015
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	2,027,587	1,303,841	1,114,262
Total	$ 2,027,587	$ 1,303,841	$ 1,114,262
District's covered-employee payroll	$ 6,156,913	$ 5,256,688	$ 5,010,298
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.00%	87.00%	88.29%

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

	2020	2019	2018
District's proportion of the net OPEB liability	0.784202%	0.772422%	0.770332%
District's proportionate share of the net OPEB liability	$ 96,238,411	$ 98,172,466	$ 108,231,336
Total	$ 96,238,411	$ 98,172,466	$ 108,231,336
District's covered-employee payroll	$ 83,990,766	$ 74,472,341	$ 72,979,531
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	114.58%	131.82%	148.30%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

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

	2020	2019	2018
Contractually required contributions	$ 2,641,797	$ 4,223,466	$ 4,003,392
Contributions in relation to the contractually required contributions	2,641,797	4,223,466	4,003,392
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 73,476,896	$ 83,990,766	$ 74,472,341
Contributions as a percentage of covered-employee payroll	3.595%	5.028%	5.376%

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Teachers Retirement System of Georgia:

***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 the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

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

Public Schools Employees Retirement System of Georgia:

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.

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

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

School OPEB Fund:

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

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

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

III. OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	TITLE I	IDEA VIB	FEDERAL VOCATIONAL EDUCATION	TITLE VB	TITLE IIA	EDUCATION OF HOMELESS YOUTH
ASSETS						
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-	-
Due From Other Governments	892,410	496,960	10,304	162,557	147,249	20,816
Total Assets	$ 892,410	$ 496,960	$ 10,304	$ 162,557	$ 147,249	$ 20,816
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 55,448	$ 1,183	$ -	$ -	$ 17,501	$ -
Salaries And Benefits Payable	598,321	312,167	-	5,477	2,932	-
Due To Other Funds	238,641	183,610	10,304	157,080	126,816	20,816
Total Liabilities	892,410	496,960	10,304	162,557	147,249	20,816
FUND BALANCES:						
Restricted for Grant Activities	-	-	-	-	-	-
Committed for Principal Discretion	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	-	-	-	-	-	-
Total Liabilities And Fund Balances	$ 892,410	$ 496,960	$ 10,304	$ 162,557	$ 147,249	$ 20,816

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	TITLE IIIA	TITLE IV	PRINCIPAL ACCOUNTS	PREK	LOCAL GRANTS	
ASSETS						
Cash and Cash Equivalents	$ 1,794	$ -	$ 279,329	$ 325,161	$ 237,376	$ 843,660
Investments	-	-	500,000	-	-	500,000
Due From Other Governments	-	33,944	-	-	-	1,764,240
Total Assets	$ 1,794	$ 33,944	$ 779,329	$ 325,161	$ 237,376	$ 3,107,900
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 1,794	$ -	$ -	$ 70	$ 9,812	$ 85,808
Salaries And Benefits Payable	-	27,802	-	325,161	-	1,271,860
Due To Other Funds	-	6,142	-	-	-	743,409
Total Liabilities	1,794	33,944	-	325,231	9,812	2,101,077
FUND BALANCES:						
Restricted for Grant Activities	-	-	-	-	227,564	227,564
Committed for Principal Discretion	-	-	779,329	-	-	779,329
Unassigned	-	-	-	(70)	-	(70)
Total Fund Balances	-	-	779,329	-	227,564	1,006,893
Total Liabilities And Fund Balances	$ 1,794	$ 33,944	$ 779,329	$ 325,231	$ 237,376	$ 3,107,970

