BARROW COUNTY
BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2024



CPAs & ADVISORS

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

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 **Barrow County Board of Education** as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Barrow County Board of Education'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 Barrow County Board of Education as of June 30, 2024, 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 Barrow County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Barrow County Board of Education'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 Barrow County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balances – budget and actual General Fund, the schedule of proportionate share of net pension liability – TRS, the schedule of contributions – TRS, the schedule of proportionate share of net pension liability – PSERS, the schedule of proportionate share of net OPEB liability – school OPEB fund, and the schedule of contributions – school OPEB fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrow County Board of Education's basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024 on our consideration of the Barrow County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Barrow County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrow County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 20, 2024

INTRODUCTION

The Barrow County Board of Education's (School District's) financial statements for the fiscal year ended June 30, 2024 include a series of basic financial statements that report financial information for the School District as a whole, its funds, and its fiduciary responsibilities. The statement of net position and the statement of activities provide financial information about all of the School District's activities and present both a short-term and long-term view of the School District's finances on a global basis. The fund financial statements provide information about all of the School District's funds. Information about these funds, such as the School District's General Fund, is important in its own right, but will also give insight into the School District's overall soundness as reported in the statement of net position and the statement of activities.

FINANCIAL HIGHLIGHTS

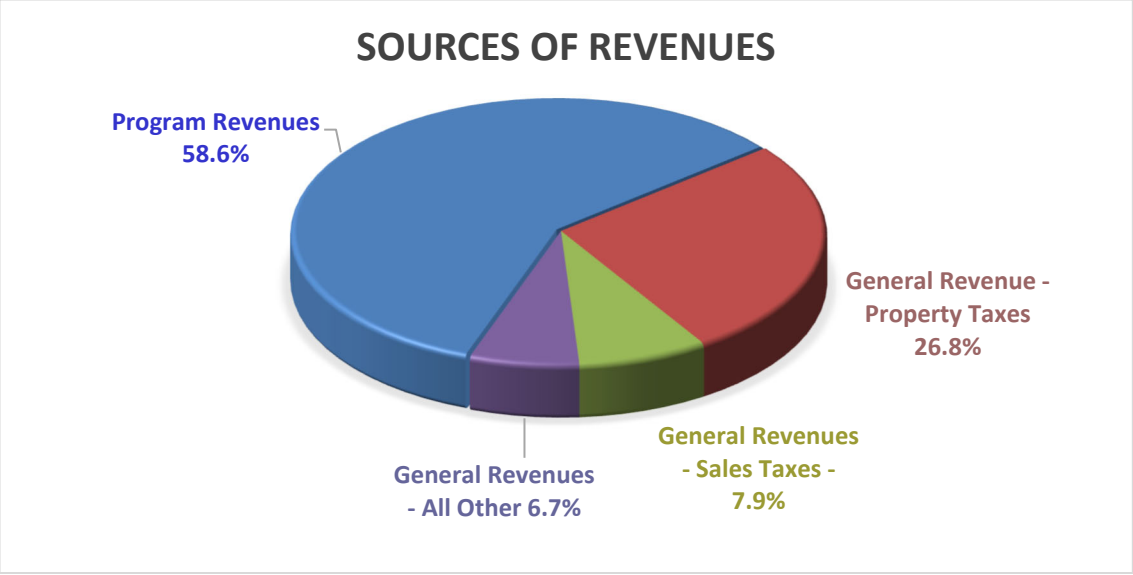
Key financial highlights for fiscal year 2024 are as follows:

On the government-wide financial statements:

- Net position increased $20.2 million, which was due to increased state and federal funding and sales tax revenues, along with growth in the property tax digest for Barrow County.

- The School District had $246.3 million in expenses relating to governmental activities; $156.2 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $110.2 million were adequate to provide for these programs.

- As stated above, general revenues accounted for $110.2 million or nearly 41.4% of all revenues totaling over $266.5 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues. (Percentages in the table below have been rounded to one decimal place.)

