



NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED

RATINGS: Enhanced: Moody's "Aa1" Standard & Poor's "AA+"  
Underlying: Moody's "Aa2" Standard & Poor's "AA"  
See "MISCELLANEOUS -Ratings" herein.

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. The School District has designated the Bonds as "qualified tax-exempt obligations" for purposes of § 265(b)(3) of the Internal Revenue Code of 1986, as amended. See Appendix B herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "TAX MATTERS" herein.*

**\$6,300,000\***

**BRYAN COUNTY SCHOOL DISTRICT (GEORGIA)  
General Obligation Sales Tax Bonds, Series 2024**

**Dated: Date of Issuance**

**Due: August 1, as shown on inside cover**

THE BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024 (the "Bonds") will be issued in registered form in the name of Cede & Co., as the nominee for The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds must be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. Individual purchasers ("Beneficial Owners") of the Bonds will not receive physical delivery of the Bonds. Transfers of the Bonds will be effected through a book-entry system as described herein.

Interest on the Bonds will be payable on February 1 and August 1 of each year (each an "Interest Payment Date") beginning August 1, 2025. So long as Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the registered owner of the Bonds, disbursements of payments of principal of and interest on the Bonds to Cede & Co. is the responsibility of Regions Bank, Atlanta, Georgia, as Paying Agent; disbursements of such payments to DTC Participants is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described herein. See "THE BONDS -Book-Entry Only System of Delivery of the Bonds" herein.

The Bonds are being issued to provide funds, together with other available funds of the Bryan County School District (the "School District"), to finance the costs of acquiring, constructing, and equipping certain capital outlay projects of the School District. See "THE BONDS -Sources and Uses of Funds; -The Projects" herein.

The Bonds are not subject to redemption prior to their respective maturities. See "THE BONDS -Redemption" herein.\*

The Bonds are general obligations of the School District and constitute a pledge of the full faith and credit of the School District. Principal of and interest on the Bonds are payable first from the receipts of a special 1% sales and use tax for educational purposes (the "Educational Sales Tax") for a period of time not to exceed 20 calendar quarters. The School District reasonably expects that such receipts will be sufficient to pay all debt service on the Bonds. Nevertheless, if such receipts are insufficient, debt service on the Bonds shall be paid from the general fund of the School District or from an *ad valorem* tax to be levied, without limitation as to rate or amount, upon all property in the School District subject to taxation for school bond purposes. Prior to the issuance of the Bonds, the Board of Commissioners of Bryan County, upon recommendation of the School District, will provide for the assessment and collection of an *ad valorem* tax within the School District in an amount which, together with certain receipts of a special one percent sales and use tax for educational purposes, will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. As additional security for the Bonds, the School District will participate in the State of Georgia Intercept Program.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued by the School District and received by the Underwriter, subject to the approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Certain legal matters will be passed upon for the School District by its counsel, Arnold & Stafford, Hinesville, Georgia. Gray Pannell & Woodward LLP, Savannah, Georgia is acting as Disclosure Counsel to the School District. Delivery of the Bonds in definitive form is expected to be made through DTC in New York, New York, on or about December \_\_, 2024.

**RAYMOND JAMES®**

Official Statement Dated: November \_\_, 2024

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**MATURITY SCHEDULE**  
**\$6,300,000\***  
**BRYAN COUNTY SCHOOL DISTRICT (GEORGIA)**  
**GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024**

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>1</sup>
2026	\$1,680,000			
2027	4,620,000			

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<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the School District, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the financing or the Underwriter of the Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Bonds.

**BRYAN COUNTY SCHOOL DISTRICT**

**Board of Education of Bryan County**

Amy Murphy, *Chairman*

Karen Krupp, *Vice Chairman*

Shawn Page

David Schwartz

Dennis Seger

Derrick Smith

Marianne Smith

**Appointed Officials**

Dr. Paul T. Brooksher, *Superintendent*

Dr. Trey Robertson, *Deputy Superintendent*

Debi McNeal, *Assistant Superintendent of Business Services*

Jennifer Habets, *Director of Finance*

**SPECIAL SERVICES**

**Independent Auditor**

State of Georgia Department of Audits

Atlanta, Georgia

**Attorney for the School District**

Arnold & Stafford

Hinesville, Georgia

**Bond Counsel and Disclosure Counsel**

Gray Pannell & Woodward LLP

Savannah, Georgia

**Underwriter**

Raymond James & Associates, Inc.

Atlanta, Georgia

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## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
The School District .....	1
Security and Sources of Payment for the Bonds .....	1
Purpose of the Bonds .....	1
Bond Registrar and Paying Agent .....	2
Description of the Bonds .....	2
Tax Status .....	2
Professionals Involved in the Offering .....	3
Terms of the Offering .....	3
Continuing Disclosure .....	3
Additional Information .....	3
THE BONDS .....	4
Description .....	4
Redemption of the Bonds .....	4
Book-Entry Only System of Delivery of Bonds .....	4
Authority for Issuance of the Bonds .....	6
Validation of the Bonds .....	6
Sources and Uses of Funds .....	7
The Projects .....	7
Investment of Money .....	8
Construction Fund Disbursements .....	10
Change of Use of Bond Proceeds .....	10
Security and Sources of Payment for the Bonds .....	11
Enforcement of Remedies .....	14
THE SCHOOL DISTRICT .....	15
Introduction .....	15
Board of Education .....	15
Administration .....	16
Operations .....	16
Employees, Employee Relations, and Labor Organizations .....	17
Enrollment .....	17
Schools; 2021-2022 School Term .....	17
DEBT STRUCTURE OF THE SCHOOL DISTRICT .....	19
Summary of School District Debt by Category .....	19
Long and Short-Term Indebtedness .....	19
Debt Limitations .....	19
Indebtedness of Overlapping Governmental Entities .....	21
Estimated Debt Service Schedule .....	22
SCHOOL DISTRICT AD VALOREM TAXATION .....	23
Introduction .....	23
Property Subject to Taxation .....	23
Tax Relief Initiatives .....	24
Assessed Value .....	24
Annual Tax Levy .....	25
Property Tax Collections .....	25
Motor Vehicle Property Taxes .....	26
M&O Tax Digest .....	27
Ten Largest Taxpayers .....	28

M&O Tax Levies and Collections .....	29
Millage Rates .....	30
<b>SCHOOL DISTRICT FINANCIAL INFORMATION .....</b>	<b>31</b>
Five-Year General Fund History.....	31
Accounting Policies .....	32
Budgetary Process for General Fund .....	33
Retirement Plans and Other Post-Employment Benefits .....	35
Other Employee Benefits .....	35
Governmental Immunity and Insurance Coverage .....	35
<b>BRYAN COUNTY .....</b>	<b>37</b>
Introduction.....	37
Government Format.....	37
Population .....	38
Per Capita Personal Income .....	38
Bank Deposits .....	38
Building Permits .....	39
Industry and Employment.....	39
Hyundai Economic Development Project.....	41
<b>LEGAL MATTERS.....</b>	<b>42</b>
Litigation.....	42
Legal Proceedings.....	42
<b>TAX MATTERS.....</b>	<b>43</b>
Federal Tax Exemption.....	43
State Tax Exemption.....	43
Bank Qualified Bonds.....	43
Maintenance of Tax Status.....	43
Premium Bonds.....	44
Original Issue Discount Bonds .....	44
Other Tax Consequences .....	45
Information Reporting and Backup Withholding .....	45
Disposition of the Bonds.....	45
<b>RISK FACTORS .....</b>	<b>47</b>
Climate Change.....	47
Cyber-Security .....	47
<b>MISCELLANEOUS .....</b>	<b>48</b>
Ratings .....	48
Underwriting.....	48
Continuing Disclosure .....	48
Financial Statements .....	49
Miscellaneous .....	49
Forward Looking Statements.....	49
Certification .....	50
 Appendix A: FINANCIAL STATEMENTS OF THE BRYAN COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023	
Appendix B: PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL	
Appendix C: FORM OF THE DISCLOSURE DISSEMINATION AGENT AGREEMENT	

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Raymond James & Associates, Inc. (the “Underwriter”) has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information set forth herein has been furnished by the School District and by other sources which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the School District. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this Official Statement. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the School District’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute a contract between the School District and any one or more owners of the Bonds, nor does this Official Statement constitute an offer to sell the Bonds or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the School District to give any information or to make any

representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or any other person.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to the Underwriter who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Bonds have not been registered under the Securities Act of 1933, and the Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the School District that has been deemed final by the School District as of its date, except for the omission of no more than the information permitted by Rule 15c2-12.



## OFFICIAL STATEMENT

Relating to

\$6,300,000\*

BRYAN COUNTY SCHOOL DISTRICT (GEORGIA)  
GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024

### INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to furnish information with respect to the proposed issuance and sale by the Bryan County School District (the “**School District**”) of its BRYAN COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024 (the “**Bonds**”).

The information contained in this section entitled “INTRODUCTION” is a brief description of the terms of and security for the Bonds and does not purport to be comprehensive or definitive. A full review of the entire Official Statement, as well as the documents summarized or described herein, should be made. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution (as defined herein) unless the context requires otherwise.

#### **The School District**

The School District is a political subdivision of the State of Georgia (the “**State**”). The affairs of the School District are managed by the Board of Education of Bryan County (the “**Board of Education**”). The School District is coextensive with the territorial limits of Bryan County (the “**County**”), which is located approximately 30 miles southwest of Savannah, Georgia, and approximately 240 miles southeast of Atlanta, Georgia. For more detailed information, see “THE SCHOOL DISTRICT.”

#### **Security and Sources of Payment for the Bonds**

The Bonds are general obligations of the School District and will constitute a pledge of the full faith and credit of the School District. Principal of and interest on the Bonds are payable first from the receipts of a special 1% sales and use tax for educational purposes (the “**Educational Sales Tax**”) collected within the territorial limits of the School District, and then, if and to the extent necessary, from *ad valorem* taxes which may be levied, without limitation as to rate or amount, upon all taxable property subject to taxation for school bond purposes within the territorial limits of the School District. Prior to the issuance of the Bonds, the Board of Commissioners of Bryan County (the “**Board of Commissioners**”) will provide for the assessment and collection of an *ad valorem* tax within the School District in an amount which, together with receipts of the Educational Sales Tax will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. As additional security for the Bonds, the School District will participate in the State of Georgia Intercept Program. For more detailed information, see “THE BONDS -Security and Sources of Payment for the Bonds” and “SCHOOL DISTRICT AD VALOREM TAXATION.”

#### **Purpose of the Bonds**

The Bonds are being issued to provide funds to finance the cost, in whole or in part, of acquiring, constructing, and equipping certain capital outlay projects of the School District (the “**Projects**”) and the

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\* The use of the asterisk (\*) throughout this Preliminary Official Statement indicates information which is subject to change.

costs of issuance of the Bonds. For more detailed information, see “THE BONDS -Sources and Uses of Funds” and “THE BONDS -The Projects.”

### **Bond Registrar and Paying Agent**

Regions Bank, Atlanta, Georgia, will act as Bond Registrar (“**Bond Registrar**”) and Paying Agent (“**Paying Agent**”) for the Bonds.

### **Description of the Bonds**

*Redemption.* The Bonds are not subject to redemption prior to their respective maturities.\*

*Denominations.* The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof.

*Registration and Transfer.* The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Bonds.

*Manner of Making Payments.* Interest on the Bonds is payable on February 1 and August 1 of each year (each an “**Interest Payment Date**”), beginning August 1, 2025. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the “**Record Date**”); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent (as defined herein) to the holders of the Bonds not less than 30 days preceding such subsequent date of record. The Bonds bear interest at the rates per annum and mature in the amounts and at the times as set forth on the inside front cover page hereof.

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners (as defined herein).

For more detailed information on the Bonds, see “THE BONDS.”

### **Tax Status**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. The School District has designated the Bonds as “qualified tax-exempt obligations” for purposes of § 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on the Bonds. See Appendix B herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds.

For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see “TAX MATTERS” herein.

## Professionals Involved in the Offering

Certain legal matters pertaining to the School District and its authorization and issuance of the Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. See Appendix B for the proposed form of opinion of Bond Counsel to be delivered in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the School District by its counsel, Arnold & Stafford, Hinesville, Georgia. The general purpose financial statements of the School District for the fiscal year ending June 30, 2023, attached hereto as Appendix A, have been audited by the State of Georgia Department of Audits, Atlanta, Georgia, to the extent and for the period indicated in its report thereon which appears in Appendix A hereto.

## Terms of the Offering

*Authority for Issuance.* The Bonds are to be issued under authority of the Constitution of the State of Georgia, the general laws of the State of Georgia, and a bond resolution adopted by the Board of Education on November \_\_\_, 2024 (the “**Resolution**”). The issuance of the Bonds was approved by a majority of the votes cast in the County in the Educational Sales Tax and general obligation bond election held on November 2, 2021.

*Offering.* The Bonds are offered when, as, and if issued by the School District and accepted by Raymond James & Associates, Inc., Atlanta, Georgia (the “**Underwriter**”), subject to prior sale and to withdrawal or modification of the offer without notice, to approval of legality by Gray Pannell & Woodward LLP, Bond Counsel.

*Delivery.* The Bonds in definitive form are expected to be delivered through DTC in New York, New York on or about December \_\_\_, 2024.

## Continuing Disclosure

Pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “**Rule**”), the Board of Education will sign, as of the date of the issuance and delivery of the Bonds, a Disclosure Dissemination Agent Agreement (“**Disclosure Dissemination Agreement**”) with Digital Assurance Certification, L.L.C. (“**DAC**”), under which the Board of Education has designated DAC as Disclosure Dissemination Agent. The Disclosure Dissemination Agreement will allow the Underwriter of the Bonds to comply with the Rule. See “Appendix C: FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.”

## Additional Information

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the School District, the Bonds, the Resolution, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to, or summaries of, the Resolution or any other document or any constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to, or summaries of, the Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Resolution. Copies of all documents described herein are available upon request, upon payment to the Board of Education of a charge for copying, mailing and handling, from the Board of Education of Bryan County, 8810 U.S. Highway 280, Black Creek, Georgia 31308, telephone (912) 851-4000.

## THE BONDS

### Description

The Bonds, dated as of the date of issuance and delivery thereof, will bear interest at the rates per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and will mature on August 1 in the years and amounts as set forth on the inside cover page hereof. Interest shall be payable on February 1 and August 1 of each year beginning August 1, 2025.

### Redemption of the Bonds\*

The Bonds are not subject to redemption prior to their respective maturities.

### Book-Entry Only System of Delivery of the Bonds

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of § 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (a “**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested

by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the documents pertaining to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and its book-entry system has been obtained from DTC. The School District and the Underwriter do not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE SCHOOL DISTRICT AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES, INCLUDING RECEIPT OF ALL PRINCIPAL

OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE SCHOOL DISTRICT OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE SCHOOL DISTRICT HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC, and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Payment of principal, premium, if any, and interest on Bonds not existing in Book-Entry Form shall be made as provided in such Bonds.

### **Authority for Issuance of the Bonds**

The Board of Education adopted a resolution on July 22, 2021, reimposing the Educational Sales Tax within the County and authorizing the issuance of general obligation debt of the School District in the maximum aggregate principal amount of \$20,000,000, conditioned upon approval by a majority of the qualified voters residing within the County voting in an election thereon called for November 2, 2021 (the "**Election**"). The resolution of July 22, 2021, calling the Election and the notice of Election, stipulated an interest rate for such general obligation debt not exceeding 6.0% per annum. The Election was held in accordance with Article 14 of Chapter 2 of Title 21 of Official Code of Georgia Annotated ("**O.C.G.A.**"). The canvass of the Election showed 1,531 "Yes" votes and 381 "No" votes, an 80.1% approval by those who voted in the Election.

On May 12, 2022, the School District issued its BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2022, in the aggregate principal amount of \$13,700,000 (the "**Series 2022 Bonds**") in accordance with the Election. In accordance with the Election and the Resolution, the Board of Education as authorized the issuance of the Bonds.

The Bonds are being issued pursuant to the authority granted by (i) the Constitution of the State of Georgia, particularly Article VIII, Section VI, Paragraph IV of the Constitution, (ii) the general laws of the State of Georgia, particularly O.C.G.A. § 36-82-1, *et seq.*, (iii) the results of the Election, and (iv) the Resolution.

### **Validation of the Bonds**

On March 10, 2022, the Superior Court of Bryan County confirmed and validated the general obligation debt of the School District authorized to be issued pursuant to the results of the Election in a principal amount not to exceed \$20,000,000, and the security therefor, in accordance with the procedures of Article 2 of Chapter 82 of Title 36 of Official Code of Georgia Annotated.

**Sources and Uses of Funds**

Sources of Funds:

Proceeds from Sale of Bonds <sup>1</sup> .....	\$
Total:.....	\$

Uses of Funds:

Costs of Projects <sup>2</sup> .....	\$
Costs of Issuance <sup>3</sup> .....	\$
Total:.....	\$

<sup>1</sup>Includes net original issue [premium/discount] of \$\_\_\_\_\_.

<sup>2</sup>The School District presently contemplates that approximately 100% of the net proceeds of the Bonds will be used to finance the acquisition, development, and improvement of real property. See “THE BONDS -The Projects.”

<sup>3</sup>Includes Underwriter’s Discount and expenses, estimated legal and accounting fees, printing costs, validation court costs, rating agency fees, and other fees and expenses associated with the issuance of the Bonds.

Concurrently with the issuance and delivery of the Bonds, the Underwriter’s Discount shall be paid and all costs and expenses in connection with the issuance and sale of the Bonds, including without limitation the fees and expenses of accountants, attorneys, and the cost of printing, validation fees, and other miscellaneous fees and expenses, shall be paid to those persons entitled to receive the same, and the balance of the proceeds from the sale of the Bonds shall be deposited in the BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024 CONSTRUCTION FUND (the “**Construction Fund**”) created by the Board of Education pursuant to the terms of the Resolution.

**The Projects**

*Description of the Projects.* The proceeds from the sale of the Bonds will fund, in whole or in part, the capital outlay projects approved by the voters in the Election. Specifically, proceeds of the Bonds will be used to finance the development, construction, and equipping of operation centers, and remodeling, renovating, improving, and equipping existing educational buildings, athletic facilities, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefor; instructional and administrative technology improvements, and safety and security upgrades.

The Board of Education has selected James W. Buckley & Associates of Swainsboro, Georgia, to serve as the design and inspecting architect for the Projects. After the architect completes and the Board of Education approves a set of plans and specifications for the Projects, the School District will submit the plans and specifications to the State of Georgia Department of Education for approval.

The Board of Education has contracted with Pope Construction Company to provide construction management services for the Projects. Contractors engaged in the construction of the Projects will be required to obtain performance and payment bonds, a certificate of insurance for general liability, a certificate of insurance for workers’ compensation, and evidence of property insurance for builder’s risk.

The Board of Education anticipates that the Projects financed with proceeds from the sale of the Bonds will be completed by December 2026. Although the Board of Education believes that it can achieve this schedule, unforeseen circumstances can occur which may delay completion of the Projects.

*Plan of Financing.* The School District has developed a plan to finance the Projects with proceeds from the sale of the Bonds and investment earnings thereon. There are no capital outlay funds available from the Georgia Department of Education for the Projects.

## **Investment of Money**

*Construction Fund Money.* The money in the Construction Fund will be held by Ameris Bank, Richmond Hill, Georgia, as the Construction Fund Depository (the “**Construction Fund Depository**”) and will be disbursed by the Construction Fund Depository to pay the costs of the Projects. Money in the Construction Fund which is not needed at the time to pay current obligations during the construction and equipping of the Projects may be invested, upon direction to the Construction Fund Depository from the Board of Education, in any of the following investments allowed by O.C.G.A. § 36-82-7, and no others:

(a) investments and reinvestments in the local government investment pool created in O.C.G.A. § 36-83-8; or

(b) investment in the following securities and no others:

(1) bonds or other obligations of the issuer, or bonds or obligations of the State of Georgia or other states or other counties, municipal corporations, and political subdivisions of the State of Georgia;

(2) bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(3) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(4) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;

(5) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office



within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations included in paragraph (2) above, obligations of the agencies and instrumentalities of the United States government included in paragraph (3) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (4) above;

(6) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (2) and (3) above and repurchase agreements fully collateralized by any such obligations;

(B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(7) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

*Debt Service Account Money.* As set forth in the Resolution, the School District has created a special account designated the BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024 DEBT SERVICE ACCOUNT (the “**Debt Service Account**”). Money in the Debt Service Account shall be held and kept separate and apart from all other funds of the School District and shall not in any manner be commingled with other funds of the School District. The Debt Service Account is maintained and held in trust by the School District with First Bank of Coastal Georgia, Pembroke, Georgia, as the Debt Service Account Custodian (the “**Debt Service Account Custodian**”), and the owners of the Bonds shall have a beneficial interest therein. Money in the Debt Service Account shall be invested pursuant to O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4 as follows:

O.C.G.A. § 36-80-3 provides that the governing body of the School District, or the financial officer of the School District to whom investment authority is delegated pursuant to O.C.G.A. § 36-80-4, in addition to other legal investments, may invest and reinvest money subject to its control and jurisdiction in:

(a) obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;

(b) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and

(c) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation (“FDIC”); provided, however, that portion of such certificates of deposit in excess of the amount insured by the FDIC must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

O.C.G.A. § 36-83-4 provides that the governing body of the School District, or the financial officer of the School District to whom investment authority is delegated, may invest and reinvest money subject to its control and jurisdiction in:

(a) obligations of the State of Georgia or of other states;

(b) obligations issued by the United States government;

(c) obligations fully insured or guaranteed by the United States government or by one of its agencies;

(d) obligations of any corporation of the United States government;

(e) prime bankers’ acceptances;

(f) the local government investment pool established by O.C.G.A. § 36-83-8;

(g) repurchase agreements; and

(h) obligations of other political subdivisions of the State of Georgia.