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	TITLE I	IDEA VIB	FEDERAL VOCATIONAL EDUCATION	TITLE VB	TITLE IIA	EDUCATION OF HOMELESS YOUTH
REVENUES						
Fees And Charges	$ -	$ -	$ -	$ -	$ -	$ -
State Aid	-	-	-	-	-	-
Federal Aid	4,468,707	2,625,626	150,451	291,926	335,795	48,623
Contributions	-	-	-	-	-	-
Total Revenues	4,468,707	2,625,626	150,451	291,926	335,795	48,623
EXPENDITURES						
Current:						
Instruction	2,687,874	2,103,122	139,355	287,824	18,721	-
Pupil Support Services	517,561	59,377	-	-	-	-
Improvement Of Instructional Services	1,053,211	124,777	9,703	-	204,708	-
Educational Media Services	-	-	-	-	7,086	-
Federal Grant Administration	203,625	-	-	-	-	9,568
General Administration	52,545	82,194	1,393	4,102	4,863	432
School Administration	-	-	-	-	-	-
Student Transportation Services	32,099	248,613	-	-	-	38,623
Other Support Services	21,792	7,543	-	-	417	-
Total Expenditures	4,568,707	2,625,626	150,451	291,926	235,795	48,623
Excess (Deficiency) Of Revenues Over Expenditures	(100,000)	-	-	-	100,000	-
OTHER FINANCING SOURCES (USES)						
Transfers In	100,000	-	-	-	-	-
Transfers Out	-	-	-	-	(100,000)	-
Total Other Financing Sources (Uses)	100,000	-	-	-	(100,000)	-
Net Change In Fund Balances	-	-	-	-	-	-
Fund Balances, Beginning Of Year	-	-	-	-	-	-
Fund Balances, End Of Year	$ -	$ -	$ -	$ -	$ -	$ -

	SPECIAL REVENUE FUNDS					TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	TITLE IIIA	TITLE IV	PRINCIPAL ACCOUNTS	PREK	LOCAL GRANTS	
REVENUES						
Fees And Charges	$ -	$ -	$ 1,929,339	$ -	$ -	$ 1,929,339
State Aid	-	-	-	2,238,744	156,061	2,394,805
Federal Aid	32,353	220,472	-	-	-	8,173,953
Contributions	-	-	-	-	27,966	27,966
Total Revenues	32,353	220,472	1,929,339	2,238,744	184,027	- 12,526,063
EXPENDITURES						
Current:						
Instruction	27,335	90,679	44,988	2,113,034	231,912	7,744,844
Pupil Support Services	800	114,349	1,680,851	-	723	2,373,661
Improvement Of Instructional Services	3,748	7,619	-	52,524	-	1,456,290
Educational Media Services	-	-	-	-	-	7,086
Federal Grant Administration	-	-	-	-	-	213,193
General Administration	-	3,822	-	-	-	149,351
School Administration	-	-	276,417	71,544	-	347,961
Student Transportation Services	470	4,003	-	1,642	12,276	337,726
Other Support Services	-	-	-	-	-	29,752
Total Expenditures	32,353	220,472	2,002,256	2,238,744	244,911	12,659,864
Excess (Deficiency) Of Revenues Over Expenditures	-	-	(72,917)	-	(60,884)	(133,801)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	839,100	-	272,250	1,211,350
Transfers Out	-	-	-	-	(221,289)	(321,289)
Total Other Financing Sources (Uses)	-	-	839,100	-	50,961	890,061
Net Change In Fund Balances	-	-	766,183	-	(9,923)	756,260
Fund Balances, Beginning Of Year	-	-	13,146	(70)	237,487	250,563
Fund Balances, End Of Year	$ -	$ -	$ 779,329	$ (70)	$ 227,564	$ 1,006,823

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020

	SCHOOL ACTIVITIES FUND	FLEXIBLE SPENDING FUND	TOTAL AGENCY FUNDS
ASSETS			
Cash	$ 319,684	$ 5,141,987	$ 5,461,671
Total Assets	$ 319,684	$ 5,141,987	$ 5,461,671
LIABILITIES			
Due To Student Groups	$ 319,684	$ -	$ 319,684
Due To Others	-	5,087,292	5,087,292
Due to Employees	-	54,695	54,695
Total Liabilities	$ 319,684	$ 5,141,987	$ 5,461,671