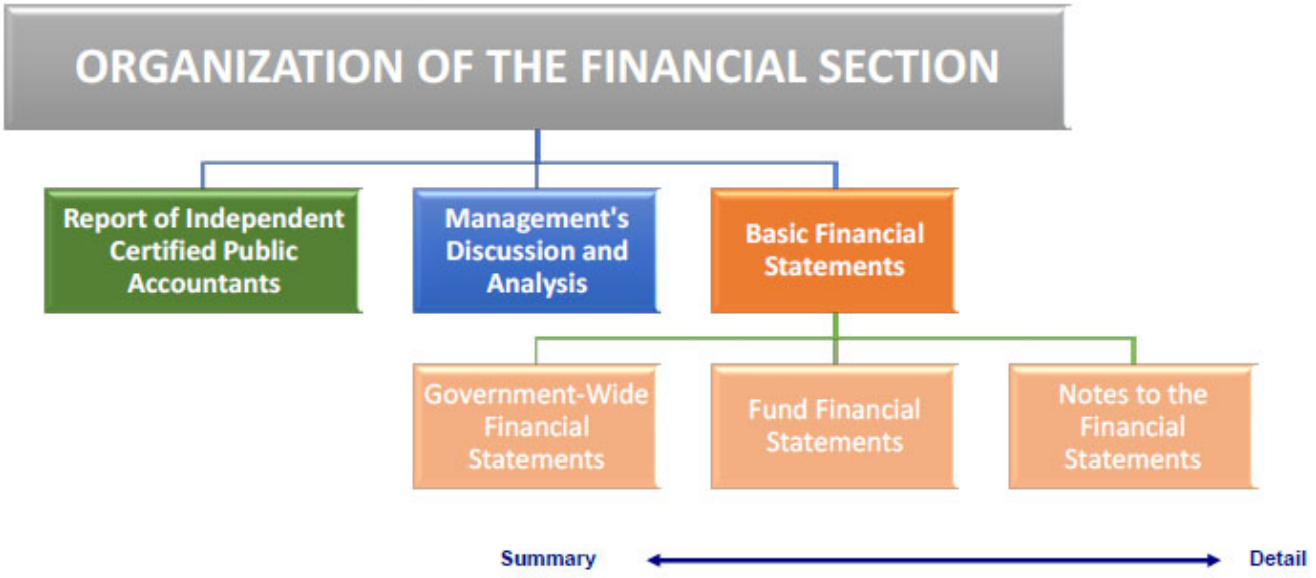


- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short-term liabilities, was 5.80 for the fiscal year ended June 30, 2024. Generally, a ratio greater than 2.0 is considered very financially stable.

On the fund financial statements:

- Among major funds, the General Fund had $234.2 million in revenues and nearly $222.3 million in expenditures. The General Fund balance of roughly $97.2 million at June 30, 2024 increased by approximately $12.0 million from the prior year. This increase in General Fund balance resulted primarily because of increased revenues from property taxes, investment earnings and federal and state funds.

- Capital projects fund ended the year with a fund balance of $30.0 million, a decrease of nearly $13.4 million from the previous year primarily due to construction of approved projects and using proceeds from the bond funding that was received in fiscal year 2023. In July 2024, we opened an addition to Barrow Arts and Science Academy.



OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consists of three parts: management's discussion and analysis (this section), the basic financial statements including notes to the financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

The government-wide financial statements include the statement of net position and statement of activities. These statements provide information about the activities of the School District presenting both short-term and long-term information about the School District's overall financial status.

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. In the case of the Barrow County School District, the General Fund, capital projects fund, and debt service fund are all considered to be major funds. The School District has no funds reported as nonmajor funds as defined by generally accepted accounting principles.

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

Government-Wide Statements

Since Barrow County School District has no operations that have been classified as "business-type activities", the government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question, are we in a better financial position now than we were last year? The statement of net position and the statement of activities provides the basis for answering this question. These financial statements include all School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and uses the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

When analyzing government-wide financial statements, it is important to remember these statements are prepared using an economic resources measurement focus (accrual accounting) and involve the following steps to format the statement of net position:

- Capitalize current outlays for capital assets.
- Depreciate capital assets.
- Report long-term debt, including pension and other postemployment benefit obligations, as a liability.
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting.
- Allocate net position as follows:
    - *Net Investment in capital assets.*
    - *Restricted net position* is amounts with constraints placed on the use by external sources such as creditors, grantors, contributors or laws and regulations.
    - *Unrestricted for no specific use.*

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the School District's significant or major funds. As discussed previously, the School District has no nonmajor funds.

The School District has the following fund type:

Governmental Funds – All of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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 be readily 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 differences between government activities (reported in the statement of net position and the statement of activities) and governmental funds are reconciled in the financial statements.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information and schedules.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position, which is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, is one indicator of the financial condition of the School District. When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between revenues and expenses can be thought of as the School District's operating results. The School District's net position, as measured in the statement of net position is one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position, as measured in the statement of activities, are one indicator of whether its financial health is improving or deteriorating. However, the School District's goal and mission is to provide success for each child's education, not to generate profits as private corporations do. For this reason, many other nonfinancial factors should be considered in assessing the overall health of the School District.

In the case of the Barrow County School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by nearly $78.7 million at June 30, 2024. To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $78.7 million of net position, approximately $47.0 million was restricted for continuation of various state and federal programs, debt service and ongoing capital projects. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District had $169.6 million (net of related debt) invested in capital assets (e.g., land, buildings, and equipment). The School District uses these capital assets to provide educational services to students within geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is not available for future spending.

Because of the restrictions on net position as discussed above and because of implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions,* implemented in fiscal year 2015, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, implemented in fiscal year 2018, the School District had a deficit of $137.9 million in unrestricted net position at June 30, 2024. However, the School District's overall net position can also be viewed in the following manner:

Net Position June 30, 2024	$ 78,748,365
Pension and postemployment benefits related net position	$227,274,094
Net position (excluding pension and postemployment benefits), June 30, 2024	$306,022,459

The above analysis reflects, removal of pension and postemployment benefits obligations (which are managed in state run, stable fund), the School District's net position is a positive over $306.0 million and management believes the School District's financial position is sound.