### **Construction Fund Disbursements**

Disbursements from the Construction Fund shall be made only upon the execution and filing with the Board of Education of a requisition and certificate signed by the project superintendent (the person or persons, typically the Deputy Superintendent or the Director of Facilities so designated by the Board of Education) certifying (i) the amount to be paid and the name of the person, firm or corporation to whom payment is due, (ii) that an obligation has been incurred by the Board of Education, that the same is a proper charge and has not been paid, and that the project superintendent has a copy of the invoice for the obligation, (iii) that the project superintendent has no notice of any liens or rights to liens which should be satisfied before such payment is made, (iv) that such requisition contains no item representing retained percentages which the Board of Education is entitled to retain, and (v) that the materials, supplies or equipment invoiced were actually installed in or about the construction site or delivered at the site for that purpose.

### **Change of Use of Bond Proceeds**

O.C.G.A § 36-82-4.2 allows the Board of Education, subsequent to the issuance of the Bonds, to expend the proceeds of the Bonds, including interest earnings thereon, for purposes of a nature substantially similar to the purpose stated in the election notice or to reduce the bonded indebtedness of the School District, provided certain conditions are met. First, the Board of Education must adopt a resolution by a two-thirds majority vote declaring that (1) a portion of the proceeds of the Bonds remains after the purpose stated in the election notice has been accomplished, (2) the purpose stated in the election notice is no longer

necessary, or (3) circumstances have changed such that expenditure of all or part of the proceeds of the Bonds is no longer practicable or feasible and setting forth the reason the proceeds of the Bonds were not expended for the purpose stated in the election notice and stating the purpose for which the proceeds of the Bonds will be expended. Second, the Board of Education, not earlier than ten days prior to expending such Bond proceeds, must publish the resolution described above once in the official Bryan County newspaper. In addition, a copy of the resolution described above must be sent by registered or certified mail to the Paying Agent for the Bonds.

### **Security and Sources of Payment for the Bonds**

*Security from Ad Valorem Taxation.* The Bonds will constitute general obligation debt of the School District within the meaning of Article IX, Section V, Paragraph I of the Constitution of Georgia and shall count against the limitation on debt contained therein. See “DEBT STRUCTURE OF THE SCHOOL DISTRICT -Debt Limitation.” Said limitation requires that the debt of the School District shall never exceed 10% of the assessed value of taxable property within the territorial limits of the School District. Any liability on such debt which is not satisfied from the proceeds of the Educational Sales Tax shall be satisfied from the general fund of the School District, in which event the principal of and interest on the Bonds will be payable from *ad valorem* taxes levied, without limitation as to rate or amount, upon all taxable property within the School District which is subject to taxation for school bond purposes, in an amount sufficient to pay the principal of and interest on the Bonds.

Prior to the issuance of the Bonds, the Board of Commissioners, upon the recommendation of the Board of Education, as required by Article IX, Section V, Paragraph VI of the Constitution of Georgia, will provide for the assessment and collection of an *ad valorem* tax on all taxable property within the territorial limits of the School District subject to taxation for school bond purposes in an amount, which, together with the Educational Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as the same become due and payable. The proceeds of the *ad valorem* tax assessed to pay the principal of and interest on the Bonds, together with any other money collected for such purpose, shall be placed, pursuant to Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia, in a sinking fund to be used exclusively for paying the principal of and interest on the Bonds. Such money shall be held and kept separate and apart from all other revenues collected by the School District.

*Security from Educational Sales Tax.* Payment of the principal of and interest on the Bonds will be secured by, and will be first payable from, the Educational Sales Tax. Said tax will be levied in the County at the rate of 1% for a period of time not to exceed twenty calendar quarters, which tax began being collected on October 1, 2022. The Educational Sales Tax will be used for the purpose of paying the principal of and interest on the Bonds and may be used to pay certain costs of the Projects.

Additionally, the Election authorized retiring general obligation debt of the School District previously incurred with respect to capital outlay projects in the estimated amount of \$16,000,000, and the School District intends to use up to \$16,000,000 of the Educational Sales Tax pay debt service on the Series 2018 Bonds and the Series 2021 Bonds (hereinafter defined).

The School District has pledged proceeds of the Educational Sales Tax to the payment of the Bonds, and, pursuant to the Resolution, will cause certain proceeds of the Educational Sales Tax received by it to be deposited to the Debt Service Account. The Board of Education has covenanted to pay to the Paying Agent on or before each Interest Payment Date, amounts sufficient to pay the interest, or principal and interest, on the Bonds on such dates.

Pursuant to Article VIII, Section VI, Paragraph IV of the Constitution of Georgia and Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (collectively, the “**Educational Sales Tax Act**”) and the Election, the imposition of the Educational Sales Tax has been authorized upon the retail purchase, retail sale, rental, storage, use, and consumption of tangible personal property, and upon

the services described and set forth in the Georgia Retailers' and Consumers' Sales and Use Tax Act (O.C.G.A. §§ 48-8-1 *et seq.*) (the "**State Sales Tax Act**") within Bryan County, subject to numerous exemptions. The Educational Sales Tax is to correspond as nearly as practicable, except as to rate, with the 4% State of Georgia sales and use tax (the "**State Sales Tax**") levied pursuant to the State Sales Tax Act, except that the Educational Sales Tax applies to sales of motor fuels, food and beverages, and except that sales of tangible personal property ordered by and delivered to a purchaser outside Bryan County shall not be subject to the Educational Sales Tax regardless of the point at which title passes, and building and construction materials are not subject to the Educational Sales Tax when the contract pursuant to which the materials are purchased or used was advertised for bid prior to the voters' approval of the imposition of the tax and the contract was entered into as a result of a bid actually submitted in response to the advertisement prior to approval of the imposition of the tax. A reciprocal credit is also allowed against the Educational Sales Tax for any amounts paid pursuant to any local sales and use tax on tangible personal property purchased outside Bryan County.

The Educational Sales Tax shall be administered and collected by the Department of Revenue, Sales and Use Tax Division (the "**Collection Agent**") of the State of Georgia in the same manner as the State Sales Tax. On or before the 20th day of each month, Educational Sales Tax proceeds collected by retailers are required to be paid for the preceding month, except for retailers or providers of services with a very small tax liability who remit taxes to the Collection Agent quarterly. Retailers or providers of services are allowed, as a collection fee, a percentage of the amount of Educational Sales Tax receipts due to the Department of Revenue in the form of a deduction in paying the amount due, if said receipts are not delinquent at the time of payment to the Department of Revenue. The rate of the deduction shall be the same as the rate from time to time authorized for deductions under the State Sales Tax. The following deductions are allowed: (1) 3% of the first \$3,000 of Educational Sales Tax reported due on each monthly return (other than Educational Sales Tax on motor fuel), (2) 0.50% of Educational Sales Tax in excess of \$3,000 reported due on each monthly return (other than Educational Sales Tax on motor fuel), and (3) 3% of Educational Sales Tax on motor fuel reported due on each monthly return.

The proceeds of the Educational Sales Tax collected by the Collection Agent are required to be disbursed as soon as practicable after collection. One percent of the amount collected is retained by the Collection Agent and paid into the general fund of the State treasury to defray the costs of administration.

Pursuant to the Educational Sales Tax Act, excess proceeds of the Educational Sales Tax which remain following expenditure of proceeds for the Projects or purposes for education as described in the notice of the Election shall be used solely for the purpose of reducing any indebtedness of the School District. In the event there is no indebtedness, such excess proceeds shall be used for the purpose of reducing the maintenance and operations millage rate of the School District in an amount equivalent to the amount of such excess proceeds.

*Historical Educational Sales Tax Data.* An educational sales tax has been collected continuously in the County since April 1, 1998. Set forth below is the total amount of the sales and use tax for educational purposes distributed by the Collection Agent to the School District as of December 31 in the years 2019 through 2023 and as of September, 2024.

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<u>Year</u>	<u>Amount</u> <sup>1</sup>	<u>Percentage Change</u>
2019	\$ 6,567,957	--
2020	7,290,426	11.00%
2021	9,189,384	26.05
2022	11,397,171	24.03
2023	13,737,163	20.53
2024	11,040,121	6.54 <sup>2</sup>

<sup>1</sup> Net of deductions allowed to dealers and net of commission allowed to the Revenue Commissioner.

<sup>2</sup> Percentage change based on collections through September of 2023 (\$10,362,166) and September of 2024.

Source: State of Georgia Department of Revenue.

The historical sales tax data presented above should not be considered to represent future results that may be obtained by the School District from collections of the Educational Sales Tax. Although the Board of Education believes that future financial results will be comparable to, or exceed, those set forth above, certain of the assumptions upon which it presently is relying may not materialize, and unanticipated events and circumstances, such as a recession, may occur that may adversely affect such results.

*State Funding.* Set forth below is the total amount of State funding received by the School District (excluding any State grants) for fiscal years 2020 through 2024.

<u>Year</u>	<u>Amount</u>	<u>Percentage Change</u>
2020	\$58,098,278	--
2021	56,999,953	(1.9)
2022	62,941,507	10.4
2023	65,493,507	4.0
2024	73,252,957	11.8

Source: State of Georgia Department of Education.

*Additional Security Provided by State of Georgia Intercept Program.* Prior to the issuance of the Bonds, the Board of Education, pursuant to O.C.G.A § 20-2-480, will notify the State of Georgia Board of Education (the “**State Board**”) of the proposed issuance of the Bonds and authorize and direct the State Board to withhold and transfer School District funds as hereinafter set forth. Under the terms of the Resolution, the Debt Service Account Custodian is required to transfer to the Paying Agent for the Bonds such amounts of money as are necessary to provide for the payment of the interest, or principal and interest, on the Bonds coming due each Interest Payment Date. Under the terms of the Resolution, if 15 days preceding each Interest Payment Date (or, if such 15th day preceding such Interest Payment Date is not a business day, the next succeeding business day) there shall not be on deposit in the Debt Service Account an amount sufficient to pay in full the interest, or principal and interest, coming due on the Bonds on such Interest Payment Date, as the case may be, and the Board of Education does not immediately remedy the deficiency, the Debt Service Account Custodian shall notify the State Board of the amount of any such deficiency. Upon such notification, the State Board will withhold such amount from any State appropriation to which the School District may be entitled and thereafter transfer the amount so withheld to the Debt Service Account Custodian not less than two business days prior to such payment date, for immediate deposit into the Debt Service Account.

## **Enforcement of Remedies**

The realization of value from the pledge of the taxing power of the School District to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

O.C.G.A. § 36-80-5 provides that no school district created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. O.C.G.A. § 36-80-5 also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any school district created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

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## THE SCHOOL DISTRICT

### Introduction

The School District is a political subdivision of the State of Georgia, the boundaries of which are coextensive with the territorial limits of the County. See “BRYAN COUNTY.” The School District is separate from and legally and fiscally independent of the Board of Commissioners of Bryan County and all other political subdivisions of the State of Georgia. The School District operates public schools in the incorporated cities of Pembroke and Richmond Hill. The School District is vested, pursuant to constitutional authority, with the power to conduct a system of public education within its boundaries. There is one private school in the County serving 131 students who would be eligible to attend school in the School District.

On May 22, 2022, Hyundai Motor Group announced that it would be constructing a state-of-the-art automobile manufacturing facility located in north Bryan County at the Bryan County Megasite located at the intersection of U.S. Highway 280 and Interstate I-16. Construction began in January of 2023 and production of automobiles began in October of 2024. Hyundai is expected to spend approximately \$7.59 billion on capital investment in the County and create 8,500 new jobs. For more detailed information, see “BRYAN COUNTY, - Hyundai Economic Development Project.”

### Board of Education

The Board of Education has the responsibility to maintain a reasonably uniform system of public schools providing quality education for all young people of the County. With the advice of the Superintendent, it must determine the policies and prescribe the rules and regulations for the management of the School District.

The Board of Education is composed of seven members, five of whom are elected by districts. The Chairman and Vice Chairman are elected at large. Each member serves a four year term of office and the terms of office are staggered to provide continuity. All members of the Board of Education must (i) be at least 21 years of age and (ii) have resided in the State for a period of at least one year immediately preceding the date of such person’s election and in the education district from which the person is running for election for a period of at least six months immediately preceding the date of such person’s election. Vacancies on the Board of Education which occur within the first two years of a term of office will be filled by the remaining members of the Board of Education electing a successor to serve until the next general election, at which time a successor shall be elected to serve out the unexpired term of office. Vacancies occurring during the last two years of a term of office shall be filled by the remaining members of the Board of Education electing a successor to serve out the unexpired term of office.

Information as of November 1, 2024, regarding the members and officers of the Board of Education is set forth below:

<u>Name</u>	<u>Expiration Date of Current Term</u>	<u>Years in Office</u>	<u>Principal Occupation</u>
Amy Murphy, Chairman	December 31, 2026	11*	Therapist
Karen Krupp, <i>Vice Chairman</i>	December 31, 2024	7	Realtor
Shawn Page	December 31, 2026	2	Agri-Business
David Schwartz	December 31, 2026	13	Management
Dennis Seger	December 31, 2024	15	Self-Employed
Derrick Smith	December 31, 2024	11	Retired Banker
Marianne Smith	December 31, 2024	6	Registered Nurse

\* Amy Murphy served as a member of the Board of Education for 6 years and 4 months prior to serving as the Chairman for the last 5 years.

## **Administration**

*School Superintendent.* The Board of Education appoints the Superintendent of Schools (the “**School Superintendent**”), who is the executive officer of the School District and the Secretary of the Board of Education. Dr. Paul Brooksher began his tenure as School Superintendent in 2012. He is now in his 29<sup>th</sup> year in public education. Prior to becoming School Superintendent, Dr. Brooksher served as Director of Human Resources, Middle School Principal, Elementary School Principal, Assistant Principal, Teacher, and Paraprofessional. Dr. Brooksher holds a Bachelor of Science degree in Business Education from Kennesaw State University, a Master of Education degree in Special Education from Clemson University, and a Doctor of Philosophy degree in Educational Leadership from Clemson University.

*Deputy Superintendent.* The Board of Education approves the Deputy Superintendent upon the recommendation of the School Superintendent. Dr. Trey Robertson is a veteran educator with 30 years of experience, including 27 years in educational leadership. He served as a principal for eight years, splitting his time between elementary and high school levels in Bulloch County, Georgia. Dr. Robertson joined Bryan County Schools in 2013 and served as Assistant Superintendent of Operations and Assistant Superintendent of Curriculum and Instruction before accepting his current role as Deputy Superintendent of Organizational Effectiveness. Dr. Robertson earned his Bachelor of Arts from Georgia Southern University, followed by a Master’s and Specialist degree in Educational Leadership from Southern Mississippi University. Additionally, he holds a Doctorate in Educational Administration from Georgia Southern University.

*Assistant Superintendent of Business Services.* The Board of Education approves the Assistant Superintendent of Business Services upon the recommendation of the School Superintendent. Debi McNeal has served as the Assistant Superintendent of Business Services since July, 2023. Ms. McNeal has been with Bryan County Schools since February, 2013, and prior to her current role, she served as Director of Human Resources and High School Principal. Ms. McNeal has more than 25 years of experience across several school districts in Georgia to include Savannah-Chatham County Public Schools, Effingham County School District, and Oconee County Schools. Ms. McNeal holds a Bachelor of Science Degree in Biology, a Masters Degree in Educational Leadership and an Educational Specialist degree in Educational Leadership, all from Georgia Southern University.

*Director of Finance.* The Board of Education approves the Director of Finance upon the recommendation of the School Superintendent. Jennifer Habets has been employed with Bryan County Schools for 11 years. Ms. Habets has held several positions with Bryan County Schools including Accountant, Assistant Director of Finance, and since July, 2023, Director of Finance. Prior to joining Bryan County Schools, Mrs. Habets served as an auditor for a public accounting firm, Holland, Henry & Bromley for eight years. Mrs. Habets obtained a Bachelor of Business Administration degree in Accounting from Indiana State University.

## **Operations**

The School District serves all of the area within the County. Funds for the general maintenance and operation (“**M&O**”) of the School District are derived from local, state, and federal sources. Local revenues consist primarily of *ad valorem* property taxes. The Board of Education adopts an annual operating and capital budget and determines the rate of tax levy necessary to support the budget. The Board of Education then certifies the rate of levy to the Board of Commissioners, which is required to collect taxes for the Board of Education based upon the *ad valorem* property tax certified by the Board of Education. See “**SCHOOL DISTRICT AD VALOREM TAXATION, -Annual Tax Levy.**” Funds received from the State are determined by certain formulas, generally based upon the number of students served and the relative wealth of the School District in relation to other school districts in the State, as established by the State of Georgia Department of Education. Funds received from the federal government are primarily for programs for disadvantaged and handicapped students and for the school nutrition program. During the fiscal years



2019-2023, 20% of the School District’s revenues were derived from local sources, 76% from State sources (including State of Georgia lottery proceeds), and 4% from federal sources.

### Employees, Employee Relations, and Labor Organizations

The School District had approximately 1,734 employees as of October 1, 2024, in the following categories:

<u>Category</u> <sup>1</sup>	<u>Employees</u>
Classroom Teachers	761
Administrators and Supervisors	75
Media Specialists, Counselors, Social Work & Psychologists	49
Paraprofessionals, Administrative Support Staff	217
Transportation and Maintenance Personnel	122
Food Service Personnel and Custodians	137
Other	<u>373</u>
<b>Total</b>	<b>1,734</b>

<sup>1</sup> Certain employees may work in more than one category and are counted in more than one category.

No employees of the School District are represented by labor organizations or are covered by collective bargaining agreements, and the Board of Education is not aware of any union organizing efforts at the present time. The Board of Education believes that employee relations are good.

### Enrollment

Set forth below is information concerning enrollment in the School District over the past four school years and the current year. Enrollment numbers reflect the student count taken on the first Tuesday in October in each school year.

<u>School Year</u>	<u>(PK)</u>	<u>(K)</u>	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>	<u>(10)</u>	<u>(11)</u>	<u>(12)</u>	<u>Total</u>
2020-2021	308	639	718	697	731	695	717	762	812	756	797	767	715	659	9,773
2021-2022	314	688	676	752	736	778	691	738	806	849	825	770	750	705	10,078
2022-2023	362	674	746	719	797	768	799	712	753	829	883	757	724	698	10,221
2023-2024	372	701	724	790	755	807	806	835	735	764	902	842	752	715	10,500
2024-2025	413	682	729	775	812	791	827	844	852	757	833	866	789	709	10,679

(PK) = Preschool; (K) = Kindergarten. Special education students are mainstreamed throughout K-12th grades.

### Schools; 2023-2024 School Term

The major capital improvements planned by the School District for the next five years and the anticipated sources of funds for these improvements are described in “THE BONDS, -The Projects.”

During the 2024-2025 school term, there are approximately 864 certificated personnel serving 10,679 students in the various schools. Specialists are available in the fields of speech, hearing, vision, learning disabilities, emotional and behavior support, psychological testing, physically impaired, intellectually impaired, hospital/homebound, and gifted children. The 2024-2025 estimated pupil to classroom teacher ratio for all schools is 14.03:1 (this does not include non-teaching personnel such as counselors and media specialists).

All teachers in the school system hold a bachelor’s degree, most have a master’s degree, and many have a specialist’s or doctoral degree. Most have a continuing interest in professional and personal growth

through formal study and professional learning workshops and through meeting professional learning standards.

All schools in the School District are accredited by COGNIA. Criteria for accreditation include qualification of personnel, adequacy of instructional supplies, equipment and buildings, and media centers, and demonstrated commitment to a continuous improvement process.

The School District includes six elementary schools serving a combination of PK-5 students, two middle schools, and two high schools. The School District also operates an Alternative Program and an In-School Suspension (“ISS”) Program. ISS is housed at each of the high schools and Richmond Hill Middle School, and the Alternative Program is housed at the Community Education Center in Richmond Hill. All students assigned either to ISS or the Alternative Program are still enrolled at his/her home school and are included in the numbers listed below for that school. In addition, the School District has one central office, one maintenance facility, two transportation facilities, and a Community Education Center, all located on separate campuses.

Set forth below is information concerning the schools in the School District for the 2024-2025 School term.

<u>School Name</u>	<u>Grades</u>	<u>Enrollment</u>	<u>Size of Site (acres)</u>	<u>Year Occupied<sup>1</sup></u>	<u>Number of Classrooms<sup>2</sup></u>	<u>Special Rooms<sup>3</sup></u>	<u>Portable Classrooms</u>
Bryan County Elementary	PK-5	1,020	36	2015	68	3	0
Bryan County Middle	6-8	430	35	1995	30	1	0
Bryan County High	9-12	522	35	1985	35	3	10
Richmond Hill Primary	PK-1	731	7	1992	46	3	2
Richmond Hill Elementary	2-3	662	8	2009	53	3	0
George Washington Carver Elem.	4-5	658	8	2001	49	3	0
McAllister Elementary	PK-5	1,051	27	2015	67	3	0
Frances Meeks Elementary	PK-5	907	32	2020	53	3	0
Richmond Hill Middle	6-8	2,023	40	2012	104	8	0
Richmond Hill High	9-12	<u>2,675</u>	<u>60</u>	1976	<u>108</u>	<u>8</u>	<u>17</u>
Totals		<u>10,679</u>	<u>288</u>		<u>613</u>	<u>38</u>	<u>29</u>

<sup>1</sup> Dates given refer to the earliest construction. Classrooms and/or buildings may have been added in subsequent years.

<sup>2</sup> Instructional units available, including Special Education.

<sup>3</sup> Special Rooms include cafeterias, media centers, and gymnasiums.

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## DEBT STRUCTURE OF THE SCHOOL DISTRICT

### Summary of School District Debt by Category

Set forth below is information concerning debt of the School District as of November 1, 2024, and as of the anticipated date of issuance of the Bonds. The information set forth below should be read in conjunction with the School District's financial statements included as Appendix A hereto.