TROUP COUNTY SCHOOL DISTRICT, GEORGIA
SCHEDULE OF APPROVED SPECIAL PURPOSE LOCAL OPTION SALES TAX PROJECTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	PROJECT STATUS
SPLOST V					
Providing additional real property for future school expansions, elementary school construction, elementary school, middle school and/or high school renovations and expansions; additions to, renovations of, repairs and improvements to and equipping of existing educational buildings, properties and facilities of the School District, including without limitation safety and security projects, HVAC, roofing and flooring replacements and renovations, physical education facilities and improvements, and resurfacing and parking facilities; technology/software upgrades and additions; infrastructure, textbooks and equipment; additional school buses; and paying expenses incident thereto	$ 65,358,827	$ 63,100,000	$ 14,186,802	$ 44,662,515	Ongoing
Interest expense on bonds sold under SPLOST V	2,700,000	2,700,000	-	-	Ongoing
Totals for SPLOST V	$ 68,058,827	$ 65,800,000	14,186,802	$ 44,662,515	
		Total SPLOST expenditures	14,186,802		
		Expenditures funded by State sources	2,020,911		
		Transfers in from General Fund	2,000,000		
		Total expenditures	$ 18,207,713		

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

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

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

IV. SINGLE AUDIT SECTION

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 Troup County School District
LaGrange, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Troup County Board of Education**,** as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Troup County Board of Education's basic financial statements, and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Troup County Board of Education'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 Troup County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Troup County Board of Education's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, and 2020-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Troup County Board of Education'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*.

Troup County Board of Education's Responses to Findings

Troup County Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Troup County Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 18, 2021

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 Troup County School District
La Grange, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Troup County Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Troup County Board of Education's major federal programs for the year ended June 30, 2020. The Troup County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Troup County Board of Education 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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 18, 2021

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Award Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	195GA324N1099	$ 1,401,790
National School Lunch Program	10.555	195GA324N1100	3,427,665
National School Lunch Program (non-cash) (1)	10.555	195GA324N1100	450,035
Total Child Nutrition Cluster			5,279,490
U. S. DEPARTMENT OF DEFENSE			
R.O.T.C. Program	12.Unknown	n/a	100,561
Total U. S. Department of Defense			100,561
U. S. DEPARTMENT OF EDUCATION			
Passed through Georgia Department of Education:			
Title I Programs - Improving the Academic Achievement of the Disadvantaged	84.010	S010A190010	3,766,060
Title I Programs - Neglected and Delinquent	84.010	S010A190010	77,679
Title I Programs - School Improvement	84.010	S010A190010	40,000
Title I Programs - SIG - Digital Learning	84.010	S010A190010	87,834
Title I Programs - SIG - Rural Resources	84.010	S010A190010	117,959
Total Title I, Part A			4,089,532
Striving Readers	84.371	S371C190002	379,175
Title II-A - Improving Teacher Quality	84.367	S367A190001	335,795
Total Title II-A			335,795
Title III - Limited English Proficient	84.365	S365A190010	30,057
Title III - Immigrant	84.365	S365A190010	2,296
Total Title III			32,353
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A190011	220,472
Title V-B - Rural and Low-Income Schools	84.358	S365B190010	291,926
Special Education Cluster:			
Title VI-B Flowthrough	84.027	H027A190073	2,517,564
Title VI-B High Cost Fund Pool	84.027	H027A190073	15,785
Title VI-B Special Education - Parent Mentor	84.027	H027A190073	14,400
Title VI-B Preschool	84.173	H173A190081	77,877
Total Special Education Cluster			2,625,626
Education for Homeless Youth	84.196	S196A190011	48,623
Vocational Grants - Program Improvement	84.048	V048A190010	128,999
Vocational Grants - Perkins Reserve	84.048	V048A190010	14,409
Vocational Grants - Perkins Carryover	84.048	V048A190010	7,043
Total Vocational Grants			150,451
Total U. S. Department of Education			8,173,953
Total Expenditures of Federal Awards			$ 13,554,004

Notes to the Schedule of Expenditures of Federal Awards

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

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

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

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

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

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ____ no
Significant deficiencies identified?	____ yes X none reported
Noncompliance material to financial statements noted?	____ yes X no

Federal Awards

Internal Control over major federal programs:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified?	____ yes X none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes X no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
10.553 & 10.555	School Nutrition Cluster
84.027 & 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Capital Asset Reporting

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

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

Context/Cause: During our testing of capital assets, we identified the following misstatements:

- During our testing of capital assets in the School Nutrition Program Fund, we noted the balances in the trial balance did not agree to the balances in the capital assets subsidiary schedules provided to us. We reviewed the additions listing and noted the capital assets subsidiary schedule balances were correct. Therefore, we recorded an adjusting entry of approximately $203,000 to agree the trial balance amounts to the capital asset subsidiary schedule for capital assets and depreciation.