Table 1 on the following page provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
Assets		
Current and other assets	$ 166,048,463	$ 166,328,858
Capital assets, net	316,438,884	287,036,603
Total assets	482,487,347	453,365,461
Deferred outflow of resources	99,130,281	137,327,906
Total assets and deferred outflow of resources	$ 581,617,628	$ 590,693,367
Liabilities		
Current and other liabilities	$ 35,955,556	$ 32,695,294
Long-term liabilities	422,499,596	448,172,689
Total liabilities	$ 458,455,152	$ 480,867,983
Deferred inflows of resources	$ 44,414,111	$ 51,242,760
Total liabilities and deferred inflows of resources	502,869,263	532,110,743
Net position		
Invested capital assets, net of debt	169,636,174	178,213,053
Restricted	46,981,637	18,755,048
Unrestricted	(137,869,446)	(138,385,477)
Total net position	$ 78,748,365	$ 58,582,624

Total net position increased $20.2 million in fiscal year 2024 from the prior year. In connection with GASB No. 68, *Accounting Standards for Pensions*, and GASB No. 75, A*ccounting for Other Postemployment Benefits*, management presents the following additional information.

Total unrestricted net position (deficit)	$ (137,869,446)
Less unrestricted deficit in net position resulting from recognition of net pension obligations and other post-employment benefits	227,274,094
Unrestricted net position, exclusive of the net pension liability effect	$ 89,404,648

Table 2 provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
Revenues		
Program revenues		
Charges for services	$ 1,767,080	$ 1,400,973
Operating grants and contributions	149,048,867	128,824,318
Capital grants and contributions	5,427,658	1,395,549
Total program revenues	156,243,605	131,620,840
General revenues		
Property taxes	71,430,910	65,334,849
Sales taxes	21,069,075	20,260,495
Gain on sale of capital assets	130,225	
Grants and contributions not restricted to specific programs		-
Investment earnings	6,516,112	2,527,894
Miscellaneous	11,096,260	8,096,701
Total general revenues	110,242,582	96,219,939
Total revenues	266,486,187	227,840,779
Program expenses		
Instruction	151,315,412	126,537,274
Support services		
Pupil services	9,692,212	8,459,146
Improvement of instructional services	11,337,812	10,182,759
Educational media services	3,319,130	2,774,590
General administration	3,597,452	2,606,310
School administration	12,466,228	10,597,674
Business administration	2,144,285	2,355,061
Maintenance and operation of plant	16,080,728	13,366,191
Student transportation services	12,796,168	13,614,446
Central support services	1,562,850	1,304,890
Other support services	1,301,216	589,925
Operations of non-instructional services		
Enterprise operations	4,417,738	4,308,096
Food services	12,268,249	10,256,407
Interest on short- and long-term debt	4,020,966	2,346,211
Total expenses	246,320,446	209,298,980
Increase in net position	$ 20,165,741	$ 18,540,800

The statement of activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity as compared to the prior fiscal year.

Instruction comprises 61.4% of governmental program expenses. Support services expenses make up 30.2% of the expenses. Expenses increased approximately $37 million from the prior year, while the net costs of providing services increased about $12.4 million.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023
Instruction	$ 151,315,412	$ 126,537,274	$ 24,480,190	$ 18,571,790
Support services				
Pupil services	9,692,212	8,459,146	7,318,791	6,535,930
Improvement of instructional services	11,337,812	10,182,758	6,558,430	5,791,250
Educational media services	3,319,130	2,774,590	939,705	677,957
General administration	3,597,452	2,606,310	773,998	39,873
School administration	12,466,228	10,598,674	7,704,384	6,511,112
Business administration	2,144,285	2,355,061	2,113,876	2,351,940
Maintenance and operation of plant	16,080,728	13,366,191	9,405,729	8,060,611
Student transportation services	12,796,168	13,614,446	9,826,702	11,853,386
Central support services	1,562,850	1,304,890	1,498,504	1,304,349
Other support services	1,301,216	589,925	760,856	98,903
Operations of non-instructional services				
Enterprise operations	4,417,738	4,308,096	4,359,996	4,291,053
Food services	12,268,249	10,256,407	10,314,714	9,244,774
Interest on short- and long-term debt	4,020,966	2,346,211	4,020,966	2,346,211
Total expenses	$ 246,320,446	$ 209,299,979	$ 90,076,841	$ 77,679,139