<u>Category of Obligation</u>	<u>Amount Issued</u>	<u>Amount Outstanding as of November 1, 2024</u>	<u>Amount to be Outstanding Upon Issuance of the Bonds</u>
<i>General Obligation Debt</i>			
The Bonds <sup>1</sup>	-0-	-0-	\$6,300,000*
Series 2018 Bonds <sup>2</sup>	\$74,250,000	\$74,250,000	74,250,000
Series 2021 Bonds <sup>2</sup>	18,870,000	11,170,000	11,170,000
Series 2022 Bonds <sup>1</sup>	<u>13,700,000</u>	<u>6,910,000</u>	<u>6,910,000</u>
Total:	<u>\$106,820,000</u>	<u>\$92,330,000</u>	<u>\$98,630,000*</u>

<sup>1</sup> The Bonds and the Series 2022 Bonds are general obligations of the School District to which its full faith and credit and taxing power are pledged. Debt service on the Bonds and the Series 2022 Bonds are payable first from the Educational Sales Tax.

<sup>2</sup> The Series 2018 Bonds and the Series 2021 Bonds are general obligations of the School District to which its full faith and credit and taxing power are pledged. Debt service on the Series 2018 Bonds and the Series 2021 Bonds is payable first from *ad valorem* taxes collected by the School District and supplemented by the Educational Sales Tax. The final maturity for the Series 2018 Bonds and the Series 2021 Bonds is August 1, 2043.

O.C.G.A. § 20-2-506(a)(4) provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5% of the total local revenue collected for M&O of the School District in the most recently completed fiscal year. 7.5% of the total local revenue collected for maintenance and operation of the School District in fiscal year 2024 was \$2,777,032 (\$37,027,087 x 7.5%), and the School District's total combined annual payments for lease and installment purchase contracts in calendar year 2024 was \$466,047.

### Long and Short-Term Indebtedness

The School District has no immediate plans to issue any short-term obligations. The School District anticipates calling a special election to renew the Educational Sales Tax which may include the authorization of additional general obligation bonds in calendar year 2025.

### Debt Limitations

*State Law.* Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the School District may not incur long-term obligations (other than refunding obligations) payable out of general property taxes without the approval of a majority of the qualified voters of the School District voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the School District may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the School District. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above.

As computed in the table below, based upon assessed values as of January 1, 2024, the School District could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately \$211,061,388\* of long-term obligations payable out of general property taxes.

Computation of Legal Debt Margin

Gross Tax Digest for the School District as of January 1, 2024 .....	\$3,448,727,661
Less Bond Exemptions .....	<u>(351,813,775)</u>
Net Bond Digest.....	\$3,096,913,886
Debt Limit (10% of Net Bond Digest).....	\$309,691,388
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit .....	<u>(98,630,000*)</u>
Legal Debt Margin.....	\$211,061,388*

Source: Bryan County Tax Commissioner.

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## Indebtedness of Overlapping Governmental Entities

Property owners in the School District are responsible for both the School District’s debt obligations and any debt obligations of other taxing entities (“**Overlapping Entities**”) in the proportion to which the jurisdiction of the School District overlaps such entities. Set forth below are the estimated overlapping general obligation debt and overlapping property tax supported contractual obligations as of July 1, 2024. Although the School District has attempted to obtain accurate information as to the overlapping debt, it does not guarantee its completeness or accuracy. Information regarding overlapping debt is based on information supplied by others, as there is no central reporting entity which has this information available.

<u>Category of Obligation</u>	<u>Amount Outstanding as of July 1, 2024</u>
<u>Bryan County</u>	
<i>Bryan County Public Facilities Authority Refunding Revenue Bond (Bryan County Projects), Series 2020</i>	\$15,344,000
<i>Development Authority of Bryan County (Economic Development Projects), Series 2020</i>	6,472,000
<i>Bryan County Public Facilities Authority Refund &amp; Improve Revenue Bond (Bryan Co W&amp;S), Series 2021</i>	22,833,000
<u>City of Richmond Hill</u>	
<i>GEFA Loans</i>	24,241,732
<i>Richmond Hill Public Facilities Authority Revenue Bonds, Series 2017</i>	2,130,967
<i>Richmond Hill Area Convention and Visitor’s Bureau Authority Refunding Revenue Bonds, Series 2013</i>	<u>355,945</u>
Total:	<u>\$71,377,644</u>

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### Estimated Debt Service Schedule\*

Set forth below are the principal and interest payment requirements of the School District with respect to the Series 2018 Bonds, the Series 2021 Bonds, the Series 2022 Bonds and the estimated debt service for the Bonds.

Year Ending December 31	Prior Bonds			The Bonds *			Combined Annual Debt Service
	Principal	Interest	Total Annual Debt Service	Principal	Interest	Total Annual Debt Service	
2025	7,015,000	4,031,325	11,046,325	0	200,375	200,375	11,246,700
2026	5,695,000	3,680,575	9,375,575	1,680,000	315,000	1,995,000	11,370,575
2027	3,100,000	3,395,825	6,495,825	4,620,000	231,000	4,851,000	11,346,825
2028	3,270,000	3,240,825	6,510,825	-	-	-	6,510,825
2029	3,425,000	3,077,325	6,502,325	-	-	-	6,502,325
2030	3,600,000	2,906,075	6,506,075	-	-	-	6,506,075
2031	3,775,000	2,798,075	6,573,075	-	-	-	6,573,075
2032	3,975,000	2,684,175	6,659,175	-	-	-	6,659,175
2033	4,175,000	2,525,175	6,700,175	-	-	-	6,700,175
2034	4,375,000	2,358,175	6,733,175	-	-	-	6,733,175
2035	4,525,000	2,183,175	6,708,175	-	-	-	6,708,175
2036	4,750,000	2,002,175	6,752,175	-	-	-	6,752,175
2037	5,000,000	1,812,175	6,812,175	-	-	-	6,812,175
2038	5,250,000	1,612,175	6,862,175	-	-	-	6,862,175
2039	5,500,000	1,402,175	6,902,175	-	-	-	6,902,175
2040	5,775,000	1,131,875	6,906,875	-	-	-	6,906,875
2041	6,075,000	848,075	6,923,075	-	-	-	6,923,075
2042	6,350,000	549,625	6,899,625	-	-	-	6,899,625
2043	6,700,000	237,425	6,937,425	-	-	-	6,937,425
	\$92,330,000	\$42,476,425	\$134,806,425	\$6,300,000	\$746,375	\$7,046,375	\$141,852,800

\* Estimated assuming the bonds are issued with 5% coupons.

## SCHOOL DISTRICT AD VALOREM TAXATION

### Introduction

*Ad valorem* property taxes accounted for an annual average of approximately 31.8% of the general fund revenues of the School District for the fiscal years ended June 30, 2019, through June 30, 2023, and accounted for approximately 28.6% of general fund revenues for the fiscal year ended June 30, 2024. *Ad valorem* taxes are budgeted to account for approximately 32.6% of general fund revenues for the fiscal year ending June 30, 2025. *Ad valorem* property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value. The School District uses county-assessed valuations for real and personal property.

### Property Subject to Taxation

*Ad valorem* property taxes are levied, based upon value, on real and personal property within the School District subject to taxation for school bond purposes. The boundaries of the School District are coextensive with the territorial limits of the County. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

For the purposes of reducing the burden of *ad valorem* taxation for property owned by a taxpayer and occupied as his or her legal residence (“**homesteads**”), the County has enacted the following homestead exemptions specific to the County:

(1) *Standard County Homestead Exemption.* The home of each resident of the County that is actually occupied and used as the primary residence by the owner may be granted a \$30,000 exemption from county general and county bond *ad valorem* taxes and a \$2,000 exemption from school general and school bond *ad valorem* taxes. Upon application by the taxpayer, said exemptions are deducted from the 40% assessed value of the homestead.

(2) *County Exemption for Individuals 62 Years of Age and Older With a Net Income of Less than \$10,000.* Individuals 62 years of age or over with a net income of less than \$10,000 may claim a \$30,000 exemption from county general and county bond taxes and a \$10,000 exemption from school general and school bond taxes.

(3) *County Exemption for Individuals 65 Years of Age and Older.* Individuals 65 years of age or over may claim a \$50,000 exemption from county general, county bond, school general, and school bond taxes. Upon application by the taxpayer, said exemptions are deducted from the 40% assessed value of the homestead. There are no income limitations with this exemption.

Additionally, voters in the County have approved for exemption of the following types of tangible personal property from *ad valorem* taxation, known as “freeport” exemptions: (1) inventory of goods in the process of being manufactured, (2) inventory of finished goods manufactured or produced in the State held by the manufacturer or producer for a period not to exceed 12 months, (3) inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf which are destined for shipment outside the State for a period not to exceed 12 months, and (4) stock in trade of a fulfillment center which on January 1 are stored in the fulfillment center.

## **Tax Relief Initiatives**

*Conservation Use and Forest Land.* A large proportion of amounts constituting real and personal property on the County's general tax digest is designated as conservation use property or forest land conservation use property. The Forest Land Conservation Use property ("FLCU") designation was created pursuant to the Forest Land Protection Act, a constitutional amendment that became effective on January 1, 2009, after approval by the State's voters in the preceding November 2008 general election. The FLCU designation allows for a lower tax rate for property owners that qualify for the designation. The FLCU designation is available for timber land that either (a) has been certified by the U.S. Department of Natural Resources as "environmentally sensitive property" or (b) is kept in accordance with a recognized sustainable forestry certification program. Real property receiving the FLCU designation is valued at 40% of its current use value and not 40% of its actual fair market value. FLCU property must remain employed for its current use for at least 15 years after its designation. Conservation Use property is real property that consists of timber land or agricultural land and is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from use of the property and (b) 35% of its current use value. The purpose of this tax treatment is designed to protect property owners of agricultural and timber lands from being pressured by property tax burdens to convert their land to residential or commercial use. Conservation Use property must remain undeveloped and employed for a qualifying use (i.e., agricultural or timber land) for at least 10 years after its original designation. The value of conservation use property is not permitted to be increased or decreased by more than 3% from the current use valuation for the immediately preceding tax year or increased or decreased during the ten-year covenant period by more than 34.39% from its current use valuation in the initial year of the 10-year period.

*Save Our Homes Act - Floating Homestead Exemption.* On April 18, 2024, the Governor of the State of Georgia signed into law House Bill 581 (the "Save Our Homes Act"). The Save Our Homes Act provides for a new statewide floating homestead exemption from *ad valorem* taxation for each Georgia resident designed to offset inflationary increases in value for homesteads. The floating homestead exemption provides that the base value of homesteads for property tax purposes will be adjusted and will increase by a rate of inflation determined by the State of Georgia Revenue Commissioner.

The Save Our Homes Act was approved in a constitutional amendment by the Georgia voters at an election held on November 5, 2024. The floating homestead exemption will take effect for all taxable years on and after January 1, 2025. After properly advertising and conducting three public hearings, any county, city or school district may opt out of this homestead exemption by a resolution duly adopted by its governing body on or before March 1, 2025. A local government may not opt out of this statewide floating homestead exemption after this deadline. At this time, the School District cannot predict what impact the new exemption will have on the School District's *ad valorem* tax revenues in future years. It is anticipated that the Board of Education will pursue opting out of this homestead exemption before the March 1, 2025 deadline.

*Tax Abatements.* The School District may also be subject to tax incentive agreements, usually in the form of property tax abatements, that the County's local development authority enters into with businesses. The tax incentives are negotiated with businesses for the purpose of attracting or retaining businesses within the County and have various requirements regarding job creation and capital investments. Incentives may be granted to any business located within or promising to relocate to the County. Typically, the tax incentive agreement contains a recapture provision that requires repayment of a portion of the abated taxes if the business fails to meet its jobs or investment goals.

## **Assessed Value**

Assessed valuation, which represents the value upon which *ad valorem* property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires all counties to assess taxable tangible property, with certain exceptions, at 40% of its fair market value and to tax such property on a levy made by each tax jurisdiction according to 40% of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for *ad valorem* property tax purposes at 75% of the value of which



other real property is assessed and requires certain historical property to be valued at a lower fair market value for *ad valorem* property tax purposes. Conservation use property represents up to 2,000 acres of real property of a single owner that is either devoted to the good faith production of agricultural products or timber or is a type of environmentally sensitive property. FLCU designated property is valued at 40% of its current use assessment and Conservation Use property is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from the use of the property and (b) 35% of its current use value. "Standing timber" is assessed one time, following its sale or harvest, at 100% of its fair market value.

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the Bryan County Board of Tax Assessors. The Tax Commissioner of Bryan County is required to present the tax returns to the Bryan County Board of Tax Assessors by April 1 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year. The Tax Commissioner then certifies the digest and forwards a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments also may be subject to review at various stages by the Bryan County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year and provides this information to each county's tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the county which bills these taxes to the utilities.

### **Annual Tax Levy**

The School District does not have the power to levy *ad valorem* property taxes. The Board of Commissioners annually levies the *ad valorem* property taxes for the School District. The Board of Education is required by State law to certify annually to the Board of Commissioners the rate of levy needed to produce the amount of property tax revenues necessary to support and maintain the School District's school system. The Board of Education determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within the territorial limits of the School District, will produce the necessary amount of property tax revenues. Under State law, the Board of Commissioners is required to levy annually the *ad valorem* property tax, as certified to it by the Board of Education, upon the assessed value of all taxable property within the School District.

The Georgia Constitution provides that the annual rate of levy for support and maintenance of a school system may not exceed 20 mills per dollar, except where a school system had in effect on June 30, 1983, a millage rate in excess of 20 mills per dollar. On June 30, 1983, the rate of levy in effect for support and maintenance of the School District was 11.99 mills per dollar. The millage limitation for the School District may be increased or removed by action of the Board of Education, but only after such action has been approved by a majority of the qualified voters of the School District.

Under State law, there is no limitation on the annual rate of levy for the payment of principal and interest on bonded indebtedness of the School District. *Ad valorem* property taxes received for the payment of debt service on general obligation bonds of the School District are required by law to be held and accounted for separately from other funds of the School District. See "THE BONDS, -Security and Sources of Payment for the Bonds."

## **Property Tax Collections**

The County bills and collects the property taxes of the School District on behalf of the School District. Under Georgia law, the tax collector of the County is required to pay over to the Board of Education once a month all taxes collected for school purposes, after deducting a commission for collecting the taxes. The County charges the School District a collection fee of 2.5% of taxes collected for the School District. Real and personal property taxes are levied on January 1 of each year on the assessed value listed as of January 1. Taxes levied by the County on January 1 are normally billed by September 15 and are normally payable on or before November 15, but the law allows taxpayers 60 days from the date of mailing before interest may be charged. Interest of 1% per month (12% per annum) is applied to taxes paid after the due date. In addition, a one-time penalty of 10% applies to taxes paid more than one day after 90 days past due, except for homestead exempt bills of less than \$500, which do not pay the 10% penalty.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property arising after January 1 in the year in which taxed. The lien becomes enforceable 30 days after notification. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of the property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the Tax Commissioner, as *ex officio* sheriff, may issue an execution for nonpayment of taxes. The Tax Commissioner then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer ten days written notice by registered or certified mail. A public sale of the property is then made by the Tax Commissioner at the Bryan County Courthouse on the first Tuesday of the month after the required notices are given.

## **Motor Vehicle Property Taxes**

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year and provides this information to each county's tax office. The State has two types of motor vehicle property taxes, the Title Ad Valorem Tax ("TAVT") and the Annual Ad Valorem Tax ("AAVT"). The TAVT applies to most vehicles purchased on March 1, 2013 or later, with a few exceptions. The AAVT applies to most vehicles purchased prior to March 1, 2013 and non-titled vehicles. The TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced motor vehicle sales tax and the AAVT and is paid every time vehicle ownership is transferred or a new resident registers the vehicle in Georgia for the first time. The current TAVT rate is 7.0% of the fair market value of the vehicle with respect to title transfers, 3.0% of the fair market value of the vehicle with respect to new resident registrations, and 0.5% of the fair market value of the vehicle for family member or inheritance title transfers. The AAVT applies to most vehicles not taxed under the TAVT method. The AAVT is a value tax that is assessed annually and must be paid at the time of registration. Payment of is a prerequisite to receiving a tag or renewal decal. The AAVT is due each year on all vehicles whether they are operational or not, even if the tag or registration renewal is not being applied for. The AAVT must be paid by the last day of a vehicle owner's registration period (birthday) to avoid a 10% penalty. Tax amounts vary according to the current fair market value of the vehicle and the tax district in which the owner resides. Tax receipts are distributed by each county tax office to the State, and applicable county, school district and municipality.

## M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the School District for the past five calendar years.

ASSESSED VALUES:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Real & Personal <sup>1</sup>	\$1,799,528,592	\$1,939,766,562	\$2,232,947,640	\$2,812,729,843	\$3,423,665,052
Public Utilities <sup>2</sup>	-- <sup>8</sup>	-- <sup>8</sup>	-- <sup>8</sup>	-- <sup>8</sup>	-- <sup>8</sup>
Motor Vehicles <sup>3</sup>	18,056,850	15,549,650	14,239,410	14,485,150	13,881,280
Mobile Homes <sup>4</sup>	3,260,155	3,325,888	4,069,034	4,069,034	6,023,934
Timber 100%	6,174,711	5,202,769	5,064,405	6,829,157	3,418,208
Heavy Duty Equipment	<u>230,425</u>	<u>1,012,026</u>	<u>311,276</u>	<u>1,069,676</u>	<u>1,739,187</u>
Gross Tax Digest	1,827,250,733	1,964,856,895	2,256,631,765	2,839,182,860	3,448,727,661
Less Bond Exemptions	<u>(208,464,617)</u>	<u>(226,582,879)</u>	<u>(263,895,131)</u>	<u>(313,183,744)</u>	<u>(351,813,775)</u>
Net Bond Tax Digest <sup>5</sup>	1,618,786,116	1,738,274,016	1,992,736,634	2,525,999,116	3,096,913,886
Less M&O Exemptions	<u>(217,456,617)</u>	<u>(235,622,879)</u>	<u>(272,989,131)</u>	<u>(322,567,744)</u>	<u>(359,776,493)</u>
Net M&O Tax Digest <sup>6</sup>	1,609,794,116	1,729,234,016	1,983,642,634	2,516,615,116	3,088,951,168
Estimated Actual Value <sup>7</sup>	<u>\$4,558,864,766</u>	<u>\$4,904,338,084</u>	<u>\$5,633,982,805</u>	<u>\$7,087,713,415</u>	<u>\$8,616,691,840</u>

<sup>1</sup> The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of timber, which is assessed at 100%. There was a reassessment of real property in the County in 2024.

<sup>2</sup> The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the County. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

<sup>3</sup> The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the County.

<sup>4</sup> The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the County.

<sup>5</sup> Total assessed value, after deducting exemptions, for purposes of levying tax for the School District's general obligation bonds.

<sup>6</sup> Total assessed value, after deducting exemptions, for purposes of levying tax for the M&O of the School District's school system.

<sup>7</sup> Calculated by taking the Gross Tax Digest less Timber (assessed at 100%), divided by 40%, plus Timber at 100%.

<sup>8</sup> Included in Real & Personal.

Sources: Georgia Department of Revenue. 2024 figures have been provided by the Bryan County Tax Commissioner.

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## Ten Largest Taxpayers

Set forth below is information concerning the ten largest taxpayers in the School District in calendar year 2023, ranked by the amount of taxes paid.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2023 Assessed Value for the School District</u>	<u>Assessed Value as a Percent of Gross Assessed Values<sup>1</sup></u>	<u>2023 Taxes Levied for the School District</u>
Interstate Centre II Building	Warehouse	\$32,206,080	1.13%	\$485,507
Orafol Americas, Inc.	Manufacturing	40,671,219	1.43	485,217
Stag Savannah LLC	Warehouse	30,800,000	1.08	464,310
The Cubes at West Port LLC	Warehouse	23,416,684	0.82	353,007
Daniel Defense, Inc.	Manufacturing	27,807,573	0.98	271,425
TAL 1393 Interstate LLC	Warehouse	16,421,720	0.58	247,557
MDC Coast 25 LLC	Warehouse	15,668,768	0.55	236,207
Haiseal Timber, Inc.	Timber Company	13,416,680	0.47	202,256
Warnell, William D JR	Real Estate	12,541,280	0.44	189,060
Coastal Electric Member Corp	Public Utilities	<u>10,332,247</u>	<u>0.36</u>	<u>155,759</u>
Totals:		<u>\$223,282,251</u>	7.84%	\$3,090,305

<sup>1</sup>Based on calendar year 2023 Gross Tax Digest of \$2,839,182,860.

A determination of the largest taxpayers within the School District can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table above. Furthermore, the taxpayers shown in the table above may own additional parcels within the School District. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed above or whether such taxpayers will continue to maintain their status as major taxpayers in the School District.

Source: Bryan County Tax Commissioner.

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## M&O Tax Levies and Collections

The County levies M&O taxes on behalf of the School District on January 1 of each year and normally bills said taxes by September 15. M&O taxes are due and payable on the earlier of November 15 or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the School District reported as of the School District's fiscal years shown below, for the prior calendar year's tax levy. The figures below exclude taxes levied and collected on motor vehicles, heavy equipment, mobile homes, timber and NODs. The County may place liens on property once the related tax payments become delinquent.

	2019	2020	2021	2022	2023
Current Year's M&O Tax Levy	\$20,461,561	\$22,125,440	\$23,849,735	\$25,826,244	\$29,683,467
Less 2.5% Collection Fee	(511,539)	(553,136)	(596,243)	(645,656)	(742,087)
Current Year's Net M&O Tax Levy	\$19,950,022	\$21,572,304	\$23,253,492	\$25,180,588	\$28,941,380
Tax Collections Distributed to School District					
Distribution of Current Year's Taxes	\$19,446,029	\$21,039,613	\$22,898,128	\$24,730,339	\$28,414,104
Distribution of Prior Years' Taxes	124,792	109,253	212,283	175,751	127,054
Total Tax Collections	\$19,570,821	\$21,148,866	23,110,411	24,906,090	28,541,158
Current Years' Tax Collections as a Percent of Current Year's Net M&O Tax Levy	97.47%	97.53%	98.47%	98.21%	98.18%
Total Tax Collections as a Percent of Current Year's Net M&O Tax Levy	98.10%	98.04%	99.38%	98.91%	98.62%
Delinquent Taxes as a Percent of the Current Year Tax Levy	1.21%	1.47%	1.13%	1.13%	0.85%
Due Date of Taxes	11/15/2019	11/15/2020	11/15/2021	11/15/2022	11/15/2023
Tax Period Begins	07/01/2019	07/01/2020	07/01/2021	07/01/2022	07/01/2023
Tax Period Ends	06/30/2020	06/30/2021	06/30/2022	06/30/2023	06/30/2024

Source: Bryan County Tax Commissioner.