- During our testing of governmental capital assets, an audit adjustment was required to reclassify approximately $13,300,000 of construction in progress costs from a non-depreciable asset to a depreciable capital asset related to school building projects being completed during the fiscal year, regardless of whether final payments have been made. Additionally, an audit adjustment of approximately $133,000 was required to increase depreciation expense and accumulated depreciation for the fiscal year ended June 30, 2020 for depreciation taken on the aforementioned reclassified buildings.

Effects: Audit adjustments were needed to correctly report business-type capital assets and associated depreciation expense for the School Nutrition Program Fund as of and for the year ended June 30, 2020. Audit adjustments were also required to correctly report the School District's governmental capital assets, accumulated depreciation and depreciation expense as of and for the year ended June 30, 2020.

Recommendation: We recommend the School District implement procedures whereby the general ledger balances for the capital asset accounts are reconciled to the sub-ledger on a periodic basis, with additional consideration made for the completion status of construction projects.

Auditee's Response: We concur with the finding and are implementing controls to ensure when the project becomes substantially complete, regardless of whether all payments have been made, it needs to begin to be depreciated.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-002 Contracts and Retainage Payable

Criteria: Internal controls should be in place to ensure financial statements properly present the financial position of the School District's funds in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the contracts and retainage payable in the Capital Projects fund.

Context/Cause: During our testing of contracts and retainage payable, we noted the School District had accrued the incorrect pay applications in contracts and retainage payable at June 30, 2020. An adjusting entry was posted to the School District's accounts to reduce contracts and retainage payable by approximately $2.9 million.

Effect: Prior to our adjustments, misstatements related to the reporting of contracts and retainage payable in the Capital Projects fund totaled approximately $2.9 million.

Recommendation: We recommend that the School District incorporate a more detailed review of contracts and retainage payable into their year-end closing procedures to ensure that the correct amounts of outstanding liabilities for construction project balances are reported.

Auditee's Response: We concur with the finding and will be careful to use the correct pay applications.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-003 Interfund Balances

Criteria: Internal controls should be in place to ensure financial statements properly present the financial position of the District's funds in accordance with generally accepted accounting principles and that funds reporting an interfund payable have the ability and intent to pay back the balance within a year.

Condition: Internal controls were not sufficient to detect an interfund payable being reported in a fund that does not have the ability or intent to pay back the balance within a year.

Context/Cause: During our testing of interfund balances, we noted the School Nutrition Program Fund was reporting a $530,000 interfund payable due to the General Fund. Upon further review, we noticed the School Nutrition Program Fund was still reporting a deficit fund balance of $355,000 after a $1.2 million transfer in from the General Fund. The School Nutrition Program Fund is not self-sufficient and will not be able to repay the General Fund within a year, therefore an adjusting entry totaling $530,000 was needed to remove the interfund payable and receivable in the School Nutrition Program Fund and General Fund, respectively, and report a transfer into the School Nutrition Program Fund and a transfer out of the General Fund. During our testing of interfund balances and advances, we also noted that the Capital Projects Fund required an adjustment to advances from other funds in the amount of $2,000,000 for amounts that the Capital Projects Fund does not have the ability to pay back to the General Fund. A transfer from the General Fund to the Capital Projects Fund was recorded for the amount that will not be paid back.

Effect: Total misstatements related to the reporting of interfund balances in the School Nutrition Program Fund and General Fund totaled $2,530,000.

Recommendation: We recommend the School District incorporate into its interfund balance reconciliation procedures a qualitative consideration of whether such reported amounts are able to be repaid within the next fiscal year.

Auditee's Response: We concur with the finding and in fact the Chief Financial Officer, in a transparent manner, has put forward budget transfers/amendments to reduce/eliminate the receivables since his arrival a year ago.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-004 Revenues and Related Balances

Criteria: Internal controls should be in place to ensure that amounts reported as receivables and unavailable revenues are appropriate and properly valued in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the School District's intergovernmental receivable and unavailable revenue associated with certain funding arrangements.