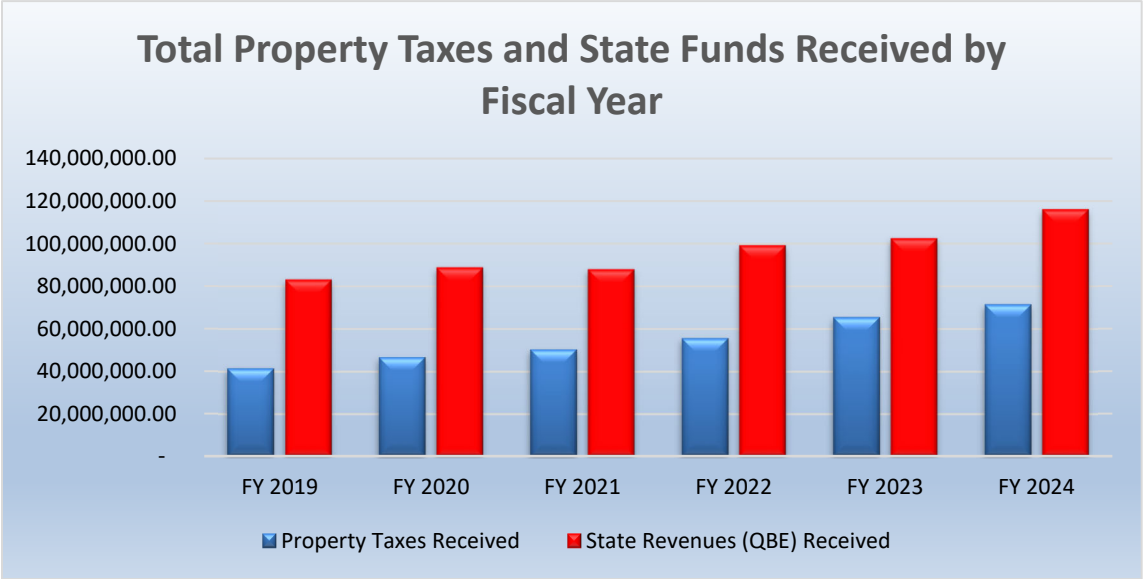
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on page 19 of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $266.7 million and total expenditures of over $270.0 million in fiscal year 2024. Total governmental fund balances of $137.9 million at June 30, 2024, decreased nearly $2.5 million from the prior year. This decrease in fund balance resulted from the combination of net increases of the General Fund ($12.0 million), a decrease in the capital projects fund ($13.4 million) and a decrease in the debt service fund ($1.1 million).

The General Fund balance improved due to a 9.3% increase in property taxes received as compared to prior year, a 3.9% increase in sales tax received, a 14.9% increase (excluding GSFIC reimbursements) in state revenues, a 19.5% increase in federal funds and increased expenditures of $22.5 million. The increases were attributable to the State raising the teacher salary schedule by $2,000, in addition the Barrow County

School System also increased the local teacher supplement and extended the salary tables to 30 years of service up from 22 years. In addition, BCSS increased noncertified staff salaries by 3%. The school system spent $36.9 million in capital projects fund primarily on the new elementary school opening in fiscal year 2024, BASA II which opened in July 2024, the Performing Arts Facility which will be a second addition to BASA, multiple renovations to existing buildings and transportation and technology needs.

Shown here is an illustration of property tax and education state funds (QBE) received in the past six years:



General Fund Budget Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2024, the School District amended its General Fund budget as needed.

The School District budget is adopted at the aggregate level and maintained at the program, function, object, and site levels to facilitate budgetary control. The budgeting systems are designed to control the total budget but provide flexibility to meet the ongoing programmatic needs. The budgeting systems are also designed to control total site budgets but provide flexibility for site management as well.

For the General Fund, the final actual revenues of $234.2 million exceeded the final budgeted revenues of $221.0 million by $13,140,016. The variance was primarily due to property taxes, TAVT, Interest Income and state grants coming in higher than projected. Federal funds, mainly Elementary and Secondary School Emergency Relief (ESSER) funds came in as projected.

The General Fund's final budgeted expenditures of $228.9 million exceeded actual expenditures of almost $222.3 million by roughly $6.7 million due to salaries and health insurance coming in lower than projected, lower maintenance cost, conservative management of funds, and a desire to keep fund balance at a level to prepare for increases in the state health insurance plan, a decrease in property taxes from a new age based tax exemption and upcoming economic downturns.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2024, the School District had $316.4 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including: buildings, land, land improvements, food service, transportation and maintenance equipment. Table 4 below reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets at June 30 (Net of Depreciation)
Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023
Land	$ 7,155,945	$ 7,246,668
Construction in progress	44,581,415	56,310,374
Land improvements	3,663,246	2,138,452
Buildings and improvements	249,906,901	214,767,773
Equipment	7,576,766	6,573,336
Right to use SBITA asset	3,554,611	
Total	$ 316,438,884	$ 287,036,603

The overall capital assets increased in fiscal year 2024 by net $29.4 million. Depreciation expenses reduced the total capital assets by a net of $8.1 million. The School District continued work on BASA II and the Performing Arts Center, both extensions of Barrow Arts and Science Academy, and other renovation projects, purchased buses and facility improvements all adding to the total capital assets balance. The school system also finished Legacy Park playground which was completely funded by the Barrow Community Foundation. Additional information about the School District's capital assets can be found in the Notes to the Basic Financial Statements.

Long-Term Debt

At June 30, 2024, the School District had $429.8 million in total debt outstanding which consisted of $134.3 million in bond debt, $237.1 thousand in financed purchases, $563.2 thousand in compensated absences debt, and $12.3 million in unamortized bond premiums. Net pension and other postemployment benefits liabilities totaled $282.4 million. Principal payments throughout the year decreased existing debt. Table 5 on the following page summarizes the School District's debt as compared to the prior fiscal year.

Table 5
Debt at June 30
Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023
Bonds payable	$ 134,315,000	$ 140,835,000
Financed purchases	237,075	441,043
Compensated absences	563,238	578,491
Net pension liability	189,227,407	217,704,503
Net OPEB liability	93,171,696	82,404,377
Unamortized bond premiums	12,308,399	13,471,240
Total	$ 429,822,815	$ 455,434,654

Additional information about the School District's debt can be found in the Notes to the Basic Financial Statements.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- The School District has continued to grow with an average increase of over 286 students per year over the last five years. In school year 2025, the School District had an increase of 82 students, however, due to the crisis at Apalachee High School, some students were not able to return to school by the count day so we believe we will have further growth this year. The School District will continue renovation on two schools in the summer of 2024 and open the Performing Arts Center. In the next five years, tentative plans are to open either a new middle school or new elementary school depending on what the growth shows as a need in fall of 2026. The School District plans to fund the additional capital outlays with the one percent local sales tax revenue, general obligation bonds, and state capital outlay grants.