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## Millage Rates

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the School District, unincorporated and incorporated County, and the State for calendar years 2019-2023.

Calendar Year	<u>School District</u>			Unincorporated County	Incorporated Richmond Hill	Incorporated Pembroke
	<u>M&amp;O</u> <sup>1</sup>	<u>Debt Service</u> <sup>2</sup>	<u>Total</u>			
2019	15.075	1.500	16.575	8.561	4.132	10.000
2020	15.075	1.500	16.575	8.314	4.132	10.000
2021	15.075	1.500	16.575	7.999	4.132	10.000
2022	15.075	1.500	16.575	7.377	4.132	10.000
2023	15.075	1.500	16.575	6.655	4.132	10.000

<sup>1</sup> The annual rate of levy for M&O of the School District may not exceed 20 mills. See "SCHOOL DISTRICT AD VALOREM TAXATION -Annual Tax Levy."

<sup>2</sup> The annual rate of levy for payment of debt service of the School District is without limitation as to rate or amount.

Source: State of Georgia Department of Revenue, Local Government Services Division.

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## SCHOOL DISTRICT FINANCIAL INFORMATION

### Five-Year General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the School District's General Fund for the past five fiscal years. Information in the table for fiscal years 2019 to 2023 has been extracted from audited financial statements of the School District for the years ended June 30, 2019, to June 30, 2023. Although taken from audited financial statements, no representation is made that the information is comparable from year to year or that the information as shown taken by itself presents fairly the financial condition of the School District for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the School District for fiscal year 2023 which are included in this Official Statement as Appendix A and to the audited financial statements of the School District for fiscal years 2019 to 2022, copies of which are available from the School District.

	2019	2020	2021	2022	2023
<b>Revenues</b>					
Property Taxes	\$23,292,650.29	\$25,360,584.93	\$28,375,975.55	\$30,202,963.13	\$34,125,501.72
Sales Taxes	255,310.09	273,541.37	382,893.42	498,337.67	495,500.65
State Funds	54,465,582.59	60,445,635.59	59,732,864.37	65,520,533.48	68,825,950.82
Federal Funds	6,503,761.54	6,744,084.99	12,020,091.37	15,830,857.68	15,395,633.44
Charges for Services	4,180,208.34	3,532,256.78	2,576,583.89	3,024,747.04	5,757,393.50
Investment Earnings	316,213.98	252,481.94	43,752.96	29,545.04	764,613.67
Miscellaneous	862,447.50	1,089,822.52	1,178,860.63	1,664,413.29	2,130,634.36
<b>Total Revenues</b>	<b>89,876,174.33</b>	<b>97,698,408.12</b>	<b>104,311,022.19</b>	<b>116,771,417.33</b>	<b>127,495,228.16</b>
<b>Expenditures</b>					
Current					
Instruction	54,483,569.27	58,452,622.34	59,856,727.96	67,462,388.11	70,175,792.71
Support Services					
Pupil Services	3,501,467.78	4,012,525.59	4,399,456.31	4,443,461.8	5,280,014.31
Improvement of Instructional Services	4,437,267.03	3,577,616.45	3,525,937.74	3,774,997.21	4,624,593.89
Educational Media Services	1,260,821.28	1,374,559.08	1,568,532.88	1,524,893.63	1,490,803.26
General Administration	528,876.61	1,296,177.44	1,332,394.56	1,368,442.56	1,205,355.94
School Administration	5,300,934.48	6,215,642.10	6,542,508.94	6,447,058.92	6,616,033.12
Business Administration	608,170.47	723,361.47	850,969.96	882,358.69	885,815.96
M&O of Plant	6,490,024.31	7,355,444.35	7,862,171.48	8,325,826.27	8,914,228.10
Student Transportation Services	4,257,742.03	4,510,595.04	4,448,863.33	5,183,524.27	6,276,055.79
Central Support Services	324,960.34	1,236,895.82	981,428.18	4,053,697.19	1,419,017.38
Other Support Services	190,711.47	188,557.19	210,474.19	296,546.42	349,218.52
Enterprise Operations	196,758.55	225,785.09	203,198.18	291,655.90	368,644.72
Community Services	1,293,396.03	1,268,601.96	1,575,702.64	2,000,642.98	2,613,480.06
Food Services Operation	4,603,321.26	4,741,293.03	5,670,463.08	5,237,565.13	5,614,016.36
Debt Services					
Principal				573,835.93	160,231.99
Interest				84,126.30	26,377.21
<b>Total Expenditures</b>	<b>87,478,020.91</b>	<b>95,179,676.95</b>	<b>99,028,829.43</b>	<b>111,951,020.89</b>	<b>116,019,699.32</b>
<b>Excess of Revenues Over (Under)</b>					
<b>Expenditures</b>	<b>2,398,153.42</b>	<b>2,518,731.17</b>	<b>5,282,192.76</b>	<b>4,820,396.44</b>	<b>11,475,528.84</b>
<b>Other Financing Source (Uses)</b>					
Financed Purchase Arrangement Proceeds	0	0	0	0	160,574.40
Insurance Proceeds	0	235,844.99	72,742.65	0	31,452.05
Other Sources	0	0	0	804,373.96	0
Other Uses	0	0	0	(2,250,000.00)	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	(2,000,000.00)	0	(3,551,000.00)
<b>Total Other Finance Sources (Uses)</b>	<b>0</b>	<b>235,844.99</b>	<b>(1,927,257.35)</b>	<b>(1,445,626.04)</b>	<b>(3,358,973.55)</b>
<b>Net Change in Fund Balances</b>	<b>2,398,153.42</b>	<b>2,754,576.16</b>	<b>3,354,935.41</b>	<b>3,374,770.40</b>	<b>8,116,555.29</b>
<b>Fund Balance - Beginning of Year</b>	<b>18,612,137.59</b>	<b>21,820,254.29<sup>1</sup></b>	<b>23,934,830.45</b>	<b>27,289,765.86</b>	<b>30,664,536.26</b>
<b>Fund Balance - End of Year</b>	<b>\$21,010,291.01</b>	<b>\$23,934,830.45</b>	<b>\$27,289,765.86</b>	<b>30,664,536.26</b>	<b>\$38,781,091.55</b>

<sup>1</sup> Restated to reflect the implementation of GASB No. 84.

## Accounting Policies

The financial statements of the School District are prepared in conformity with generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles.

In fiscal year 2023, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement did not have a material impact on the School District’s financial statements.

In fiscal year 2024, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoption of this statement will not have a material impact on the School District’s financial statements.

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

Major Governmental Funds. This category accounts for all or most of the School District’s general activities and consists of the following funds:

The *General Fund* is the School District’s primary operating fund and is used to account for all financial resources of the School District not otherwise accounted for in another fund.

The *Capital Projects Fund* accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.

The *Debt Service Fund* accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property) legally restricted for the payment of general long-term principal and interest.

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



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

Note 2 of the general purpose financial statements of the School District included as Appendix A to this Official Statement contains a detailed discussion of the School District's significant accounting policies.

### **Budgetary Process for General Fund**

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

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

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*Current Budget.* Set forth below is a summary of the School District’s adopted budgets for its General Fund for the fiscal year ending June 30, 2025. The budget was based upon certain assumptions and estimates of the School District’s administration regarding future events, transactions, and circumstances. Realizations of the results projected in the budget will depend upon implementation by management of policies and procedures consistent with the assumptions made by the School District. Accordingly, the actual results achieved for the budget could materially vary from those projected in the budget shown below.

Bryan County School District  
 Adopted Budget for  
 Fiscal Year Ending June 30, 2025

REVENUES	
Local .....	\$50,535,799
State .....	80,954,878
Federal .....	<u>1,279,027</u>
 Total Revenues .....	 \$132,769,704
EXPENDITURES	
Current	
Instruction .....	\$88,140,179
Support Services	5,599,554
Pupil Services .....	5,224,753
Improvement of Instructional Services..	146,605
Educational Media Services.....	1,841,342
General Administration.....	1,955,891
School Administration .....	8,784,776
Business Administration .....	1,121,719
Maintenance and Operation of Plant.....	10,859,809
Student Transportation Services .....	7,789,133
Central Support Services.....	2,170,867
Other Support Services .....	65,000
Other Uses	<u>(929,924)</u>
 Total Expenditures .....	 \$132,769,704
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES .....	  <u>\$0</u>
 BEGINNING FUND BALANCE	 <u>\$33,248,612</u>
 ESTIMATED ENDING FUND BALANCE	 <u>\$33,248,612</u>

## **Retirement Plans and Other Post-Employment Benefits**

See Note 13 and supplemental schedules of the School District's general purpose financial statements included as Appendix A to this Official Statement for a summary of the School District's retirement plans and pension liabilities. See Note 12 and supplemental schedules of the School District's general purpose financial statements included as Appendix A to this Official Statement for a summary of the School District's other post-employment benefits and OPEB liabilities.

## **Other Employee Benefits**

Vacation leave of 12, 15, 18, or 20 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. The rate of accrual is dependent upon the consecutive years of service with the School District. Those who serve in a 12-month position for less than full time earn vacation leave at a *pro rata* share determined by the portion of the full-time position worked. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 30 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees.

Employees covered by Teachers Retirement System of Georgia ("TRS") may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the School District. Otherwise, sick leave does not vest with the employee.

In addition, the Board of Education offers health insurance, life insurance, long-term and short-term disability insurance, dental and cancer insurance, accident and automobile insurance, and 403(b) Plans.

Some employees are also covered under statutory plans for social security and all employees are covered under plans for workers' compensation.

## **Governmental Immunity and Insurance Coverage**

*Governmental Immunity and Official Immunity.* Article I, Section II, Paragraph IX of the Constitution of the State of Georgia extends sovereign immunity to the School District, as a political subdivision of the State of Georgia, except as to actions for the breach of written contracts and actions for recovery of damages for any claim for which automobile insurance coverage exists, but only to the extent of the liability insurance provided. The same constitutional provision also provides official immunity to officers and employees of the School District so that they are immune from liability when they are performing an official, non-ministerial or discretionary function and they act without actual malice or actual intent to cause injury. The School District, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the School District in the exercise of its delegated powers. In addition, the Georgia Whistleblower Act (O.C.G.A. § 45-1-4) (the "Whistleblower Act"), protects public employees who disclose, or who refuse to participate in, an alleged violation of or non-compliance with any federal, state, or local law, rule or regulation pertaining to the possible existence of any activity constituting fraud, waste, and abuse in or relating to any state programs or operations. Any public employee who reports a potential violation shall be free from discipline or reprisal from his employer, unless such disclosure was made with false and reckless disregard. A public employee who has been the object of retaliation in violation of the Whistleblower Act may institute a civil action for relief against the employer. The School District is a public employer subject to the Whistleblower Act.

*Insurance Coverage.* The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; acts of God and unemployment compensation. The School District has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees, and acts of God. The School District has neither significantly reduced coverage for these risks nor incurred losses which exceeded the School District's insurance coverage in any of the past three years.

Georgia School Boards Association Risk Management Fund provides the School District with coverage in three main areas – property, casualty, and crime.

The School District is self-insured for the risks associated with unemployment compensation claims. The School District accounts for claims with expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Reference is made to Note 8 of the general purpose financial statements of the School District included as Appendix A for a description of the School District's risk management.

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## BRYAN COUNTY

### Introduction

The County is a political subdivision created and existing under the laws of the State of Georgia. The County is located in the southeastern portion of Georgia approximately 30 miles southwest of Savannah, Georgia, and approximately 240 miles southeast of Atlanta, Georgia. There are two municipalities in the County: Pembroke and Richmond Hill. Additionally, a small portion of Fort Stewart is located within the County limits. The City of Pembroke is the county seat.

The population of the County grew 91% during the approximate 20-year period from 2000 to April of 2020, from 23,417 residents in 2000 to 44,738 residents in April of 2020. This compares with the State's total population growth of 30.8% percent during the 20-year period from 2000 to 2020. According to the 2020 Census, the County is the fastest growing county in the State and the 6<sup>th</sup> fastest growing in the United States.

At approximately 454.5 square miles, the County is the 42nd largest of Georgia's 159 counties. Set forth below are the percentages of land use for various categories within the territorial limits of the County, computed based upon the acres of land for the various categories set forth in the tax digest for each respective year.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	16.3%	16.2%	16.9%	17.18%	15.22%
Agricultural	42.6	40.3	37.1	38.69	31.56
Preferential	1.6	1.5	1.0	1.03	0.91
Conservation Use	15.4	15.0	15.1	12.16	10.11
Forest Land Conservation	17.2	15.5	19.7	20.23	17.89
Commercial	2.3	3.4	3.4	3.44	3.09
Industrial	0.3	0.4	0.9	2.02	3.87
Utility	0.1	0.1	0.1	0.06	0.05
Timber	<u>4.2</u>	<u>7.6</u>	<u>5.8</u>	<u>5.18</u>	<u>17.29</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Georgia Department of Revenue, Local Government Services Department, County Digest Section.

### Government Format

The County is a political subdivision of the State of Georgia and is governed by a Board of Commissioners consisting of a Chairman and five Commissioners. The Commissioners are elected from established districts and serve four-year terms. The Chairman is elected at large and also serves a four-year term.

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## Population

The following table sets forth the population, including percentage of annual increase, in the County, the State, and the United States.

<u>Year</u>	<u>County</u>	<u>Percentage Change</u>	<u>Georgia</u>	<u>Percentage Change</u>	<u>United States</u>	<u>Percentage Change</u>
1980	10,175	--	5,463,105	--	226,545,805	--
1990	15,438	51.7%	6,478,216	18.6%	248,709,873	9.8%
2000	23,417	51.7	8,186,453	26.4	281,421,906	13.2
2010	30,233	29.1	9,687,653	18.3	308,745,538	9.7
2020	44,738	48.0	10,711,908	10.6	331,449,281	7.4

Source: U.S. Department of Commerce, Bureau of the Census, QuickFacts.

## Per Capita Personal Income

The following table sets forth the annual per capita personal income in the County, the State, and the United States for the years 2019 through 2023. Information is not yet available for 2024.

<u>Year</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2019	\$48,998	\$48,535	\$55,547
2020	51,941	51,456	59,151
2021	56,017	56,172	64,427
2022	57,520	56,588	65,473
2023	-	58,581	68,531

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data.

## Bank Deposits

As of June 30, 2024, eight financial institutions with a total of nine branch offices provided banking services within the County. The following are the total deposits in the County's financial institutions as of June 30 in each of the years 2020 through 2024.

<u>Year</u>	<u>Amount</u>	<u>Percentage Change</u>
2020	\$491,150,000	--
2021	603,537,000	22.9%
2022	697,954,000	15.6
2023	736,383,000	5.5
2024	796,258,000	8.1

Source: Federal Deposit Insurance Corporation.

## Building Permits

The following table shows a summary of annual new building permits for housing units in the County for years 2019 through 2023.

<u>Year</u>	<u>Building Permits</u>	<u>Value</u>
2019	564	\$124,688,484
2020	516	149,226,581
2021	574	170,368,412
2022	470	154,170,788
2023	951	201,137,998

Source: United States Census Bureau; Terry College of Business- University of Georgia Selig Center for Economic Growth.

## Industry and Employment

*Largest Employers.* Set forth below are the ten largest employers (including full-time, part-time, and temporary workers) located in the County as of October, 2024, their type of service, and their approximate number of employees. There can be no assurance that any employer listed below will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Bryan County Board of Education	County school system	1,734
Hyundai Motor Group Metaplant	Automobile Manufacturer	1,000
Bryan County	County government	571
Webstaurant	Distribution	410
Daniel Defense	Manufacturing	400
FedEx	Distribution/Logistics	270
MacAljon	Industrial Supplies	250
Publix	Grocery Stores	215
Hyundai MOBIS MNA	Manufacturing	210
McDonalds	Food service	175

Source: Development Authority of Bryan County.

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*Economic Sector Distribution.* The following table shows the average percentage of persons who worked in each major sector of the local economy in the County in the years 2019 through 2023. Data are annual averages for each respective year. Figures are based on employees covered under the State unemployment insurance program.

<u>Industry or Service</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Agriculture, Forestry, and Fishing	0.2%	0.2%	0.3%	0.3%	0.4%
Construction	7.2	6.6	6.9	7.4	8.7
Manufacturing	8.3	7.9	8.2	9.0	8.3
Wholesale Trade	1.1	1.5	1.5	1.6	1.8
Retail Trade	15.7	17.3	18.0	16.3	16.1
Transportation and Warehousing	2.2	2.3	1.8	3.5	5.5
Information	0.2	0.1	0.1	0.2	0.2
Finance and Insurance	2.7	2.8	2.6	2.9	3.0
Real Estate and Rental and Leasing	1.4	1.4	1.6	1.7	1.8
Prof., Scientific & Technical Serv.	2.9	2.9	3.0	3.0	2.9
Admin., Support, Waste Mgmt.	2.9	2.9	3.1	2.6	2.5
Education Services	0.3	0.2	0.2	0.3	0.2
Healthcare and Social Services	9.8	9.5	9.3	10.3	8.5
Arts, Entertainment, and Recreation	0.9	1.1	1.2	1.0	1.2
Accommodation and Food Services	14.6	14.2	14.5	12.8	12.5
Other Industries and Services	3.7	3.6	3.5	3.9	3.6
Unclassified-Industry Not Assigned	0.4	0.3	0.5	0.8	0.8
Federal State, and Local Government	<u>24.1</u>	<u>23.8</u>	<u>22.3</u>	<u>21.4</u>	<u>20.6</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: State of Georgia Department of Labor, Labor Information Systems.

*Civilian Employment Statistics of the County.* Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employment	17,618	17,738	17,732	19,658	19,579	19,876
Unemployment	<u>614</u>	<u>548</u>	<u>986</u>	<u>334</u>	<u>538</u>	<u>538</u>
Total Labor Force	18,232	18,286	18,718	19,992	20,117	20,414
County Unemployment Rate	3.4%	3.0%	5.3%	1.7%	2.7%	2.6%
State Unemployment Rate	3.9%	3.4%	6.5%	3.9%	3.1%	3.2%
U.S. Unemployment Rate	3.9%	3.7%	8.1%	5.3%	3.6%	3.6%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The increase in the unemployment rate throughout all regions of the United States in year 2020 is primarily attributable to the government mandated temporary shut-downs of many private-sector businesses arising from the public health emergency posed by COVID-19 commencing in March, 2020.



## Hyundai Economic Development Project

At a May 22, 2022, signing ceremony, Georgia Governor Brian P. Kemp and Hyundai Motor Group Chairman Chung Euisun announced that Hyundai Motor Group will open its state-of-the-art automobile manufacturing facility located in north Bryan County at the Bryan County Megasite located at the intersection of U.S. Highway 280 and Interstate I-16. Hyundai Motor Group Metaplant America (“HMGMA”) is expected to spend approximately \$7.59 billion in capital investment in the County and create 8,500 new jobs.

Construction of the HMGMA Metaplant began in January of 2023 and production of new automobiles began in October of 2024. HMGMA has already created 1,000 jobs at the facility. Once fully operational, the Metaplant is expected to produce 300,000 new vehicles per year with the ability to expand to 500,000 vehicles per year based upon market demand.

One of HMGMA’s largest suppliers, Hyundai Mobis, is under construction in south Bryan County located off of Interstate I-95 and is expected to spend approximately \$926 million in capital investment in the County and create 1,578 new jobs. In addition, 17 other suppliers have announced that they will be locating in the region creating a total of 8,000 new jobs and approximately \$1.5 billion in capital investment.

The new jobs in Bryan County and in the region are not expected to all be filled at once. HMGMA’s commitment of 8,500 jobs should be filled by 2031. As for the approximately 8,000 additional jobs estimated to be created by the suppliers, for the purposes of projecting future population, it is estimated that half (4,000) will be created and filled by 2030, and the other half (4,000) will be filled by 2040. This results in 12,100 new jobs by 2031 and an additional 4,000 new jobs between 2030 and 2040 for Hyundai and its suppliers.

As part of the incentive package that was entered into between the State, HMGMA, and the Savannah-Harbor I-16 Corridor Joint Development Authority (the “JDA”), HMGMA will begin paying Bryan County and the member counties of the JDA (Bulloch, Chatham, and Effingham) certain payments in lieu of taxes in accordance with a revenue share agreement beginning in calendar year 2026. The revenue share agreement provides that on or before March 15<sup>th</sup> of each year, the Bryan County Tax Commissioner will distribute collected amounts to the County, School District, and the JDA member counties. It is anticipated that over the twenty-three-year payment schedule, the School District will receive approximately \$100 million in payments from HMGMA.

HMGMA represents the largest economic development project in the history of the State of Georgia and will likely result in a large number of new residents moving to Bryan County. It is anticipated that the population of Bryan County may increase as much as 50% by 2030. It is further anticipated that the number of students in the School District will dramatically increase by 2030 and that the tax base from commercial, industrial, and residential growth will dramatically increase by 2030.

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## LEGAL MATTERS

### Litigation

The School District, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The School District, after reviewing the current status of all pending and threatened litigation relating to the School District with its counsel, Arnold & Stafford, Hinesville, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of lawsuits which have been filed and of any actions or claims pending or threatened against the School District or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the School District.

There is no litigation now pending or, to the knowledge of the Board of Education, threatened against the School District which seeks to restrain or enjoin the issuance or delivery of the Bonds, the assessment and collection of an *ad valorem* tax for payment of debt service on the Bonds, the imposition of the Educational Sales Tax, or the use of the proceeds from the sale of the Bonds, or which questions or contests the validity of the Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization or existence of the School District or the Board of Education nor the title of the present members or other officials of the Board of Education to their respective offices is being contested or questioned.

### Legal Proceedings

*Validation of Bonds.* In accordance with the law of the State of Georgia, the Bonds and the security therefor were confirmed and validated by judgment of the Superior Court of Bryan County, Georgia, on March 10, 2022, Civil Action No. 2022-V-058(JS). Under Georgia law, the judgment of validation is forever conclusive against the School District with respect to such validation of the Bonds and the security therefor.