Context/Cause: During our testing of intergovernmental revenues, we noted the School District did not accrue a receivable for amounts due from the Georgia State Finance and Investment Commission (GSFIC) for various projects that were substantially complete at the end of the fiscal year. Adjustments were required in the Capital Projects Fund to increase intergovernmental receivable and unavailable revenue by $1,637,000, representing state funding due to the School District but not received within its period of availability.

Effect: Total misstatements related to the reporting of intergovernmental receivable and the related accounts for the fiscal year ended June 30, 2020 were approximately $1,637,000.

Recommendation: We recommend the School District carefully review projects eligible for state funding at year end to determine completeness and whether a receivable should be reported at year end.

Auditee's Response: We concur with the finding and plan to enter the appropriate receivables.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

TROUP COUNTY SCHOOL DISTRICT, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

2019-001 Interfund Balances Reconciliation

Criteria: Internal controls should be in place to ensure interfund activity is properly reported in the financial statements in accordance with generally accepted accounting principles. All receivables should be evaluated and reported at their net realizable value, including interfund balances.

Condition: Misstatements were detected in the reporting of the District's interfund balances.

Status: Resolved.

2019-002 Revenue Recognition

Criteria: Internal controls should be in place to ensure that amounts reported as receivables and revenues are appropriate and properly valued in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the District's property tax revenue and related balance sheet accounts.

Status: Repeated in the current year as finding **2020-004**.

2019-003 School Nutrition Equity Reconciliation

Criteria: Internal controls should be in place to ensure the financial statements properly present the financial position of the District's funds in accordance with generally accepted accounting principles (GAAP).

Condition: Internal controls were not sufficient to detect misstatements in the reconciliation of the School Nutrition net position.

Status: Resolved.

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS (CONTINUED)

2019-004 Capital Asset Maintenance

Criteria: The District's accounting records should be sufficient to provide evidence to support the financial statement assertions related to all capital asset accounts.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of non-depreciable capital assets, depreciable capital assets and accumulated depreciation.

Status: Repeated in the current year as finding **2020-001**.

Troup County School System

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MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2020

2020-001 Capital Asset Reporting

Contact Person Responsible for the Corrective Action Plan: Tracie Hill, Accounting Coordinator, and Dr. Scott Burckbuchler, CFO

Corrective Action Plan: We are currently implementing controls to ensure a project becomes substantially complete, regardless of whether all payments have been made, it needs to begin to be depreciated. In addition, the Accounting Coordinator will receive further training related to this capital asset reporting

Anticipated Completion Date: June 30, 2021

2020-002 Contracts and Retainage Payable

Contact Person Responsible for the Corrective Action Plan: Tracie Hill, Accounting Coordinator, and Dr. Scott Burckbuchler, CFO

Corrective Action Plan: We are currently implementing controls to review all pay applications near year end to correctly record contracts and retainage payable. In addition, the Accounting Coordinator will receive further training related to this topic, if necessary.

Anticipated Completion Date: June 30, 2021

2020-003 Interfund Balances

Contact Person Responsible for the Corrective Action Plan: Tracie Hill, Accounting Coordinator, and Dr. Scott Burckbuchler, CFO

Corrective Action Plan: We concur with the finding and in fact the Chief Financial Officer, in a transparent manner, has put forward budget transfers/amendments to reduce/eliminate the receivables since his arrival a year ago. The Food Service programs' structural deficit has been compounded by the impacts of COVID-19 which has resulted in less participation in the program. Troup County School System will continue to monitor this program and make the necessary transfers to subsidize the program from operating funds.

Anticipated Completion Date: June 30, 2021

Troup County School System

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MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2020

2020-004 Revenues and Related Balances

Contact Person Responsible for the Corrective Action Plan: Tracie Hill, Accounting Coordinator, and Dr. Scott Burckbuchler, CFO

Corrective Action Plan: We will take necessary steps to ensure appropriate receivables are entered. The Accounting Coordinator has put this on the year-end check list. The Chief Financial Officer has also discussed the Operations department doing monthly draw down requests with the Assistant Superintendent of Operations during the multiple day GSSA Facility and Capital Outlay Institute they are attending during 2021. In addition, the Accounting Coordinator will receive further training related to this topic, as necessary.

Anticipated Completion Date: June 30, 2021