- The School District's operating millage for fiscal year 2025 was 15.5, which produced approximately $4.5 million in tax revenue per mill. The gross tax digest has grown at 83% over the last five years, which has helped to increase our fund balances to a comfortable level. The General Fund had an unassigned fund balance of $71.7 million on June 30, 2024, which is an increase of about $0.2 million from the prior year. This increase in General Fund balance was primarily attributable to these increased revenues and a decrease in budgeted spending. The School District will attempt to maintain adequate balances to shield the School District from the adverse effect of economic fluctuations, future healthcare expenditures and the effect of the new age based tax exemption that will go into effect in fiscal year 2025.

- In fiscal year 2025, the governor increased the state teacher salary scale by $2,000 across the board. The district also gave a 4.1% increase to our classified staff. The cost of the employer portion of TRS pension increased to 20.78% of employee salary. Health insurance premiums for certified will increase 11.4% and noncertified insurance will increase 30% and continue to increase for the next few years. Salary and benefits are projected to cost the school systems' General Fund $195.4 million or 88% of the General Fund budget. The School District plans to add numerous teaching positions due to growth and add additional support positions for our teachers.

- Property taxes should increase due to reassessments, new residential housing projects and a rise in commercial construction. There will be some offset with the new aged based tax exemption being implemented in FY 2026. Sales taxes should increase due to growth and additional businesses opening, but the district remains conservative in the financial outlook due to a recession threatening our economy.

- The School District leadership is constantly prioritizing where to invest funds to best align to the School District's strategic plan. The School District has converted to the Fund 150 allotment system, maximizing financial flexibility and ensuring resources are provided to children. The School District has earned an Aa2 bond rating, which is a higher than normal rating in the state of Georgia. The School District is committed to a conservative budget approach and presents annual budgets to the public that are balanced.

In light of these challenges and opportunities, the School District will continue to be a good steward providing a quality educational opportunity to all Barrow County students.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ms. Jennifer Houston, CPA, Assistant Superintendent for Business Services, Barrow County Board of Education, 179 West Athens Street, Winder, Georgia, 30680. You may also email your questions to Ms. Houston at Jennifer.Houston@barrow.k12.ga.us.

BASIC FINANCIAL STATEMENTS

BARROW COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 140,773,235
Investments	57,493
Receivables:	
Taxes, net of allowances	3,025,754
Intergovernmental:	
Local	696,609
State	16,922,421
Federal	3,525,794
Other	821,480
Prepaid items	69,473
Inventory	156,204
Capital assets (nondepreciable)	51,737,360
Capital assets (depreciable, net of accumulated depreciation)	264,701,524
Total assets	482,487,347
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	69,661,997
OPEB related items	29,468,284
Total deferred outflows of resources	99,130,281
LIABILITIES	
Accounts payable	704,504
Salaries and benefits payable	20,049,204
Contracts payable	3,469,312
Retainage payable	2,130,120
Unearned revenue	113,786
Accrued interest payable	2,165,411
Financed purchases due within one year	129,407
Financed purchases due in more than one year	107,668
Bonds payable due within one year	6,670,000
Bonds payable due in more than one year	139,953,399
Compensated absences due within one year	523,812
Compensated absences due in more than one year	39,426
Net pension liability due in more than one year	189,227,407
Net OPEB liability due in more than one year	93,171,696
Total liabilities	458,455,152
DEFERRED INFLOWS OF RESOURCES	
Deferred charges on refunding	408,839
Pension related items	5,379,858
Other postemployment benefits related items	38,625,414
Total deferred inflows of resources	44,414,111
NET POSITION	
Net investment in capital assets	169,636,174
Restricted for:	
Capital projects	29,561,069
Debt service	10,722,930
Federal programs	6,697,638
Unrestricted	(137,869,446)
Total net position	$ 78,748,365

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

BARROW COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 151,315,412	$ 315,671	$ 122,725,901	$ 3,793,650	$ (24,480,190)
Support services:					
Pupil services	9,692,212	-	2,332,366	41,055	(7,318,791)
Improvement of instructional services	11,337,812	-	4,681,057	98,325	(6,558,430)
Educational media services	3,319,130	-	2,379,425	-	(939,705)
General administration	3,597,452	-	2,802,356	21,098	(773,998)
School administration	12,466,228	-	4,761,844	-	(7,704,384)
Business administration	2,144,285	-	9,958	20,451	(2,113,876)
Maintenance and operation of facilities	16,080,728	41,464	6,076,685	556,850	(9,405,729)
Student transportation services	12,796,168	-	2,306,861	662,605	(9,826,702)
Central support services	1,562,850	-	63,040	1,306	(1,498,504)
Other support services	1,301,216	-	540,360	-	(760,856)
Operations of noninstructional services:					
Food services operation	12,268,249	1,409,945	369,014	174,576	(10,314,714)
Enterprise operations	4,417,738	-	-	57,742	(4,359,996)
Interest on long-term debt	4,020,966	-	-	-	(4,020,966)
Total governmental activities	$ 246,320,446	$ 1,767,080	$ 149,048,867	$ 5,427,658	(90,076,841)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	71,430,910
Sales taxes	21,069,075
Gain on sale of capital assets	130,225
Miscellaneous revenues	11,096,260
Unrestricted investment earnings	6,516,112
Total general revenues	110,242,582
Change in net position	20,165,741
Net position, beginning of year	58,582,624
Net position, end of year	$ 78,748,365