*Opinions of Counsel.* All legal matters incidental to authorization and issuance of the Bonds are subject to the approval of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. It is anticipated that the approving opinion will be in substantially the form included in Appendix B. Certain legal matters will be passed upon for the School District by its counsel, Arnold & Stafford, Hinesville, Georgia. The payment of legal fees is contingent upon issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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## **TAX MATTERS**

### **Federal Tax Exemption**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

### **State Tax Exemption**

In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation.

### **Bank Qualified Bonds**

The School District has designated the Bonds as “qualified tax-exempt obligations” for purposes of § 265(b)(3) of the Code.

### **Maintenance of Tax Status**

The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Bonds. The School District has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the School District complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinion expressed by Bond Counsel is based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel’s judgment as to the treatment of the Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the “**IRS**”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the School District or about the effect of

future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The School District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the beneficial owners of the Bonds regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the School District and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Bonds is difficult, obtaining an independent review of IRS positions with which the School District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the School District or the beneficial owners of the Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the School District and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the Bonds attached hereto in Appendix B for the complete text thereof. See also "LEGAL MATTERS" herein.

#### **Premium Bonds\***

Certain of the Bonds have been sold to the public at an original issue premium. The Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the "**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

#### **Original Issue Discount Bonds\***

Certain of the Bonds have been sold to the public at an original issue discount (the "**Discount Bonds**"). Generally, original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under § 1288 of the Code, original issue discount on Bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption, or payment of a Discount Bond in excess of the owner's adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner's hands), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale, or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

### **Other Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Bonds should consult independent advisors as to the consequences of owning the Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

### **Information Reporting and Backup Withholding**

Interest paid on the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This backup withholding generally applies if the owner of Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

### **Disposition of the Bonds**

Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond may result in a taxable event for federal income tax purposes.

PURCHASE, OWNERSHIP, SALE, OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE HOLDERS OF THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

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## **RISK FACTORS**

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Bonds.

### **Climate Change**

Planning for climate change in the State and its impact on the School District's operations is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known and therefore its future impact on the School District cannot be quantified reliably at this time.

### **Cyber-Security**

Computer networks and data transmission and collection are vital to the efficient operations of the School District. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the School District, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the operations of the School District, which could materially adversely affect the operations of the School District.

The School District has put preventative security measures in place to combat potential disruptions including the following: (a) CrowdStrike Falcon for real-time threat monitoring and automated response; (b) NextGen firewalls and content filtering, Palo Alto firewalls with ATP and WildFire services with Content Keeper for web filtering; (c) email authentication to prevent phishing; (d) Multi-Factor Authentication (MFA) for all employees; and (e) removing administrative rights on individual computers to reduce malware risk. The School District also has in place cybersecurity insurance, managed backup plans, an incident response plan, and weekly firewall penetration testing, and conducts regular training for its employees and staff.

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## MISCELLANEOUS

### Ratings

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**Standard & Poor's**"), has assigned the rating of "AA+" to the Bonds based upon the School District's participation in the State of Georgia Intercept Program and Moody's Investors Service Inc. ("**Moody's**") has assigned the rating of "Aa1" to the Bonds based upon the School District's participation in the State of Georgia Intercept Program. See "THE BONDS, -Security and Sources of Payment for the Bonds, -Additional Security Provided by State of Georgia Intercept Program. Standard & Poor's has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "AA" to the Bonds and Moody's has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "Aa2" to the Bonds.

The ratings reflect only the views of the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. An explanation of the significance of the ratings may be obtained from the rating agency furnishing such rating. There is no assurance that the ratings will remain unchanged for any given period of time or that either or both will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Bonds.

The ratings agencies may be contacted as follows: S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, Municipal Finance Department, 55 Water Street, 38th Floor, New York, New York 10041, telephone (212) 438-2074; Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10041, telephone (212) 553-1362.

### Underwriting

Pursuant to a Bond Purchase Agreement executed by and between the School District and the Underwriter on \_\_\_\_\_, 2024, the Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_, which represents the par amount of the Bonds, \$\_\_\_\_\_, less Underwriter's Discount of \$\_\_\_\_\_ [plus/minus] net Original Issue [Premium/Discount] of \$\_\_\_\_\_. The obligation of the Underwriter to accept delivery of the Bonds is subject to numerous conditions set forth in the Bond Purchase Agreement.

The Underwriter may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover hereof. The initial public offering prices may be changed from time to time by the Underwriter.

### Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to assist the Underwriter of the Bonds in complying with the Rule, the Board of Education will sign the Disclosure Dissemination Agent Agreement with DAC on the date of issuance and delivery of the Bonds under which the Board of Education has designated DAC as Disclosure Dissemination Agent. The Board of Education will provide for the benefit of the beneficial owners of the Bonds (i) certain financial information and/or operating data relating to the School District (the "**Annual Report**") and (ii) notices of the occurrence of certain enumerated events, if material ("**Event Notices**"). The Annual Reports and Event Notices will be filed electronically with the Electronic Municipal Market Access website ("**EMMA**"), an Internet based electronic filing system supported by the Municipal Securities Rulemaking Board.



The Annual Report shall contain or incorporate by reference, among other items, the general purpose financial statements of the School District for the prior Fiscal Year. The School District's current fiscal year began on July 1, 2024 and will end June 30, 2025. The specific nature of the information to be contained in the Annual Report or in the notices of material events is in "Appendix C: FORM OF DISCLOSURE DISSEMINATION AGREEMENT."

### **Financial Statements**

The general purpose financial statements of the Board of Education as of June 30, 2023, and for the year then ended, included as Appendix A, have been audited by the State of Georgia Department of Audits, Atlanta, Georgia, to the extent and for the period indicated in its report thereon which appears in such appendix. Such financial statements have been included herein in reliance upon the report of the State of Georgia Department of Audits, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not signed and will not sign a written consent to the inclusion of its audit report in Appendix A. The State of Georgia Department of Audits could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the Board of Education's financial statements.

### **Miscellaneous**

The references herein to the Bonds and the Resolution are brief outlines of certain provisions thereof. Such outlines do not purport to be complete. For full and complete statements of such provisions, reference is made to the Bonds and the Resolution. A copy of the Resolution is on file in the offices of the School District and following the delivery of the Bonds will be on file at the designated corporate trust office of the Paying Agent.

The agreement of the School District with the holders of the Bonds is fully set forth in the Bonds and the Resolution, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement by the School District with the purchasers of the Bonds.

The attached Appendices are integral parts of this Official Statement and should be read together with all of the foregoing statements. All estimates and other statements in this Official Statement, including the Appendices attached hereto, involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

### **Forward Looking Statements**

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward looking statements. Readers should not place undue reliance on forward looking statements. All forward looking statements included in this Official Statement are based on information available on the date hereof and the School District does not assume any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward looking statements. The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities

and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the School District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

**Certification**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Board of Education.

BRYAN COUNTY SCHOOL DISTRICT

By: \_\_\_\_\_  
Chairman  
Board of Education of Bryan County

## Appendix A

### FINANCIAL STATEMENTS OF THE BRYAN COUNTY SCHOOL DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The general purpose financial statements of the Bryan County School District for the fiscal year ended June 30, 2023, included as this Appendix A, have been audited by the State of Georgia Department of Audits, Atlanta, Georgia, to the extent and for the period indicated in its report thereon which appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of the State of Georgia Department of Audits, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not signed and will not sign a written consent to the inclusion of its audit report in this Appendix A. The State of Georgia Department of Audits could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the Bryan County School District's financial statements.

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**BRYAN COUNTY  
BOARD OF EDUCATION  
BLACK CREEK, GEORGIA**



ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023  
(Including Independent Auditor's Reports)

# **Bryan County Board of Education**

## Table of Contents

### **Section I**

#### **Financial**

Independent Auditor's Report

#### **Required Supplementary Information**

Management's Discussion and Analysis i

#### **Exhibits**

Basic Financial Statements

Government-Wide Financial Statements

A Statement of Net Position 1  
B Statement of Activities 2

Fund Financial Statements

C Balance Sheet 3  
    Governmental Funds  
D Reconciliation of the Governmental Funds Balance Sheet 4  
    to the Statement of Net Position  
E Statement of Revenues, Expenditures and Changes in Fund Balances 5  
    Governmental Funds  
F Reconciliation of the Governmental Funds Statement of 6  
    Revenues, Expenditures and Changes in Fund Balances  
    to the Statement of Activities  
G Notes to the Basic Financial Statements 8

#### **Schedules**

#### **Required Supplementary Information**

1 Schedule of Proportionate Share of the Net Pension Liability 39  
    Teachers Retirement System of Georgia  
2 Schedule of Contributions – Teachers Retirement System of Georgia 40  
3 Schedule of Proportionate Share of the Net Pension Liability Public 41  
    School Employees Retirement System of Georgia  
4 Schedule of Proportionate Share of the Net OPEB Liability 42  
    School OPEB Fund  
5 Schedule of Contributions – School OPEB Fund 43  
6 Notes to the Required Supplementary Information 44  
7 Schedule of Revenues, Expenditures and Changes in Fund 45  
    Balances – Budget and Actual General Fund

## Supplementary Information

8	Schedule of Expenditures of Federal Awards	46
9	Schedule of State Revenue	48
10	Schedule of Approved Local Option Sales Tax Projects	50

## Section II

### Compliance and Internal Control Reports

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*

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

## Section III

### Auditee's Response to Prior Year Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

## Section IV

### Findings and Questioned Costs

Schedule of Findings and Questioned Costs

**Section I**

**Financial**





## INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Paul Brooksher, Superintendent and Members of the  
Bryan County Board of Education

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bryan County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

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

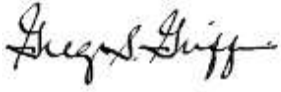
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

July 26, 2024

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## INTRODUCTION

The discussion and analysis of the Bryan County Board of Education's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

## FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased by \$11.9 million, which represents a 20% increase from fiscal year 2022's net position. This increase was primarily due to significant growth in tax revenues, an increase in the School District's net pension and post-employment liabilities and related deferred outflows and a decrease in the School District's net pension and post-employment related deferred inflows.
- The deficit balance reflected in the unrestricted net position is due to the pension and OPEB liabilities and related deferred inflows and deferred outflows which are a combined total of \$123.8 million. Excluding the impact of reporting the School District's proportionate share of the collective net pension and post-employment benefits liability, the unrestricted net position would be \$37.6 million. This liability reflects the School District's proportionate share of future retirement and health insurance payments to retirees if the School District were to have to fund this without state support.
- General revenues accounted for \$64.0 million in revenue or 44% of all revenues. Program specific revenues in the form of charges for services, operating and capital grants and contributions accounted for \$80.8 million or 56% of total revenues. Total revenues were \$144.8 million.
- The School District had \$132.9 million of expenses related to governmental activities; only \$80.8 million of these expenses were offset by program specific charges for services, grants, or contributions. General revenues of \$64.0 million were adequate to provide for these programs.
- Among major funds, the general fund had \$127.5 million in revenues, \$116.0 million in expenditures. The general fund's balance increased from \$30.7 million to \$38.8 million.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Bryan County Board of Education as a financial whole, or as an entire operating entity. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

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

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fund financial statements reflect the School District's most significant funds. In the case of the Bryan County Board of Education, the general fund, capital projects fund and debt service fund are the most significant funds.

***Reporting the School District as a Whole***

*Statement of Net Position and Statement of Activities*

While these documents contain 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 fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, all deferred outflows, all liabilities, and all deferred inflows using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in 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, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflects the School District's governmental activities.

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

Fund financial statements 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, the capital projects fund, and the debt service fund.

*Governmental Funds* - 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 year-end available for spending in future periods. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Financial Analysis of the School District as a Whole**

The perspective of the Statement of Net Position is of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2023 as compared to net position for fiscal year 2022. Total net position increased by \$11.9 million.

**Table 1  
Net Position**

	Governmental Activities		
	Fiscal Year 2023	Fiscal Year 2022	Net Change
<b>Assets</b>			
Current and Other Assets	\$ 126,550,183	\$ 149,021,425	\$ (22,471,242)
Intangible Right-to-Use Assets, Net	991,264	1,421,337	(430,073)
Capital Assets, Net	204,670,545	174,174,741	30,495,804
<b>Total Assets</b>	<u>332,211,992</u>	<u>324,617,503</u>	<u>7,594,489</u>
<b>Deferred Outflows of Resources</b>			
Related to Pension/OPEB	81,579,270	46,091,149	35,488,121
<b>Liabilities</b>			
Current and Other Liabilities	23,160,265	30,845,180	(7,684,915)
Long-Term Liabilities	114,145,549	117,460,274	(3,314,725)
Net Pension/OPEB Liabilities	178,426,925	84,205,078	94,221,847
<b>Total Liabilities</b>	<u>315,732,739</u>	<u>232,510,532</u>	<u>83,222,207</u>
<b>Deferred Inflows of Resources</b>			
Related to Pension/OPEB	26,938,069	78,963,240	(52,025,171)
<b>Net Position</b>			
Net Investment in Capital Assets	107,693,826	126,158,095	(18,464,269)
Restricted	49,637,174	23,867,525	25,769,649
Unrestricted (Deficit)	(86,210,546)	(90,790,740)	4,580,194
<b>Total Net Position</b>	<u>\$ 71,120,454</u>	<u>\$ 59,234,880</u>	<u>\$ 11,885,574</u>

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 2 shows the changes in net position for fiscal year 2023 as compared to fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		
	Fiscal Year 2023	Fiscal Year 2022	Net Change
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 5,757,394	\$ 3,024,747	\$ 2,732,647
Operating Grants and Contributions	73,335,337	75,696,023	(2,360,686)
Capital Grants and Contributions	1,705,484	-	1,705,484
Total Program Revenues	<u>80,798,215</u>	<u>78,720,770</u>	<u>2,077,445</u>
General Revenues:			
Taxes			
Property Taxes	38,039,673	33,374,427	4,665,246
Sales Taxes	13,220,098	10,459,984	2,760,114
Other Sales Taxes	535,215	528,110	7,105
Grants and Contributions Not Restricted to Specific Programs	6,945,730	7,458,054	(512,324)
Investment Earnings	2,941,827	152,301	2,789,526
Miscellaneous	2,275,230	1,664,413	610,817
Total General Revenues	<u>63,957,773</u>	<u>53,637,289</u>	<u>10,320,484</u>
Total Revenues	<u>144,755,988</u>	<u>132,358,059</u>	<u>12,397,929</u>
<b>Program Expenses</b>			
Instruction	79,645,770	64,731,842	14,913,928
Support Services			
Pupil Services	6,334,296	4,543,087	1,791,209
Improvement of Instructional Services	4,939,492	3,487,626	1,451,866
Educational Media Services	1,825,319	1,483,401	341,918
General Administration	1,455,344	1,299,036	156,308
School Administration	7,381,199	5,907,679	1,473,520
Business Administration	961,953	1,041,044	(79,091)
Maintenance and Operation of Plant	8,944,256	8,139,811	804,445
Student Transportation Services	6,214,287	5,110,863	1,103,424
Central Support Services	1,762,200	3,990,532	(2,228,332)
Other Support Services	349,219	310,250	38,969
Operations of Non-Instructional Services			
Enterprise Operations	368,665	291,656	77,009
Community Services	2,678,669	2,003,940	674,729
Food Services	5,906,272	5,430,712	475,560
Interest on Long-Term Debt	4,103,473	3,670,499	432,974
Total Expenses	<u>132,870,414</u>	<u>111,441,978</u>	<u>21,428,436</u>
Change in Net Position	11,885,574	20,916,081	(9,030,507)
Net Position - Beginning of the Year	<u>59,234,880</u>	<u>38,318,799</u>	<u>20,916,081</u>
Net Position - End of the Year	<u>\$ 71,120,454</u>	<u>\$ 59,234,880</u>	<u>\$ 11,885,574</u>



BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Governmental Activities**

Instruction comprises 60% of governmental 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 by unrestricted State entitlements.

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2023	2022	2023	2022
Instruction	\$ 79,645,770	\$ 64,731,842	\$ 21,383,641	\$ 11,800,915
Support Services				
Pupil Services	6,334,296	4,543,087	4,831,399	3,758,628
Improvement of Instructional Services	4,939,492	3,487,626	3,122,378	2,026,054
Educational Media Services	1,825,319	1,483,401	397,487	136,557
General Administration	1,455,344	1,299,036	1,057,383	1,055,167
School Administration	7,381,199	5,907,679	4,718,043	3,301,004
Business Administration	961,953	1,041,044	548,685	604,389
Maintenance and Operation of Plant	8,944,256	8,139,811	5,773,583	4,893,873
Student Transportation Services	6,214,287	5,110,863	5,044,230	4,279,058
Central Support Services	1,762,200	3,990,532	1,057,653	371,929
Other Support Services	349,219	310,250	349,219	308,330
Operations of Non-Instructional Services				
Enterprise Operations	368,665	291,656	368,665	(33,120)
Community Services	2,678,669	2,003,940	(294,821)	(1,166,285)
Food Services	5,906,272	5,430,712	(388,818)	(2,285,790)
Interest on Long-Term Debt	4,103,473	3,670,499	4,103,473	3,670,499
Total Expenses	<u>\$ 132,870,414</u>	<u>\$ 111,441,978</u>	<u>\$ 52,072,200</u>	<u>\$ 32,721,208</u>

Although program revenues make up 56% of the revenues, the School District is still dependent upon tax revenues for governmental activities. Over 27% of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 39%.

**Financial Analysis of the School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other sources of \$154.9 million and expenditures and other uses of \$166.6 million. The general fund had an increase of \$8.1 million.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the general fund.

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The School District uses a school and department based budgeting concept based on FTE student allocations and specific needs. The budgeting systems are designed to tightly control total school and department budgets but provide flexibility for decision making.

For the general fund, actual revenues and other sources of \$127.7 million exceeded the final budget of \$122.2 million by \$5.5 million. The difference is due to a combination of factors, but primarily due to increased collection of property taxes and charges for services and the reporting of unbudgeted school activity accounts.

Actual expenditures and other financing uses of \$119.6 million were less than the final budget of \$124.1 million by \$4.5 million. This difference is due to a decrease in central support services expenditures funded by ESSER.

**Capital Assets and Intangible Right-to-Use Assets**

***Capital Assets***

At the end of fiscal year 2023, the School District had \$204.7 million invested in capital assets, net of accumulated depreciation and amortization, excluding right-to-use assets, all in governmental activities. Table 4 shows balances for fiscal year 2023 as compared to balances for fiscal year 2022.

**Table 4**  
**Capital Assets**  
**(Net of Depreciation/Amortization)**

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2023	2022
Land	\$ 11,215,230	\$ 11,215,230
Construction in Progress	60,394,654	26,640,469
Buildings and Improvements	119,461,087	122,502,905
Equipment	6,701,053	6,745,197
Land Improvements	4,845,094	4,967,274
Intangible Assets	2,053,427	2,103,666
Total	\$ 204,670,545	\$ 174,174,741

Due to the steady collection of SPLOST revenues and the sale of bonds for capital outlay projects, the School District has completed numerous construction projects and continues with the capital improvements program.

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

***Intangible Right-To-Use Assets***

At the end of fiscal year 2023, the School District had \$991.3 thousand in intangible right-to-use assets, net of accumulated amortization, in governmental activities. Table 5 shows balances for fiscal year 2023 as compared to balances for fiscal year 2022.

**Table 5**  
**Intangible Right-to-Use Assets**  
**(Net of Amortization)**

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2023	2022
Equipment	\$ <u>991,264</u>	\$ <u>1,421,337</u>

**Debt Administration**

At June 30, 2023, the School District had \$114.1 million in total debt outstanding with \$6.4 million due within one year. Table 6 shows balances for fiscal year 2023 as compared to balances for fiscal year 2022.

**Table 6**  
**Debt Administration**

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2023	2022
General Obligation Bonds	\$ 104,370,000	\$ 106,820,000
Unamortized Bond Premiums	8,321,266	8,959,085
Other Debt	<u>1,454,283</u>	<u>1,681,189</u>
Total	\$ <u>114,145,549</u>	\$ <u>117,460,274</u>

The School District maintains an AA+ bond rating and an AA underlying rating from Standard & Poor's. The underlying rating is based on the district's strong fund balance levels and healthy net operating results despite the COVID-19 pandemic. It is also supported by the School District's growing tax base and restoration of state funding after several years of austerity cuts.

BRYAN COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Current Issues**

The following issues are expected to have a significant effect on the financial positions or results of operations:

- **State and Local Economy** - Three years after the onset of the COVID-19 pandemic, the State of Georgia's economy has recovered, and education funding has remained stable with no further reductions in state revenue. The School District's M&O millage rate has remained constant at 15.075 mills for the past five years, and the School District has not increased the millage rate in fourteen years. During this same time period, the School District has grown by over 3,000 students. Because the Bryan County School District has taken a pro-active approach in managing the School District's finances through prioritization of educational programs, the School District continues to have a strong financial position. The Bryan County Board of Education is confident in the ability to maximize all financial resources to provide a quality education for the students of Bryan County.
  
- **Capital Improvements** - Based on the 2020 census, the Bryan County School District is the fastest growing county in Georgia and sixth fastest growing county in the country. With this unprecedented growth, the School District has an aggressive 10-year capital needs program to meet the demands of the current and future student population. The capital needs program is funded by a combination of ESPLOST proceeds, sale of bonds, state capital outlay funds and other local sources of revenue.

**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 information, contact Jennifer Habets, Director of Finance, at the Bryan County Board of Education, 8810 Highway 280 East, Black Creek, Georgia 31308. You may also email any questions to [jhabets@bryan.k12.ga.us](mailto:jhabets@bryan.k12.ga.us), or visit our website at [www.bryan.k12.ga.us](http://www.bryan.k12.ga.us).