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

BARROW COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 96,935,625	$ 33,154,926	$ 10,682,684	$ 140,773,235
Investments	57,493	-	-	57,493
Receivables:				
Taxes, net of allowances	3,025,754	-	-	3,025,754
Intergovernmental:				
Local	14,098	682,511	-	696,609
State	15,129,231	1,793,190	-	16,922,421
Federal	3,525,794	-	-	3,525,794
Other	693,658	87,576	40,246	821,480
Due from other funds	-	1,654	-	1,654
Prepaid items	69,473	-	-	69,473
Inventory	156,204	-	-	156,204
Total assets	$ 119,607,330	$ 35,719,857	$ 10,722,930	$ 166,050,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 611,751	$ 92,753	$ -	$ 704,504
Contracts payable	-	3,469,312	-	3,469,312
Retainage payable	-	2,130,120	-	2,130,120
Salaries and benefits payable	20,049,204	-	-	20,049,204
Unearned revenue	113,786	-	-	113,786
Due to other funds	1,654	-	-	1,654
Total liabilities	20,776,395	5,692,185	-	26,468,580
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,659,304	-	-	1,659,304
Total deferred inflows of resources	1,659,304	-	-	1,659,304
FUND BALANCES				
Nonspendable:				
Prepaid items	69,473	-	-	69,473
Inventory	156,204	-	-	156,204
Restricted for:				
Capital projects	-	30,027,672	-	30,027,672
Debt service	-	-	10,722,930	10,722,930
Federal programs	6,541,434	-	-	6,541,434
Assigned:				
2025 fiscal year appropriations of fund balance	15,700,441	-	-	15,700,441
School activities	3,053,495	-	-	3,053,495
Unassigned:				
General Fund	71,650,584	-	-	71,650,584
Total fund balances	97,171,631	30,027,672	10,722,930	137,922,233
Total liabilities, deferred inflows of resources and fund balances	$ 119,607,330	$ 35,719,857	$ 10,722,930	$ 166,050,117

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

BARROW COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Total fund balances - governmental funds		$ 137,922,233
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the funds.		
Cost	$ 419,537,091	
Less accumulated depreciation/amortization	(103,098,207)	316,438,884
Other long-term assets are not available to pay for current-period expenditures, and therefore, are unavailable in the funds.		
Property taxes		1,659,304
The net pension liability is not expected to be paid with current financial resources, and is therefore, not reported in governmental funds.		
Net pension liability	(189,227,407)	
Deferred outflows of resources	69,661,997	
Deferred inflows of resources	(5,379,858)	(124,945,268)
The net other postemployment benefits liability is not expected to be paid with current financial resources, and is therefore, not reported in governmental funds.		
Net other postemployment benefits liability	(93,171,696)	
Deferred outflows of resources	29,468,284	
Deferred inflows of resources	(38,625,414)	(102,328,826)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Bonds payable	(134,315,000)	
Premium, net of amortization	(12,308,399)	
Financed purchases	(237,075)	
Accrued interest	(2,165,411)	
Compensated absences	(563,238)	
Deferred charges on refunding	(408,839)	(149,997,962)
Net position of governmental activities		$ 78,748,365

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

BARROW COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	District - Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 71,483,120	$ -	$ -	$ 71,483,120
Sales taxes	-	21,069,075	-	21,069,075
State funds	123,587,439	5,427,658	-	129,015,097
Federal funds	25,777,477	-	-	25,777,477
Investment income	4,071,346	1,970,093	474,673	6,516,112
Charges for services	1,767,080	-	-	1,767,080
Miscellaneous	7,526,913	3,569,347	-	11,096,260
Total revenues	234,213,375	32,036,173	474,673	266,724,221
EXPENDITURES				
Current:				
Instruction	137,430,647	2,043,889	-	139,474,536
Support services:				
Pupil services	8,993,564	-	-	8,993,564
Improvement of instructional services	10,483,479	-	-	10,483,479
Educational media services	3,086,288	-	-	3,086,288
General administration	2,964,620	469,133	-	3,433,753
School administration	11,519,651	-	-	11,519,651
Business administration	2,028,672	-	-	2,028,672
Maintenance and operation of facilities	15,022,463	151,722	-	15,174,185
Student transportation services	11,681,277	175,252	-	11,856,529
Central support services	1,451,142	-	-	1,451,142
Other support services	1,301,305	-	-	1,301,305
Food services operation	11,948,581	-	-	11,948,581
Enterprise operation	4,341,242	-	-	4,341,242
Capital outlay	-	33,820,317	-	33,820,317
Debt service:				
Principal retirement	3,680	200,288	6,520,000	6,723,968
Interest and fees	-	6,686	4,369,240	4,375,926
Total expenditures	222,256,611	36,867,287	10,889,240	270,013,138
Excess (deficiency) of revenues over expenditures	11,956,764	(4,831,114)	(10,414,567)	(3,288,917)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,274,984	9,274,984
Transfers out	-	(9,274,984)	-	(9,274,984)
Proceeds from sale of capital assets	19,411	751,275	-	770,686
Total other financing sources (uses)	19,411	(8,523,709)	9,274,984	770,686
Net change in fund balances	11,976,175	(13,354,823)	(1,139,583)	(2,518,231)
FUND BALANCES, beginning of year	85,195,456	43,382,495	11,862,513	140,440,464
FUND BALANCES, end of year	$ 97,171,631	$ 30,027,672	$ 10,722,930	$ 137,922,233

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

BARROW COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (2,518,231)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeded depreciation/amortization in the current period is as follows:		
Capital outlay	$ 38,097,521	
Depreciation/amortization expense	(8,054,779)	30,042,742
The net effect of miscellaneous transactions involving capital assets is as follows:		
Net book value of capital assets disposed		(640,461)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		(52,210)
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		(18,468,733)
In the governmental funds, current year expenditures related to other postemployment benefits are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to other postemployment benefits include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of other postemployment benefits and related items.		4,708,453
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the principal repayment of long-term debt.		
Payment of bonds	6,520,000	
Payment of financed purchases	203,968	6,723,968
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond premium	1,162,841	
Amortization of deferred charges on refunding	101,081	
Change in compensated absences	15,253	
Change in accrued interest	(908,962)	370,213
Change in net position of governmental activities		$ 20,165,741

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

NOTE 1 – DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Barrow County Board of Education (the "School District") was established under the laws of the State of Georgia and operates under the guidance of a school 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

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 of the Barrow County Board of Education.

***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 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.

In the statement of net position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes and unrestricted amounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***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:

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

- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), bond proceeds and grants from the 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.

- *Debt Service Fund* accounts for accumulated resources legally restricted for the payment of general long-term debt principal, interest and paying agent's fees.

Basis of Accounting/Measurement Focus

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Measurement Focus (Continued)

Property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments 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 and financed purchases are reported as other financing sources.

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

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

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 net position 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.

Cash and Cash Equivalents

COMPOSITION OF DEPOSITS

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 the MSILF Government Portfolio) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Georgia Law OCGA 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured Federal savings and loan associations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

COMPOSITION OF INVESTMENTS

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by other states,
(2) Obligations issued by the United States government,
(3) Obligations fully insured or guaranteed by the United States government or a United States government agency,
(4) Obligations of any corporation of the United States government,
(5) Prime banker's acceptances,
(6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,
(7) Repurchase agreements, and
(8) Obligations of other political subdivisions of the State of Georgia.

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 are reported net of an allowance for uncollectible receivables when necessary.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Barrow County Tax Commissioner levied the property tax for the 2023 tax digest year (calendar year) on September 15, 2023 (levy date). Taxes were due on November 15, 2023 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Barrow 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, 2024, for maintenance and operations amounted to $62,465,231. Allowances for uncollectible property taxes at June 30, 2024 for the School District's General Fund are $55,116.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. The Barrow County Board of Education is in compliance with this law. Tax millage rates levied for the 2023 tax year (calendar year) for the Barrow County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Maintenance and Operations	15.298 mills

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $21,069,075 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.

Inventories

CONSUMABLE SUPPLIES

On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for the consumable supplies inventory whereby an asset is recorded when supplies are purchased and expenses/expenditures are recorded at the time the supplies are consumed.

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 (first-in, first-out). 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2024, are recorded as prepaid items.

Capital Assets

Capital assets and right-to-use assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets and right-to-use assets are valued 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 estimated acquisition value. Disposals are deleted at depreciated recorded cost. 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. Depreciation and amortization is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation and amortization is used to allocate the actual or estimated historical cost of all capital assets and right-to-use assets over estimated useful lives.

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000	20-80 years
Buildings and Improvements	$ 5,000	10-80 years
Equipment	$ 5,000	3-20 years
Intangible Assets	$ 100,000	10-20 years
Right-to-use SBITA Assets	$ 100,000	5 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District reports five (5) types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. The School District reports: (1) a deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2024 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2025; (2) a deferred outflow of resources for experience gains or losses related to the pension plan and OPEB plan; (3) a deferred outflow of resources for the changes in actuarial assumptions on the pension plan and OPEB plan; (4) a deferred outflow of resources for the difference between projected and actual investment earnings on the pension and OPEB assets; and (5) a deferred outflow of resources for the changes in proportional differences in contributions for the pension plan and OPEB Plan which will be amortized over the remaining service period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Compensated Absences

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 district. Otherwise sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

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

Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a 12-month basis until they have reached five fiscal years of service. Between five to ten fiscal years of service, employees earn 15 days and after ten fiscal years of service they earn 18 days per fiscal year. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligation bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Use of Estimates

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

Pensions

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB)

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

Fund Equity/Net Position

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

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

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity/Net Position (Continued)

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

- Committed
- Assigned
- Unassigned

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

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

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

Subscription Based IT Arrangements

The School District implemented GASB Statement No. 96, *Subscription Based IT Arrangements*, during fiscal year 2023. The School District recognizes an intangible right-to-use SBITA asset in the government-wide financial statements. The School District recognizes intangible right-to-use SBITA assets with an initial, individual value of $100,000 or more. Currently, the School District has no liability associated with the right-to-use asset as the full contract amount was paid in full at the commencement of the arrangement.