**Bryan County Board of Education**

BRYAN COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2023

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 111,462,005.13
Accounts Receivable, Net	
Taxes	2,246,617.40
State Government	8,500,020.19
Federal Government	3,807,370.87
Local	52,193.82
Other	279,147.80
Inventories	135,166.30
Prepaid Items	67,323.65
Other Current Assets	337.14
Intangible Right-to-Use Assets (Net of Accumulated Amortization)	991,264.38
Capital Assets, Non-Depreciable	71,609,884.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)	133,060,661.44
Total Assets	<u>332,211,992.12</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plan	68,072,506.00
Related to OPEB Plan	13,506,764.00
Total Deferred Outflows of Resources	<u>81,579,270.00</u>
 <u>LIABILITIES</u>	
Accounts Payable	5,196,231.58
Salaries and Benefits Payable	7,242,292.72
Interest Payable	1,898,131.91
Contracts Payable	4,199,455.20
Retainages Payable	4,624,153.44
Net Pension Liability	134,349,051.00
Net OPEB Liability	44,077,874.00
Long-Term Liabilities	
Due Within One Year	6,415,756.81
Due in More Than One Year	107,729,792.26
Total Liabilities	<u>315,732,738.92</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plan	699,318.00
Related to OPEB Plan	26,238,751.00
Total Deferred Inflows of Resources	<u>26,938,069.00</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	107,693,826.79
Restricted for	
Continuation of Federal Programs	6,382,427.56
Debt Service	5,716,952.99
Capital Projects	37,537,793.09
Unrestricted (Deficit)	<u>(86,210,546.23)</u>
Total Net Position	<u>\$ 71,120,454.20</u>

BRYAN COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT "B"

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 79,645,770.17	\$ -	\$ 57,174,285.29	\$ 1,087,844.00	\$ (21,383,640.88)
Support Services					
Pupil Services	6,334,296.48	377,608.52	1,125,288.80	-	(4,831,399.16)
Improvement of Instructional Services	4,939,492.31	-	1,817,114.15	-	(3,122,378.16)
Educational Media Services	1,825,318.91	-	1,389,884.00	37,948.00	(397,486.91)
General Administration	1,455,344.26	-	397,960.77	-	(1,057,383.49)
School Administration	7,381,198.59	-	2,612,558.99	50,597.00	(4,718,042.60)
Business Administration	961,953.44	-	413,268.58	-	(548,684.86)
Maintenance and Operation of Plant	8,944,255.94	-	3,170,673.09	-	(5,773,582.85)
Student Transportation Services	6,214,287.41	-	729,507.91	440,550.00	(5,044,229.50)
Central Support Services	1,762,199.67	-	704,546.71	-	(1,057,652.96)
Other Support Services	349,218.52	-	-	-	(349,218.52)
Operations of Non-Instructional Services					
Enterprise Operations	368,664.72	-	-	-	(368,664.72)
Community Services	2,678,668.50	2,973,489.20	-	-	294,820.70
Food Services	5,906,272.09	2,406,295.78	3,800,248.97	88,545.00	388,817.66
Interest on Long-Term Debt	4,103,473.42	-	-	-	(4,103,473.42)
<b>Total Governmental Activities</b>	<b>\$ 132,870,414.43</b>	<b>\$ 5,757,393.50</b>	<b>\$ 73,335,337.26</b>	<b>\$ 1,705,484.00</b>	<b>(52,072,199.67)</b>
<b>General Revenues</b>					
<b>Taxes</b>					
<b>Property Taxes</b>					
For Maintenance and Operations					33,904,695.29
For Debt Services					2,980,090.81
Railroad Cars					46,777.34
Other Taxes					1,108,110.00
<b>Sales Taxes</b>					
<b>Special Purpose Local Option Sales Tax</b>					
For Capital Projects					13,220,098.11
Other Sales Tax					535,214.93
Grants and Contributions not Restricted to Specific Programs					6,945,730.00
Investment Earnings					2,941,826.70
Miscellaneous					2,275,230.36
<b>Total General Revenues</b>					<b>63,957,773.54</b>
<b>Change in Net Position</b>					<b>11,885,573.87</b>
<b>Net Position - Beginning of Year</b>					<b>59,234,880.33</b>
<b>Net Position - End of Year</b>					<b>\$ 71,120,454.20</b>

BRYAN COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 36,969,092.13	\$ 73,405,877.38	\$ 1,087,035.62	\$ 111,462,005.13
Accounts Receivable, Net				
Taxes	945,109.04	1,240,983.12	60,525.24	2,246,617.40
State Government	8,500,020.19	-	-	8,500,020.19
Federal Government	3,807,370.87	-	-	3,807,370.87
Local	52,193.82	-	-	52,193.82
Other	279,147.80	-	-	279,147.80
Due from Other Funds	500,050.00	-	-	500,050.00
Inventories	135,166.30	-	-	135,166.30
Prepaid Items	67,323.65	-	-	67,323.65
Other Current Assets	337.14	-	-	337.14
	<u>51,255,810.94</u>	<u>74,646,860.50</u>	<u>1,147,560.86</u>	<u>127,050,232.30</u>
Total Assets	<u>\$ 51,255,810.94</u>	<u>\$ 74,646,860.50</u>	<u>\$ 1,147,560.86</u>	<u>\$ 127,050,232.30</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 5,085,723.72	\$ 110,507.86	\$ -	\$ 5,196,231.58
Salaries and Benefits Payable	7,242,292.72	-	-	7,242,292.72
Due to Other Funds	-	25.00	500,025.00	500,050.00
Contracts Payable	-	4,199,455.20	-	4,199,455.20
Retainages Payable	-	4,624,153.44	-	4,624,153.44
Total Liabilities	<u>12,328,016.44</u>	<u>8,934,141.50</u>	<u>500,025.00</u>	<u>21,762,182.94</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	146,702.95	-	14,672.40	161,375.35
<u>FUND BALANCES</u>				
Nonspendable	202,489.95	-	-	202,489.95
Restricted	6,247,261.26	57,192,641.73	632,863.46	64,072,766.45
Committed	1,123,516.08	8,520,077.27	-	9,643,593.35
Assigned	1,017,822.54	-	-	1,017,822.54
Unassigned	30,190,001.72	-	-	30,190,001.72
Total Fund Balances	<u>38,781,091.55</u>	<u>65,712,719.00</u>	<u>632,863.46</u>	<u>105,126,674.01</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,255,810.94</u>	<u>\$ 74,646,860.50</u>	<u>\$ 1,147,560.86</u>	<u>\$ 127,050,232.30</u>



BRYAN COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	105,126,674.01
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 11,215,230.00	
Construction in progress	60,394,654.00	
Buildings and improvements	157,864,707.00	
Equipment	14,976,046.40	
Land improvements	8,876,438.00	
Intangible assets	2,769,744.00	
Accumulated depreciation/amortization	<u>(51,426,273.96)</u>	204,670,545.44
Right-to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Leased equipment	\$ 1,498,102.16	
Accumulated amortization - right-to-use assets	<u>(506,837.78)</u>	991,264.38
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (134,349,051.00)	
Net OPEB liability	<u>(44,077,874.00)</u>	(178,426,925.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$ 67,373,188.00	
Related to OPEB	<u>(12,731,987.00)</u>	54,641,201.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		161,375.35
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (104,370,000.00)	
Accrued interest payable	(1,898,131.91)	
Lease liability payable	(738,923.65)	
Financed purchase arrangement payable	(144,327.31)	
Compensated absences payable	(571,032.35)	
Unamortized bond premiums	<u>(8,321,265.76)</u>	(116,043,680.98)
Net position of governmental activities (Exhibit "A")	\$	<u><u>71,120,454.20</u></u>

BRYAN COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 34,125,501.72	\$ -	\$ 3,002,335.45	\$ 37,127,837.17
Sales Taxes	495,500.65	13,220,098.11	39,714.28	13,755,313.04
State Funds	68,825,950.82	1,264,934.00	-	70,090,884.82
Federal Funds	15,395,633.44	-	-	15,395,633.44
Charges for Services	5,757,393.50	-	-	5,757,393.50
Investment Earnings	764,613.67	2,165,521.34	11,691.69	2,941,826.70
Miscellaneous	2,130,634.36	144,596.00	-	2,275,230.36
Total Revenues	<u>127,495,228.16</u>	<u>16,795,149.45</u>	<u>3,053,741.42</u>	<u>147,344,119.03</u>
<u>EXPENDITURES</u>				
Current				
Instruction	70,175,792.71	951,561.35	-	71,127,354.06
Support Services				
Pupil Services	5,280,014.31	457,038.94	-	5,737,053.25
Improvement of Instructional Services	4,624,593.89	-	-	4,624,593.89
Educational Media Services	1,490,803.26	141,798.95	-	1,632,602.21
General Administration	1,205,355.94	-	-	1,205,355.94
School Administration	6,616,033.12	155,876.83	-	6,771,909.95
Business Administration	885,815.96	-	-	885,815.96
Maintenance and Operation of Plant	8,914,228.10	-	-	8,914,228.10
Student Transportation Services	6,276,055.79	126,042.29	-	6,402,098.08
Central Support Services	1,419,017.38	191,579.73	-	1,610,597.11
Other Support Services	349,218.52	-	-	349,218.52
Enterprise Operations	368,664.72	-	-	368,664.72
Community Services	2,613,480.06	-	-	2,613,480.06
Food Services Operation	5,614,016.36	13,320.00	-	5,627,336.36
Capital Outlay	-	34,117,839.36	-	34,117,839.36
Debt Services				
Principal	160,231.99	304,062.94	2,450,000.00	2,914,294.93
Dues and Fees	-	-	5,735.00	5,735.00
Interest	26,377.21	36,136.63	4,425,394.44	4,487,908.28
Total Expenditures	<u>116,019,699.32</u>	<u>36,495,257.02</u>	<u>6,881,129.44</u>	<u>159,396,085.78</u>
Revenues over (under) Expenditures	<u>11,475,528.84</u>	<u>(19,700,107.57)</u>	<u>(3,827,388.02)</u>	<u>(12,051,966.75)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Financed Purchase Arrangement Proceeds	160,574.40	-	-	160,574.40
Lease Liability Proceeds	31,452.05	115,899.81	-	147,351.86
Transfers In	-	3,551,000.00	3,681,000.00	7,232,000.00
Transfers Out	(3,551,000.00)	(3,681,000.00)	-	(7,232,000.00)
Total Other Financing Sources (Uses)	<u>(3,358,973.55)</u>	<u>(14,100.19)</u>	<u>3,681,000.00</u>	<u>307,926.26</u>
Net Change in Fund Balances	8,116,555.29	(19,714,207.76)	(146,388.02)	(11,744,040.49)
Fund Balances - Beginning	<u>30,664,536.26</u>	<u>85,426,926.76</u>	<u>779,251.48</u>	<u>116,870,714.50</u>
Fund Balances - Ending	<u>\$ 38,781,091.55</u>	<u>\$ 65,712,719.00</u>	<u>\$ 632,863.46</u>	<u>\$ 105,126,674.01</u>

BRYAN COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2023

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	(11,744,040.49)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	\$ 34,986,709.26	
Depreciation/amortization expense	(4,340,552.96)	
Amortization Expense	<u>(387,454.42)</u>	30,258,701.88
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.</p>		
		(192,970.10)
<p>Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(196,273.73)
<p>Grants and contributions reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(2,592,630.00)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.</p>		
Financed purchase arrangement proceeds	\$ (160,574.40)	
Lease liability proceeds	(147,351.86)	
Financed purchase arrangement payments	16,247.09	
Bond principal retirements	2,450,000.00	
Lease liability payments	611,263.58	
Amortization of bond premium	<u>637,818.84</u>	3,407,403.25
<p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension expense	\$ (9,299,061.61)	
OPEB expense	<u>2,590,507.00</u>	(6,708,554.61)
<p>Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued interest on issuance of bonds	\$ (253,383.98)	
Compensated absences	<u>(92,678.35)</u>	<u>(346,062.33)</u>
Change in net position of governmental activities (Exhibit "B")	\$	<u><u>11,885,573.87</u></u>

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## **NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

### **Reporting Entity**

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

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Basis of Presentation**

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

#### ***Government-Wide Statements:***

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

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

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

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

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

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

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

### *Fund Financial Statements*

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

The School District reports the following major governmental funds:

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

### **Basis of Accounting**

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

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

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

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

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

#### **New Accounting Pronouncements**

In fiscal year 2023, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement did not have a material impact on the School District's financial statements.

#### **Cash and Cash Equivalents**

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

#### **Receivables**

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

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

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

## Inventories

### *Food Inventories*

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

### Prepaid Items

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

### Capital Assets

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

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

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

Amortization of intangible assets such as water, timber and mineral rights, easements, patents, trademarks, copyrights, and internally generated software is computed using the straight-line method over the estimated useful lives of the assets.



**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	Any Amount	N/A
Buildings and Improvements	\$ 25,000.00	Up to 50 years
Modular Buildings	\$ 25,000.00	25 years
Improvements other than Buildings	\$ 25,000.00	10 to 50 years
Machinery and Equipment	\$ 25,000.00	5 to 20 years
Infrastructure	\$ 50,000.00	50 to 80 years
Software	\$ 25,000.00	10 to 30 years
Intangible Assets		
Patents, Trademarks, and Copyrights	\$ 50,000.00	20 years
Rights of Way and Easements	\$ 50,000.00	N/A
Licenses and Permits	\$ 50,000.00	20 to 30 years

During the fiscal year, management increased the capital asset threshold to \$25,000.00 for building and building improvements, modular buildings, improvements other than buildings, machinery and equipment, and software. The changes in threshold do not have a material or significant impact on the financial statements.

**Intangible Right-To-Use Assets**

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. An intangible right-to-use asset represents the School District's right to use an underlying asset for the lease term. Lease obligations represent the School District's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Capitalization thresholds of intangible right-to-use assets reported in the government-wide statements are as follows:

	Capitalization Policy
Buildings	\$ 25,000.00
Equipment	\$ 25,000.00
Subscription Assets	\$ 100,000.00

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

*Leases as Lessee*

The School District is a lessee for noncancellable leases of mail machines, laptops, and copiers owned by 3rd parties.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

The lease agreements entered into by the School District as lessee do not contain stated interest rates. Therefore, the School District has used its estimated incremental borrowing rate as the discount rate for the leases. The School District has estimated the incremental borrowing rates to be between 2.74%-6.25% for the leases in which the School District is currently involved as the lessee.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments the School District will make over the lease term.

The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and long-term debt on the statement of net position.

**Deferred Outflows/Inflows of Resources**

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

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

### Compensated Absences

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

Vacation leave of 12, 15, 18, or 20 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. The rate of accrual is dependent upon the consecutive years of service with the system. Those who serve in a 12-month position for less than full time earn vacation leave at a pro rata share determined by the portion of the full-time position worked. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 30 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

### Long-Term Liabilities and Bond Discounts/Premiums

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

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

### Pensions

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

### Post-Employment Benefits Other Than Pensions (OPEB)

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

### Fund Balances

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

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

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

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

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

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

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

### Use of Estimates

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

### Property Taxes

The Bryan County Board of Commissioners adopted the property tax levy for the 2022 tax digest year (calendar year) on August 9, 2022 (levy date) based on property values as of January 1, 2022. Taxes were due on November 15, 2022 (lien date). Taxes collected within the current fiscal year or within 60

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

days after year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The Bryan 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 of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2023, for maintenance and operations amounted to \$30,131,572.84 and for school bonds amounted to \$3,002,335.45.

The tax millage rates levied for the 2022 tax digest year (calendar year) for the School District were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	15.075 mills
School Bonds	<u>1.500 mills</u>
	<u>16.575 mills</u>

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$3,947,151.54 during fiscal year ended June 30, 2023.

**Sales Taxes**

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$13,220,098.11 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

**NOTE 3: BUDGETARY DATA**

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

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

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

#### **NOTE 4: DEPOSITS AND CASH EQUIVALENTS**

##### **Collateralization of Deposits**

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

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

##### **Categorization of Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2023, the School District had deposits with a carrying amount of \$84,614,130.31, and a bank balance of \$88,020,548.27. The bank balances insured by Federal depository insurance were \$1,000,000.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$36,529,504.68.

At June 30, 2023, \$50,491,043.59 of the School District's bank balances was in the State's Secure Deposit Program (SDP).

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

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

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

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Cash and cash equivalents	
Statement of Net Position	\$ 111,462,005.13
Less:	
Cash on Hand	250.00
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	26,847,624.82
Total carrying value of deposits - June 30, 2023	\$ 84,614,130.31

**Categorization of Cash Equivalents**

The School District reported cash equivalents of \$26,847,624.82 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AA Af rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2023 was 28 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

**NOTE 5: CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS**

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

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 11,215,230.00	\$ -	\$ -	\$ 11,215,230.00
Construction in Progress	26,640,469.00	33,754,185.00	-	60,394,654.00
Total Capital Assets				
Not Being Depreciated	37,855,699.00	33,754,185.00	-	71,609,884.00
Capital Assets,				
Being Depreciated/Amortized:				
Buildings and Improvements	157,727,765.00	136,942.00	-	157,864,707.00
Equipment	14,490,950.00	775,254.40	290,158.00	14,976,046.40
Land Improvements	8,703,462.00	172,976.00	-	8,876,438.00
Intangible Assets	2,769,744.00	-	-	2,769,744.00
Less Accumulated				
Depreciation/Amortization:				
Buildings and Improvements	35,224,860.00	3,178,760.00	-	38,403,620.00
Equipment	7,745,753.00	816,397.96	287,158.00	8,274,992.96
Land Improvements	3,736,188.00	295,156.00	-	4,031,344.00
Intangible Assets	666,078.00	50,239.00	-	716,317.00
Total Capital Assets,				
Being Depreciated/Amortized, Net	136,319,042.00	(3,255,380.56)	3,000.00	133,060,661.44
Governmental Activities				
Capital Assets - Net	\$ 174,174,741.00	\$ 30,498,804.44	\$ 3,000.00	\$ 204,670,545.44

Current year depreciation and amortization expense by function is as follows:

Instruction		\$ 2,836,373.96
Support Services		
Pupil Services	\$ 247,643.00	
Educational Media Services	73,295.00	
General Administration	52,204.00	
School Administration	61,758.00	
Maintenance and Operation of Plant	298,968.00	
Student Transportation Services	417,185.00	
Central Support Services	30,388.00	
Community Services	54,115.00	1,235,556.00
Food Services		268,623.00
		\$ 4,340,552.96



**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

The following is a summary of changes in the intangible right-to-use assets for governmental activities during the fiscal year:

	Balances July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities				
Intangible Right-to-Use Assets				
Equipment	\$ 1,776,671.30	\$ 147,351.86	\$ 425,921.00	\$ 1,498,102.16
Less Accumulated Amortization:				
Equipment	355,334.26	387,454.42	235,950.90	506,837.78
Governmental Activities				
Intangible Right-to-Use Assets - Net	\$ 1,421,337.04	\$ (240,102.56)	\$ 189,970.10	\$ 991,264.38

Current year amortization expense by function is as follows:

Instruction		\$ 341,511.64
Support Services		
Pupil Services	\$ 7,106.69	
Improvements of Instructional Services	10,660.03	
General Administration	2,209.14	
School Administration	18,860.23	
Central Support Services	7,106.69	45,942.78
		\$ 387,454.42

**NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS**

**Interfund Assets and Liabilities**

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2023, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 500,050.00	\$ -
Capital Projects Fund	-	25.00
Debt Service Fund	-	500,025.00
	\$ 500,050.00	\$ 500,050.00

The interfund balances presented of \$500,000.00 are derived primarily from expenditures originally paid by the general fund for debt payments and to be reimbursed by the debt service fund after the fiscal year. The interfund balances presented of \$50.00 are derived primarily from expenditures originally paid by the general fund to open new bank accounts and will be reimbursed by the capital projects fund (\$25.00) and debt service fund (\$25.00) after the fiscal year.

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

**Interfund Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfers to	Transfers From		Total
	General Fund	Capital Projects Fund	
Capital Projects Fund	\$ 3,551,000.00	\$ -	\$ 3,551,000.00
Debt Service Fund	-	3,681,000.00	3,681,000.00
<b>Total</b>	<b>\$ 3,551,000.00</b>	<b>\$ 3,681,000.00</b>	<b>\$ 7,232,000.00</b>

Transfers are used to move property tax revenues collected by the general fund to capital projects fund as required match or supplemental funding source for capital construction projects and to move ESPLOST revenues in the capital projects fund to the debt service fund for the payment of bond indebtedness.

**NOTE 7: LONG-TERM LIABILITIES**

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

	Governmental Activities				
	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General Obligation (G.O.) Bonds	\$ 106,820,000.00	\$ -	\$ 2,450,000.00	\$ 104,370,000.00	\$ 5,310,000.00
Unamortized Bond Premiums	8,959,084.60	-	637,818.84	8,321,265.76	637,818.84
Leases	1,202,835.37	147,351.86	611,263.58	738,923.65	429,075.98
Financed Purchases	-	160,574.40	16,247.09	144,327.31	38,861.99
Compensated Absences (1)	478,354.00	472,038.58	379,360.23	571,032.35	-
	<u>\$ 117,460,273.97</u>	<u>\$ 779,964.84</u>	<u>\$ 4,094,689.74</u>	<u>\$ 114,145,549.07</u>	<u>\$ 6,415,756.81</u>

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

**General Obligation Bonds**

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

The School District's outstanding general obligation bonds related to governmental activities of \$104,370,000.00 contain a provision that, in the event of a nonpayment, the State Board is authorized to and must withhold any state appropriations to which the School District is entitled and apply so much thereof as shall be necessary to the payment of the principal and interest on such indebtedness then due.

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

Of the total amount originally authorized, \$13,180,000.00 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2018	3.00 - 5.00%	4/12/2018	8/1/2043	\$ 74,250,000.00	\$ 74,250,000.00
General Government - Series 2021	3.00 - 5.00%	4/15/2021	8/1/2043	18,870,000.00	16,420,000.00
General Government - Series 2022	5.00%	5/12/2022	8/1/2026	13,700,000.00	13,700,000.00
				<u>\$ 106,820,000.00</u>	<u>\$ 104,370,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized Bond
	Principal	Interest	Premium
2024	\$ 5,310,000.00	\$ 4,460,825.00	\$ 637,818.84
2025	6,730,000.00	4,186,075.00	637,818.84
2026	7,015,000.00	3,855,950.00	507,365.42
2027	5,695,000.00	3,538,200.00	376,912.01
2028	3,100,000.00	3,318,325.00	376,912.01
2029 - 2033	18,045,000.00	14,348,650.00	1,884,560.05
2034 - 2038	22,825,000.00	10,424,375.00	1,884,560.05
2039 - 2043	28,950,000.00	4,856,550.00	1,884,560.05
2044	6,700,000.00	118,712.50	130,758.49
Total Principal and Interest	<u>\$ 104,370,000.00</u>	<u>\$ 49,107,662.50</u>	<u>\$ 8,321,265.76</u>

**Leases**

The School District has acquired various mail machines, laptops and copiers under the provisions of various contracts that convey control of the right to use another entity's asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as leases for accounting purposes.

The following is a summary of the carrying values of intangible right-to-use assets under lease at June 30, 2023:

	Governmental Activities
Equipment	\$ 1,498,102.16
Less: Accumulated Amortizaion	<u>506,837.78</u>
	<u>\$ 991,264.38</u>

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

During the current fiscal year, the School District entered into a lease agreement as lessee for the right-to-use laptops at a cost of \$115,899.81. This lease qualifies as a lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

During the current fiscal year, the School District entered into a lease agreement as lessee for the right-to-use mail machines at a cost of \$31,452.05. This lease qualifies as a lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

Leases currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Dell 001-8996207-008	6.25%	7/1/2021	6/30/2024	\$ 270,812.62	\$ 95,795.41
Dell 001-8996207-009	6.25%	7/1/2021	6/30/2024	275,563.72	97,476.03
Digital Office Equipment	6.25%	8/1/2021	7/31/2025	581,938.71	319,481.33
Dell 001-8996207-010	6.25%	7/1/2021	6/30/2025	188,251.34	93,952.96
Dell 001-8996207-011	6.25%	10/5/2021	10/5/2025	23,232.35	11,594.86
Dell 001-8996207-012	6.25%	11/11/2021	11/11/2025	10,951.56	5,465.73
Dell 001-8996207-013	2.74%	7/7/2022	7/7/2026	115,899.81	85,737.92
Quadient Mail Machine Lease	2.74%	1/26/2023	1/26/2028	31,452.05	29,419.41
				<u>\$ 1,498,102.16</u>	<u>\$ 738,923.65</u>

Eight leases with a total amount of \$404,800.85 were paid off during the fiscal year, and therefore are not included in the outstanding lease table.

The following is a schedule of total lease payments due in subsequent years:

Fiscal Year Ended June 30:	Principal	Interest
2024	\$ 429,075.98	\$ 37,873.39
2025	249,629.32	11,969.15
2026	49,276.96	1,271.02
2027	6,504.77	218.83
2028	4,436.62	45.77
Total Principal and Interest	<u>\$ 738,923.65</u>	<u>\$ 51,378.16</u>

**Obligations Under Financed Purchases**

The School District has acquired grounds equipment under the provisions of a long-term financed purchase agreement classified as a financed purchase for accounting purposes because it provides for a transfer of ownership by the end of the agreement. Payments on the agreement shall be made from the School District's general fund.

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

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

	Governmental Activities
Equipment	\$ 160,574.40
Less: Accumulated Depreciation	10,704.96
	\$ 149,869.44

Financed purchase currently outstanding is as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
New Equipment Listing - 803053	2.74%	1/2/2023	1/2/2027	\$ 160,574.40	\$ 144,327.31

The following is a schedule of total finance purchase payments:

Fiscal Year Ended June 30:	Principal	Interest
2024	\$ 38,861.99	\$ 3,474.01
2025	39,941.88	2,394.12
2026	41,051.78	1,284.22
2027	24,471.66	224.34
Total Principal and Interest	\$ 144,327.31	\$ 7,376.69

### **Compensated Absences**

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

### **NOTE 8: RISK MANAGEMENT**

#### **Insurance**

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

#### ***Georgia School Boards Association Risk Management Fund***

The School District participates in the Georgia School Boards Association Risk Management Fund (the Fund), a public entity risk pool organized on August 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

members of the Fund. The School District pays an annual contribution to the Fund for coverage. Reinsurance is provided to the Fund through agreements by the Fund with insurance companies according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

**Workers' Compensation**

*Georgia School Boards Association Workers' Compensation Fund*

The School District participates in the Georgia School Boards Association Workers' Compensation Fund (the Fund), a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program to reduce the risk of loss from employee accidents. The School District pays an annual contribution to the Fund for coverage. The Fund provides statutory limits of coverage for Workers' Compensation coverage and a \$2,000,000 limit per occurrence for Employers' Liability coverage. Excess insurance coverage is provided through an agreement between the Fund and the Safety National Casualty Corporation to limit the Fund's exposure to large losses.

**Unemployment Compensation**

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the general fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. While no liability for unemployment claims exists at year-end, the School District has assigned a portion of the general fund balance to cover unanticipated claims.

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

		Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2022	\$	-	\$ 127.98	\$ 127.98	\$ -
2023	\$	-	\$ 5,110.00	\$ 5,110.00	\$ -

**Surety Bond**

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

Position Covered	Amount
Superintendent	\$ 500,000.00

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

**NOTE 9: FUND BALANCE CLASSIFICATION DETAILS**

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2023:

Nonspendable			
Inventories	\$	135,166.30	
Prepaid Assets		67,323.65	\$ 202,489.95
<hr/>			
Restricted			
Continuation of Federal Programs	\$	6,247,261.26	
Capital Projects		50,225,092.69	
Debt Service		7,600,412.50	64,072,766.45
<hr/>			
Committed			
Local Capital Outlay Projects	\$	8,520,077.27	
School Activity Accounts		1,123,516.08	9,643,593.35
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Assigned			
Community Education	\$	844,180.82	
Childcare Program		59,934.27	
Unemployment Fund		113,707.45	1,017,822.54
<hr/>			
Unassigned			30,190,001.72
<hr/>			
Fund Balance, June 30, 2023		\$	<u>105,126,674.01</u>

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

**NOTE 10: SIGNIFICANT COMMITMENTS**

**Commitments under Construction Contracts**

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2023, together with funding available:

Project	Unearned Executed Contracts (1)	Payments Through June 30, 2023 (2)	Funding Available From State (1)
Richmond Hill High School Phase I, II, III	\$ 83,260,122.58	\$ 44,603,525.91	\$ 30,150,066.00
George Washington Carver Elementary Renovations	227,439.06	6,794,405.57	-
Bryan County High School Baseball/Softball Athletic Improvements	15,244.56	3,740,636.68	-
Bryan County High School Weight Room Addition	50,280.68	660,931.62	-
Bryan County High School JROTC Course	64,280.00	98,120.00	-
Bryan County Middle/High Track	105,458.41	754,015.28	-
Richmond Hill High School Renovations	104,384.80	3,430,377.20	-
	<hr/>	<hr/>	<hr/>
	\$ <u>83,827,210.09</u>	\$ <u>60,082,012.26</u>	\$ <u>30,150,066.00</u>

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

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

#### **NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES**

##### **Federal Grants**

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

#### **NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

##### **Georgia School Personnel Post-Employment Health Benefit Fund**

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

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

**Contributions:** As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$1,757,391.00 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2023, the School District reported a liability of \$44,077,874.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the School District's proportion was 0.445088%, which was an increase of 0.002868% from its proportion measured as of June 30, 2021.



**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

For the year ended June 30, 2023, the School District recognized OPEB expense of (\$833,116.00). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,759,395.00	\$ 17,323,940.00
Changes of assumptions	6,713,150.00	8,914,811.00
Net difference between projected and actual earnings on OPEB plan investments	268,863.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	3,007,965.00	-
School District contributions subsequent to the measurement date	1,757,391.00	-
Total	\$ 13,506,764.00	\$ 26,238,751.00

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2024	\$ (3,717,073.00)
2025	\$ (2,976,155.00)
2026	\$ (2,482,752.00)
2027	\$ (3,426,671.00)
2028	\$ (1,703,978.00)
Thereafter	\$ (182,749.00)
	\$

BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

**Actuarial Assumptions:** The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2022:

**OPEB:**

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

The Plan currently uses mortality tables that vary by age, gender, and health status (i.e. disabled or not disabled) as follows:

- For TRS members: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males

BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

and 106% for females) with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	2.00%
Equities	70.00%	9.40%
Total	100.00%	

\* Net of Inflation

**Discount Rate:** In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate, as compared with last year's rate of 2.20%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

**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 3.57%, 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 (2.57%) or 1-percentage-point higher (4.57%) than the current discount rate:

	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the Net OPEB liability	\$ 49,857,368.00	\$ 44,077,874.00	\$ 39,179,499.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 37,978,358.00	\$ 44,077,874.00	\$ 51,574,155.00

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

**NOTE 13: RETIREMENT PLANS**

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

**Teachers Retirement System of Georgia (TRS)**

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

**Benefits Provided:** TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee’s two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee’s creditable service and

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

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. 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 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual School District payroll. For the current fiscal year, employer contributions to the pension plan were \$12,736,012.00 from the School District.

### Public School Employees Retirement System (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of \$15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$177,811.00.

BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

EXHIBIT "G"

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

At June 30, 2023, the School District reported a liability of \$134,349,051.00 for its proportionate share of the net pension liability for TRS.

The net pension liability for TRS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 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, 2022.

At June 30, 2022, the School District's TRS proportion was 0.413739%, which was an increase of 0.003205% from its proportion measured as of June 30, 2021.

At June 30, 2023, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$1,506,505.00.

The PSERS net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 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, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$22,035,073.61 for TRS and \$378,584.00 for PSERS and revenue of \$378,584.00 for PSERS. The revenue is support provided by the State of Georgia.

**BRYAN COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**EXHIBIT "G"**

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,576,862.00	\$ 699,318.00
Changes of assumptions	20,223,819.00	-
Net difference between projected and actual earnings on pension plan investments	26,395,766.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	3,140,047.00	-
School District contributions subsequent to the measurement date	12,736,012.00	-
Total	\$ 68,072,506.00	\$ 699,318.00

The School District contributions subsequent to the measurement date for TRS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS
2024	\$ 15,682,783.00
2025	\$ 11,496,215.00
2026	\$ 8,159,064.00
2027	\$ 19,299,114.00

BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

**Actuarial Assumptions:** The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

**Teachers Retirement System:**

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

**Public School Employees Retirement System:**

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



BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

Mortality rates are as follows:

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

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

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

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

<b>Asset Class</b>	<b>TRS/PSERS Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Fixed income	30.00%	0.20%
Domestic large stocks	46.30%	9.40%
Domestic small stocks	1.20%	13.40%
International developed market stocks	12.30%	9.40%
International emerging market stocks	5.20%	11.40%
Alternative	5.00%	10.50%
Total	100.00%	

\* Rates shown are net of inflation

**Discount Rate:** The discount rate used to measure the total TRS pension liability was 6.90%. The discount rate used to measure the total PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BRYAN COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2023

EXHIBIT "G"

**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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

<b>Teachers Retirement System:</b>	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 202,688,225.00	\$ 134,349,051.00	\$ 78,541,076.00

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

**Defined Contribution Plan**

In January 2009, the School District implemented a revised 403(b) plan to include all provisions of the IRS Code. All employees are eligible to participate and there are multiple providers allowed in the Plan. There are no vesting requirements. Effective January 1, 2019, the School District increased the employer contribution to a true 1:1 match up to a maximum of 4%. In fiscal year 2021, the School District changed the match to 2% due to budget constraints however the 4% contribution was reinstated during fiscal year 2022 and remained at 4% during fiscal year 2023. The employer contributions for the current year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2023	100%	\$ 1,928,012.71
2022	100%	\$ 1,677,115.48
2021	100%	\$ 892,404.47

**NOTE 14: TAX ABATEMENTS**

The Development Authority of Bryan County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within Bryan County. For the fiscal year ended June 30, 2023, property tax revenues levied on August 9, 2022 and due on November 15, 2022 were abated in the amount of \$968,337.53 under agreements entered into by the Development Authority of Bryan County.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.413739%	\$ 134,349,051.00	\$ -	\$ 134,349,051.00	\$ 55,981,320.56	239.99%	72.85%
2022	0.410534%	\$ 36,308,994.00	\$ -	\$ 36,308,994.00	\$ 53,417,639.46	67.97%	92.03%
2021	0.401312%	\$ 97,213,474.00	\$ -	\$ 97,213,474.00	\$ 51,755,430.79	187.83%	77.01%
2020	0.386833%	\$ 83,179,555.00	\$ -	\$ 83,179,555.00	\$ 47,209,486.64	176.19%	78.56%
2019	0.370433%	\$ 68,760,299.00	\$ -	\$ 68,760,299.00	\$ 44,121,141.28	155.84%	80.27%
2018	0.351314%	\$ 65,292,789.00	\$ -	\$ 65,292,789.00	\$ 40,348,982.90	161.82%	79.33%
2017	0.333966%	\$ 68,900,910.00	\$ -	\$ 68,900,910.00	\$ 36,637,958.12	188.06%	76.06%
2016	0.324232%	\$ 49,361,102.00	\$ -	\$ 49,361,102.00	\$ 34,224,566.62	144.23%	81.44%
2015	0.319449%	\$ 40,358,168.00	\$ -	\$ 40,358,168.00	\$ 32,590,118.49	123.84%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	\$ 12,736,012.00	\$ 12,736,012.00	\$ -	\$ 63,740,833.90	19.98%
2022	\$ 11,089,899.61	\$ 11,089,899.61	\$ -	\$ 55,981,320.56	19.81%
2021	\$ 10,181,402.09	\$ 10,181,402.09	\$ -	\$ 53,417,639.46	19.06%
2020	\$ 10,941,083.26	\$ 10,941,083.26	\$ -	\$ 51,755,430.79	21.14%
2019	\$ 9,866,781.00	\$ 9,866,781.00	\$ -	\$ 47,209,486.64	20.90%
2018	\$ 7,416,764.00	\$ 7,416,764.00	\$ -	\$ 44,121,141.28	16.81%
2017	\$ 5,757,800.00	\$ 5,757,800.00	\$ -	\$ 40,348,982.90	14.27%
2016	\$ 5,228,236.62	\$ 5,228,236.62	\$ -	\$ 36,637,958.12	14.27%
2015	\$ 4,500,530.51	\$ 4,500,530.51	\$ -	\$ 34,224,566.62	13.15%
2014	\$ 4,002,066.55	\$ 4,002,066.55	\$ -	\$ 32,590,118.49	12.28%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.00%	\$ -	\$ 1,506,505.00	\$ 1,506,505.00	\$ 3,741,090.81	N/A	81.21%
2022	0.00%	\$ -	\$ 149,001.00	\$ 149,001.00	\$ 3,386,704.70	N/A	98.00%
2021	0.00%	\$ -	\$ 975,455.00	\$ 975,455.00	\$ 3,310,978.01	N/A	84.45%
2020	0.00%	\$ -	\$ 882,820.00	\$ 882,820.00	\$ 2,985,394.96	N/A	85.02%
2019	0.00%	\$ -	\$ 827,366.00	\$ 827,366.00	\$ 2,688,336.40	N/A	85.26%
2018	0.00%	\$ -	\$ 751,508.00	\$ 751,508.00	\$ 2,577,237.20	N/A	85.69%
2017	0.00%	\$ -	\$ 1,032,719.00	\$ 1,032,719.00	\$ 2,496,056.39	N/A	81.00%
2016	0.00%	\$ -	\$ 575,632.00	\$ 575,632.00	\$ 2,190,484.36	N/A	87.00%
2015	0.00%	\$ -	\$ 527,178.00	\$ 527,178.00	\$ 2,094,122.29	N/A	88.29%

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

SCHEDULE "4"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.445088%	\$ 44,077,874.00	\$ -	\$ 44,077,874.00	\$ 39,747,827.64	110.89%	6.17%
2022	0.442220%	\$ 47,896,084.00	\$ -	\$ 47,896,084.00	\$ 37,658,074.94	127.19%	6.14%
2021	0.439545%	\$ 64,558,924.00	\$ -	\$ 64,558,924.00	\$ 37,039,542.48	174.30%	3.99%
2020	0.433098%	\$ 53,150,417.00	\$ -	\$ 53,150,417.00	\$ 32,417,143.95	163.96%	4.63%
2019	0.412602%	\$ 52,440,448.00	\$ -	\$ 52,440,448.00	\$ 30,194,180.14	173.68%	2.93%
2018	0.397346%	\$ 55,826,953.00	\$ -	\$ 55,826,953.00	\$ 26,950,448.66	207.15%	1.61%

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

SCHEDULE "5"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2023	\$ 1,757,391.00	\$ 1,757,391.00	\$ -	\$ 42,459,860.20	4.14%
2022	\$ 1,609,326.00	\$ 1,609,326.00	\$ -	\$ 39,747,827.64	4.05%
2021	\$ 1,644,984.00	\$ 1,644,984.00	\$ -	\$ 37,658,074.94	4.37%
2020	\$ 1,486,439.00	\$ 1,486,439.00	\$ -	\$ 37,039,542.48	4.01%
2019	\$ 2,332,530.00	\$ 2,332,530.00	\$ -	\$ 32,417,143.95	7.20%
2018	\$ 2,138,479.00	\$ 2,138,479.00	\$ -	\$ 30,194,180.14	7.08%
2017	\$ 2,071,792.00	\$ 2,071,792.00	\$ -	\$ 26,950,448.66	7.69%



**Teachers Retirement System**

**Change of benefit terms:** There have been no changes in benefit terms.

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

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

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

**Public School Employees Retirement System**

**Changes of benefit terms:** There have been no changes in benefit terms.

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

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

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

**School OPEB Fund**

**Changes of benefit terms:** There have been no changes in benefit terms.

**Changes in assumptions:**

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

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

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

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

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

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

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

BRYAN COUNTY BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023

SCHEDULE "7"

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
<b>REVENUES</b>				
Property Taxes	\$ 31,999,361.00	\$ 31,999,361.00	\$ 34,125,501.72	\$ 2,126,140.72
Sales Taxes	672,440.00	672,440.00	495,500.65	(176,939.35)
State Funds	66,521,785.00	68,386,251.00	68,825,950.82	439,699.82
Federal Funds	11,982,957.00	15,381,549.23	15,395,633.44	14,084.21
Charges for Services	5,224,425.00	5,224,425.00	5,757,393.50	532,968.50
Investment Earnings	23,450.00	23,450.00	764,613.67	741,163.67
Miscellaneous	490,000.00	495,000.00	2,130,634.36	1,635,634.36
Total Revenues	<u>116,914,418.00</u>	<u>122,182,476.23</u>	<u>127,495,228.16</u>	<u>5,312,751.93</u>
<b>EXPENDITURES</b>				
Current				
Instruction	70,835,424.00	72,284,436.23	70,175,792.71	2,108,643.52
Support Services				
Pupil Services	4,135,224.00	4,493,893.00	5,280,014.31	(786,121.31)
Improvement of Instructional Services	4,345,565.00	4,683,597.00	4,624,593.89	59,003.11
Educational Media Services	1,431,205.00	1,525,877.00	1,490,803.26	35,073.74
General Administration	1,513,769.00	1,561,732.00	1,205,355.94	356,376.06
School Administration	6,411,246.00	6,590,133.00	6,616,033.12	(25,900.12)
Business Administration	892,077.00	962,077.00	885,815.96	76,261.04
Maintenance and Operation of Plant	8,482,452.00	8,770,882.00	8,914,228.10	(143,346.10)
Student Transportation Services	6,411,057.00	6,466,057.00	6,276,055.79	190,001.21
Central Support Services	1,337,093.00	4,482,723.00	1,419,017.38	3,063,705.62
Other Support Services	140,000.00	140,500.00	349,218.52	(208,718.52)
Enterprise Operations	-	-	368,664.72	(368,664.72)
Community Services	2,631,532.00	2,631,532.00	2,613,480.06	18,051.94
Food Services Operation	5,974,513.00	5,974,513.00	5,614,016.36	360,496.64
Debt Service				
Principal	-	-	160,231.99	(160,231.99)
Interest	-	-	26,377.21	(26,377.21)
Total Expenditures	<u>114,541,157.00</u>	<u>120,567,952.23</u>	<u>116,019,699.32</u>	<u>4,548,252.91</u>
Excess of Revenues over (under) Expenditures	<u>2,373,261.00</u>	<u>1,614,524.00</u>	<u>11,475,528.84</u>	<u>9,861,004.84</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Other Sources	-	-	192,026.45	192,026.45
Other Uses	(3,551,000.00)	(3,551,000.00)	(3,551,000.00)	-
Total Other Financing Sources (Uses)	<u>(3,551,000.00)</u>	<u>(3,551,000.00)</u>	<u>(3,358,973.55)</u>	<u>192,026.45</u>
Net Change in Fund Balances	(1,177,739.00)	(1,936,476.00)	8,116,555.29	10,053,031.29
Fund Balances - Beginning	<u>24,800,219.20</u>	<u>33,112,296.44</u>	<u>30,664,536.26</u>	<u>(2,447,760.18)</u>
Fund Balances - Ending	<u>\$ 23,622,480.20</u>	<u>\$ 31,175,820.44</u>	<u>\$ 38,781,091.55</u>	<u>\$ 7,605,271.11</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.

The actual revenues and expenditures of the various principal accounts are \$1,942,218.60 and \$1,997,663.86, respectively.

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

BRYAN COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023

SCHEDULE "8"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	235GA324N1199	\$ 400,649.82
National School Lunch Program	10.555	235GA324N1199	4,666,372.57
COVID-19 - National School Lunch Program	10.555	235GA324N1099	288,750.91
Total Child Nutrition Cluster			<u>5,355,773.30</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	235GA904N2533	8,664.42
Total U. S. Department of Agriculture			<u>8,664.42</u>
Education, U. S. Department of			
Direct			
Impact Aid			
Payments for Federal Property - Section 7002	84.041A		832,333.00
Payments for Federally Connected Children - Section 7003	84.041B		275,777.00
Total Impact Aid			<u>1,108,110.00</u>
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200049	199,108.00
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	712,116.00
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	3,340,385.69
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	35,550.02
Total Education Stabilization Fund			<u>4,287,159.71</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A210073	229,333.00
Grants to States	84.027A	H027A220073	1,362,645.87
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	305,569.15
Preschool Grants	84.173A	H173A210081	32,765.71
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	27,221.00
Total Special Education Cluster			<u>1,957,534.73</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A220010	68,157.12
English Language Acquisition State Grants	84.365A	S365A210010	19,206.00
English Language Acquisition State Grants	84.365A	S365A220010	24,015.84
Student Support and Academic Enrichment Program	84.424A	S424A220011	78,164.52
Supporting Effective Instruction State Grants	84.367A	S367A210001	190,232.00
Supporting Effective Instruction State Grants	84.367A	S367A220001	103,115.38

BRYAN COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023

SCHEDULE "8"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	247,439.00
Title I Grants to Local Educational Agencies	84.010A	S010A220010	998,423.80
Total Other Programs			<u>1,728,753.66</u>
Total U. S. Department of Education			<u>9,081,558.10</u>
Health and Human Services, U. S. Department of Pass-Through From Bright From the Start Georgia Department of Early Care and Learning COVID-19 - Child Care and Development Block Grant	93.575	2210GACCCS	<u>75,000.00</u>
Defense, U. S. Department of Direct Department of the Army R.O.T.C. Program	12. UNKNOWN		<u>168,789.93</u>
Total Expenditures of Federal Awards			<u>\$ 14,689,785.75</u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Bryan County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4: Elementary and Secondary School Emergency Relief Fund Activity

For the year ended June 30, 2023, the amount reflected on the Schedule for the Governor's Emergency Education Relief Fund (ALN 84.425C) includes \$199,108.00 of approved eligible expenditures that were incurred in a prior fiscal year.

BRYAN COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE REVENUE  
YEAR ENDED JUNE 30, 2023

SCHEDULE "9"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
<b>GRANTS</b>			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 1,623,146.12	\$ -	\$ 1,623,146.12
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,822,277.00	-	2,822,277.00
Kindergarten Program - Early Intervention Program	826,769.00	-	826,769.00
Primary Grades (1-3) Program	6,472,603.00	-	6,472,603.00
Primary Grades - Early Intervention (1-3) Program	1,551,811.00	-	1,551,811.00
Upper Elementary Grades (4-5) Program	3,115,514.00	-	3,115,514.00
Upper Elementary Grades - Early Intervention (4-5) Program	786,800.00	-	786,800.00
Middle School (6-8) Program	5,693,174.00	-	5,693,174.00
High School General Education (9-12) Program	5,848,528.00	-	5,848,528.00
Vocational Laboratory (9-12) Program	2,477,235.00	-	2,477,235.00
Students with Disabilities	9,628,258.00	-	9,628,258.00
Gifted Student - Category VI	6,938,563.00	-	6,938,563.00
Remedial Education Program	1,077,999.00	-	1,077,999.00
Alternative Education Program	470,530.00	-	470,530.00
English Speakers of Other Languages (ESOL)	334,453.00	-	334,453.00
Media Center Program	1,189,690.00	-	1,189,690.00
20 Days Additional Instruction	338,777.00	-	338,777.00
Staff and Professional Development	234,335.00	-	234,335.00
Principal Staff and Professional Development	3,033.00	-	3,033.00
Indirect Cost			
Central Administration	1,568,579.00	-	1,568,579.00
School Administration	2,151,575.00	-	2,151,575.00
Facility Maintenance and Operations	2,583,360.00	-	2,583,360.00
One-Time QBE Adjustment for Health Insurance	2,134,740.00	-	2,134,740.00
Categorical Grants			
Pupil Transportation			
Regular	553,881.00	-	553,881.00
Bus Replacement	440,550.00	-	440,550.00
Nursing Services	216,102.00	-	216,102.00
Military Counselors	47,065.00	-	47,065.00
Education Equalization Funding Grant	6,945,730.00	-	6,945,730.00
Other State Programs			
Computer Science Capacity Grant (CS4GA) Grant	5,000.00	-	5,000.00
Food Services	252,182.00	-	252,182.00
Hygiene Products	8,636.00	-	8,636.00
Math and Science Supplements	83,973.70	-	83,973.70
Preschool Disability Services	136,601.00	-	136,601.00
Vocational Education	58,003.00	-	58,003.00
Vocational Supervisors	28,667.00	-	28,667.00
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	1,264,934.00	1,264,934.00
Office of the State Treasurer			
Public School Employees Retirement	177,811.00	-	177,811.00
	<u>\$ 68,825,950.82</u>	<u>\$ 1,264,934.00</u>	<u>\$ 70,090,884.82</u>

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BRYAN COUNTY BOARD OF EDUCATION  
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
YEAR ENDED JUNE 30, 2023

SCHEDULE "10"

<b>PROJECT</b>	<b>ORIGINAL ESTIMATED COST (1)</b>	<b>CURRENT ESTIMATED COSTS (2)</b>	<b>ESTIMATED COMPLETION DATE</b>
<b>SPLOST V</b>			
(1) Acquiring, constructing, and equipping a new Richmond Hill High School, including athletic fields and facilities, acquiring, constructing, and equipping a new middle school and a new elementary school which may include renovations and repurposing of existing facilities;	\$ 15,000,000.00	\$ 10,000,000.00	January 2025
(2) Adding to, remodeling, renovating, improving, and equipping existing educational buildings, athletic facilities properties, and facilities and acquiring property, both real and personal, and equipment necessary therefore;	5,200,000.00	13,079,853.00	June 2025
(3) Instructional and administrative technology improvements, safety and security upgrades, acquiring or purchasing school buses, textbooks including e-books; and	5,000,000.00	3,145,881.50	June 2025
(4) Funding the payment of a portion of the principal and interest on capital outlay projects financed by general obligation bonds.	<u>7,300,000.00</u>	<u>15,499,410.19</u>	June 2025
Subtotal SPLOST V Projects	<u>32,500,000.00</u>	<u>41,725,144.69</u>	
<b>SPLOST VI</b>			
(1) Acquiring, constructing, and equipping new operation centers for North Bryan County and South Bryan County;	12,000,000.00	12,000,000.00	November 2027
(2) Renovations and improvements to George Washington Carver Elementary;	6,700,000.00	7,216,850.00	November 2027
(3) Acquiring, constructing, and equipping athletic improvements at Bryan County Middle and Bryan County High;	5,000,000.00	5,000,000.00	November 2027
(4) Adding to, remodeling, renovating, improving, and equipping existing educational buildings, athletic facilities, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefore; instructional and administrative technology improvements; and safety and security upgrades; and	20,300,000.00	20,300,000.00	November 2027
(5) Funding the payment of principal and interest on capital outlay projects financed by general obligation bonds.	<u>16,000,000.00</u>	<u>16,000,000.00</u>	November 2027
Subtotal SPLOST VI Projects	<u>60,000,000.00</u>	<u>60,516,850.00</u>	
<b>Total</b>	<u>\$ 92,500,000.00</u>	<u>\$ 102,241,994.69</u>	

BRYAN COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2023

SCHEDULE "10"

<b>PROJECT</b>	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
<b>SPLOST V</b>				
(1) Acquiring, constructing, and equipping a new Richmond Hill High School, including athletic fields and facilities, acquiring, constructing, and equipping a new middle school and a new elementary school which may include renovations and repurposing of existing facilities;	\$ -	\$ -	\$ -	\$ -
(2) Adding to, remodeling, renovating, improving, and equipping existing educational buildings, athletic facilities properties, and facilities and acquiring property, both real and personal, and equipment necessary therefore;	1,642,206.55	2,853,112.94	-	-
(3) Instructional and administrative technology improvements, safety and security upgrades, acquiring or purchasing school buses, textbooks including e-books; and	1,290,625.12	3,124,910.50	-	-
(4) Funding the payment of a portion of the principal and interest on capital outlay projects financed by general obligation bonds.	<u>3,681,000.00</u>	<u>4,049,493.13</u>	-	-
Subtotal SPLOST V Projects	<u>6,613,831.67</u>	<u>10,027,516.57</u>	<u>-</u>	<u>-</u>
<b>SPLOST VI</b>				
(1) Acquiring, constructing, and equipping new operation centers for North Bryan County and South Bryan County;	-	-	-	-
(2) Renovations and improvements to George Washington Carver Elementary;	7,216,845.77	-	-	-
(3) Acquiring, constructing, and equipping athletic improvements at Bryan County Middle and Bryan County High;	4,688,847.19	-	-	-
(4) Adding to, remodeling, renovating, improving, and equipping existing educational buildings, athletic facilities, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefore; instructional and administrative technology improvements; and safety and security upgrades; and	3,643,587.80	-	-	-
(5) Funding the payment of principal and interest on capital outlay projects financed by general obligation bonds.	<u>492,819.44</u>	-	-	-
Subtotal SPLOST VI Projects	<u>16,042,100.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 22,655,931.87</u>	<u>\$ 10,027,516.57</u>	<u>\$ -</u>	<u>\$ -</u>

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax and includes only the budget funded with sales tax proceeds.
- (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 Bryan County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for SPLOST V projects only include sales tax proceeds.
- (4) The voters of Bryan County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for SPLOST VI projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.



## **Section II**

### **Compliance and Internal Control Reports**



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

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Paul Brooksher, Superintendent and Members of the  
Bryan County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Bryan County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated July 26, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

### Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

July 26, 2024



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

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Paul Brooksher, Superintendent and Members of the  
Bryan County Board of Education

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Bryan County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control over Compliance**

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive, flowing style.

Greg S. Griffin  
State Auditor

July 26, 2024

### **Section III**

#### **Auditee's Response to Prior Year Findings and Questioned Costs**

**BRYAN COUNTY BOARD OF EDUCATION  
AUDITEE'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**FS 2022-001**

**Internal Controls over Financial Reporting**

**Finding Status:**

Previously Reported Corrective Action Implemented

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2022-001**

**Strengthen Controls over Expenditures**

**Federal Awarding Agency:**

U.S. Department of Education

**Pass-Through Entity:**

Georgia Department of Education

**Finding Status:**

Previously Reported Corrective Action Implemented



## **Section IV**

### **Findings and Questioned Costs**

**BRYAN COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

**I SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported

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

All major programs	Unmodified
--------------------	------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
--	----

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000.00
--	--------------

Auditee qualified as low-risk auditee?	No
--	----

**II FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

Appendix B

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

The form of Legal Opinion included in this Appendix B has been prepared by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Bonds.

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**GRAY PANNELL & WOODWARD**  
*Attorneys at Law* LLP

323 East Congress Street  
Savannah, Georgia 31401  
(912) 443-4040

336 Hill Street  
Athens, Georgia 30601  
(706) 510-1550

gpwlawfirm.com

[Date of Closing]

Bryan County School District  
Black Creek, Georgia

Re: \$6,300,000\* BRYAN COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION  
SALES TAX BONDS, SERIES 2024

To the Addressee:

We have acted as bond counsel in connection with the issuance by the Bryan County School District (the "School District") of \$6,300,000\* in aggregate principal amount of BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024 (the "Bonds"), dated as of the date of issuance and delivery thereof. In this capacity we have examined (i) the Constitution and general laws of the State of Georgia; (ii) certified copies of proceedings of the Board of Education of Bryan County (the "Board of Education"), acting for and on behalf of the School District, which School District comprises all of Bryan County, Georgia, including a resolution adopted by the Board of Education on July 22, 2021, calling an educational sales and use tax election held in Bryan County on November 2, 2021 (the "Election"); (iii) a certified copy of a bond resolution adopted by the Board of Education on \_\_\_\_\_, 2024 (the "Resolution"); (iv) a certified copy of the proceedings in and the judgment of the Superior Court of Bryan County, Georgia, by which the Bonds were validated; and (v) other proofs authorizing and relating to the issuance of the Bonds, including a copy of the consolidated returns of the Election.

As to questions of fact material to our opinion, we have relied upon representations of the Board of Education contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

The Bonds are subject to transfer and exchange in the manner and on the terms specified in the Resolution. The Bonds are being issued pursuant to a book-entry system in fully registered form. The principal of the Bonds matures on August 1 in the years and amounts set forth in the Resolution. Interest on each Bond is payable on February 1 and August 1 in each year, beginning on August 1, 2025, in the manner and at the rate of interest stated in each Bond and the Resolution until the obligation with respect to the payment of the principal of such Bond shall be discharged. The Bonds are not subject to redemption prior to maturity, as set forth in the Resolution.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the School District, the initial purchasers of the Bonds, or any other party with any statute, regulation or ruling of the State of Georgia or the United States of America regarding the sale (other than the initial sale by the School District) or distribution of the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such

requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance thereof. Pursuant to the Resolution, the Board of Education has covenanted to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In reliance upon and subject to the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and issued by the Board of Education, as the controlling and managing body acting for and on behalf of the School District, with the assent of a majority of the qualified voters of the School District voting in the Election held for that purpose and in accordance with the Constitution and laws of the State of Georgia.

2. The payment of the Bonds is validly secured by a one percent sales and use tax for educational purposes which began being collected within Bryan County on October 1, 2022, for a period of time not to exceed twenty calendar quarters. The principal of and interest on the Bonds are payable from a separate account in which are to be placed the proceeds received by the School District from such sales and use tax. The obligation to pay the principal of and interest on the Bonds, however, is a general obligation debt of the School District, and constitutes a pledge of the full faith and credit of the School District. Any liability on such debt which is not satisfied from the proceeds of the sales and use tax for educational purposes shall be satisfied from the general fund of the School District or from a direct annual *ad valorem* tax to be levied for such purpose.

3. All property subject to taxation for general obligation school bond purposes in the School District is subject to the levy of an *ad valorem* tax unlimited as to rate or amount for the purpose of paying the principal of and interest on the Bonds. Pursuant to the recommendation of the Board of Education, the Board of Commissioners of Bryan County, as authorized and required by law, has provided for the levy on all of said property such *ad valorem* taxes as will produce funds sufficient in amount to pay the principal of and interest on the Bonds as the same become due and payable to the extent that proceeds of the Educational Sales Tax are insufficient to pay the same.

4. The Bonds have been duly confirmed and validated by judgment of the Superior Court of Bryan County entered on March 10, 2022, and no valid appeal may be taken from said judgment of validation.

5. The Board of Education has irrevocably authorized and directed the State of Georgia Board of Education to withhold from time to time, as necessary, State of Georgia appropriated funds to which the School District is entitled, and to transfer to the Debt Service Account Custodian (as defined in the Resolution), from such withheld funds, the amount necessary to pay the principal of and interest on the Bonds.

6. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Bonds is exempt from present State of Georgia income taxation.

7. The School District has designated the Bonds as “qualified tax-exempt obligations” pursuant to § 265(b)(3) of the Code. The School District has certified that the reasonably anticipated amount of qualified tax exempt obligations which the School District, together with any entity

Bryan County School District

[Date of Closing]

Page 3

subordinate to the School District and all entities which issue obligations on behalf of the School District, will issue during the calendar year in which the Bonds are issued and delivered will not exceed \$10,000,000 in aggregate principal amount.

Although we have rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, a bondholder's federal tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend upon the bondholder's other items of income or deduction. We express no opinion regarding any such other tax consequences.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours very truly,

GRAY PANNELL & WOODWARD LLP

By: \_\_\_\_\_  
A Partner

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Appendix C

FORM OF THE DISCLOSURE DISSEMINATION AGENT AGREEMENT

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## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “**Disclosure Agreement**”), dated as of \_\_\_\_\_, 2024, is executed and delivered by the BOARD OF EDUCATION OF BRYAN COUNTY (the “**Board of Education**”), the managing and controlling body of the BRYAN COUNTY SCHOOL DISTRICT (GEORGIA) (the “**Issuer**”), and DIGITAL ASSURANCE CERTIFICATION, L.L.C., as exclusive Disclosure Dissemination Agent (the “**Disclosure Dissemination Agent**” or “**DAC**”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined), and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “**Rule**”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Act**”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

### **SECTION 1. Definitions.**

Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“**Annual Filing Date**” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“**Annual Financial Information**” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“**Annual Report**” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“**Audited Financial Statements**” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“**Bonds**” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“**Certification**” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany

each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

**“Disclosure Dissemination Agent”** means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

**“Disclosure Representative”** means the Assistant Superintendent of Finance or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

**“Failure to File Event”** means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

**“Force Majeure Event”** means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction, or error of any telecommunications, computer, or other electrical, mechanical, or technological application, service, or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem, or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory, or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

**“Holder”** means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

**“Information”** means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures, and the Voluntary Financial Disclosures.

**“MSRB”** means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

**“Notice Event”** means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

**“Obligated Person”** means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

**“Official Statement”** means that Official Statement prepared by the Issuer in connection with the BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the documents under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## **SECTION 2. Provision of Annual Reports.**

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, if any, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than nine months following the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the 15th day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two business days prior to the Annual Filing Date or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. “principal and interest payment delinquencies;”
2. “non-payment related defaults, if material;”
3. “unscheduled draws on debt service reserves reflecting financial difficulties;”
4. “unscheduled draws on credit enhancements reflecting financial difficulties;”
5. “substitution of credit or liquidity providers, or their failure to perform;”
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. “modifications to rights of securities holders, if material;”
8. “bond calls, if material, and tender offers;”
9. “defeasances;”
10. “release, substitution, or sale of property securing repayment of the securities, if material;”
11. “rating changes;”
12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. “appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

15. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and

16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service,” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “timing of annual disclosure (120/150 days);”
3. “change in fiscal year/timing of annual disclosure;”
4. “change in accounting standard;”
5. “interim/additional financial information/operating data;”
6. “budget;”
7. “investment/debt/financial policy;”
8. “information provided to rating agency, credit/liquidity provider or other third party;”
9. “consultant reports;” and
10. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a *Force Majeure* Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### **SECTION 3. Content of Annual Reports.**

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings:

1. “THE BONDS, -Security and Sources of Payment for the Bonds, *-Historical Educational Sales Tax Data*”;
2. “THE SCHOOL DISTRICT, -Employees, Employee Relations, and Labor Organizations; -Enrollment; and -Schools; 20\_\_-20\_\_ School Term”;
3. “DEBT STRUCTURE OF THE SCHOOL DISTRICT, -Debt Limitations”;



4. “SCHOOL DISTRICT AD VALOREM TAXATION, -M&O Tax Digest; -Ten Largest Taxpayers; -M&O Tax Levies and Collections; and -Millage Rates”; and

5. “SCHOOL DISTRICT FINANCIAL INFORMATION, -Governmental Immunity and Insurance Coverage.”

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with generally accepted (GAAP) or alternate accounting principles, as described in the Official Statement, will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

#### **SECTION 4. Reporting of Notice Events.**

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

#### **SECTION 5. CUSIP Numbers.**

The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

#### **SECTION 6. Additional Disclosure Obligations.**

The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

#### **SECTION 7. Voluntary Filing.**

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure, or Voluntary Financial Disclosure.

#### **SECTION 8. Termination of Reporting Obligation.**

The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

#### **SECTION 9. Disclosure Dissemination Agent.**

The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon 30 days written notice to the Disclosure Dissemination Agent and the Trustee (if any), replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

## **SECTION 10. Remedies in Event of Default.**

In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

## **SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.**

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may from time to time consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information, and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

## **SECTION 12. Amendment; Waiver.**

Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be

obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

**SECTION 13. Beneficiaries.**

This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee (if any) for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

**SECTION 14. Governing Law.**

This Disclosure Agreement shall be governed by the laws of the State of Georgia (other than with respect to conflicts of laws).

**SECTION 15. Counterparts.**

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

*(Signatures on Following Page)*

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRYAN COUNTY SCHOOL DISTRICT

By: \_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_  
Secretary

Exhibit A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Bryan County School District (Georgia)  
Obligated Person(s): Bryan County School District (Georgia)  
Name of Bond Issue: BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX  
BONDS, SERIES 2024  
Date of Issuance: \_\_\_\_\_, 2024  
Date of Official Statement: \_\_\_\_\_, 2024

CUSIP Number:

CUSIP Number:

CUSIP Number:

CUSIP Number:

CUSIP Number:



Exhibit B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Bryan County School District (Georgia)

Obligated Person(s): Bryan County School District (Georgia)

Name of Bond Issue: BRYAN COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2024

Date of Issuance: \_\_\_\_\_, 2024

Date of Official Statement: \_\_\_\_\_, 2024

CUSIP Number(s): \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_, 20\_\_.]

Dated: \_\_\_\_\_, 20\_\_

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as  
Disclosure Dissemination Agent,  
on behalf of the Issuer

By: \_\_\_\_\_

cc:

Exhibit C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Bryan County School District (Georgia)

Issuer's Six-Digit CUSIP Number: \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: \_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Event (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material; Tender Offers"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. \_\_\_\_\_ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. \_\_\_\_\_ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

\_\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300, Orlando, FL 32801  
(407) 515-1100

Date: \_\_\_\_\_, 20\_\_

Exhibit C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2024, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Bryan County School District (Georgia)

Issuer's Six-Digit CUSIP Number: \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: \_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300, Orlando, FL 32801  
(407) 515-1100

Date: \_\_\_\_\_, 20\_\_

Exhibit C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2024, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Bryan County School District (Georgia)

Issuer’s Six-Digit CUSIP Number: \_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: \_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ “quarterly/monthly financial information;”
2. \_\_\_\_\_ “timing of annual disclosure (120/150 days);”
3. \_\_\_\_\_ “change in fiscal year/timing of annual disclosure;”
4. \_\_\_\_\_ “change in accounting standard;”
5. \_\_\_\_\_ “interim/additional financial information/operating data;”
6. \_\_\_\_\_ “budget;”
7. \_\_\_\_\_ “investment/debt/financial policy;”
8. \_\_\_\_\_ “information provided to rating agency, credit/liquidity provider or other third party;”
9. \_\_\_\_\_ “consultant reports;” and
10. \_\_\_\_\_ “other financial/operating data.”

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300, Orlando, FL 32801  
(407) 515-1100

Date: \_\_\_\_\_, 20\_\_

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