At the commencement of the arrangement, the School District initially measures the right-to-use asset at the present value of payments expected to be paid during the term and is then adjusted for payments made at or before the term commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the right-to-use asset term. The School District uses the interest rate charged by the lessor as the discount rate and when no interest rate is provided the School District uses its estimated incremental borrowing rate.

The School District monitors changes in circumstances that would require a remeasurement of its right-to-use asset and will remeasure the right-to-use asset if certain changes occur that are expected to significantly affect the amount of the right-to-use assets. Right-to-use assets are reported with other capital assets.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 and function. 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 generall accepted in the United States of America. The capital projects fund adopts project-length budgets.

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. Section 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 unexpected budget authority lapses at fiscal year-end.

For the year ended June 30, 2024, expenditures exceeded the budget in the General Fund departments as follows:

General Fund:		
Support services:		
School administration	$	16,541
Student transportation services		389,783
Food services operation		784,854

The excess of expenditures over budget that are noted above were primarily funded by savings in other functional expenditures.

NOTE 4 – DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

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

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

The investment in the Morgan Stanley Institutional Liquidity Funds (MSILF) Government Portfolio is a stable asset value investment pool. The fund is rated AAAm by Standard and Poor's. The asset value is calculated weekly to ensure stability. The fund distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The fund also adjusts the value of its investments to fair market value as of year-end and the School District's investment in the MSILF is reported at fair value. The School District considers amounts held in MSILF as cash equivalents for financial statement presentation.

Investment	Maturity	Fair Value
Georgia Fund 1	33 days	$ 30,400,515
MSILF	19 days	237
Certificate of Deposit	344 days	48,011
Certificate of Deposit	308 days	9,482

INTEREST RATE RISK

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

FAIR VALUE MEASUREMENTS

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

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

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2024, the Board's cash accounts were insured and/or collateralized as defined by GASB Standards.

NOTE 5 – NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2024, the commodities usage is recorded at their federally assigned value of $709,274.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2024, for the School District's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	General	District-Wide Capital Projects	Debt Service Fund	Total
Receivables:				
Taxes	$ 3,080,870	$ -	$ -	$ 3,080,870
Intergovernmental	18,669,123	2,475,701	-	21,144,824
Other	693,658	87,576	40,246	821,480
Gross receivables	22,443,651	2,563,277	40,246	25,047,174
Less allowance for uncollectibles	(55,116)	-	-	(55,116)
Net total receivables	$ 22,388,535	$ 2,563,277	$ 40,246	$ 24,992,058

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NOTE 7 – CAPITAL ASSETS

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

	Balances July 1, 2023	Increases	Decreases	Transfers	Balances June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 7,246,668	$ -	$ (90,723)	$ -	$ 7,155,945
Construction in progress	56,310,374	31,749,362	-	(43,478,321)	44,581,415
Total	63,557,042	31,749,362	(90,723)	(43,478,321)	51,737,360
Capital assets, being depreciated/amortized:					
Building and improvements	286,127,814	-	(767,531)	41,228,303	326,588,586
Equipment	28,410,035	1,904,895	(1,441,552)	568,000	29,441,378
Land improvements	5,644,485	-	-	1,682,018	7,326,503
Right-to-use SBITA asset	-	4,443,264	-	-	4,443,264
Total	320,182,334	6,348,159	(2,209,083)	43,478,321	367,799,731
Less accumulated depreciation/amortization for:					
Building and improvements	(71,360,041)	(5,539,437)	217,793	-	(76,681,685)
Equipment	(21,836,699)	(1,469,465)	1,441,552	-	(21,864,612)
Land improvements	(3,506,033)	(157,224)	-	-	(3,663,257)
Right-to-use SBITA asset	-	(888,653)	-	-	(888,653)
Total	(96,702,773)	(8,054,779)	1,659,345	-	(103,098,207)
Total capital assets, being depreciated/amortized, net	223,479,561	(1,706,620)	(549,738)	43,478,321	264,701,524
Governmental activities capital assets, net	$ 287,036,603	$ 30,042,742	$ (640,461)	$ -	$ 316,438,884

Depreciation expense was charged to functions as follows:

Instruction	$ 5,881,615
Support Services:	
Pupil services	54,601
Improvement of instructional services	130,769
General administration	28,059
Business administration	27,198
Maintenance and operation of plant	740,588
Student transportation service	881,238
Central support services	1,738
Operation of noninstructional services:	
School nutrition program	232,179
Enterprise operations	76,794
	$ 8,054,779

NOTE 8 – 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 for the year ended June 30, 2024, consisted of the following:

Receivable Fund	Payable Fund	Amount
District-Wide Capital Projects Fund	General Fund	$ 1,654

The General Fund owes the District-Wide Capital Projects Fund money for expenses paid out of the District-Wide Capital Projects Fund that will be reimbursed by the General Fund.

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfer From	Transfers To	Amount
District-Wide Capital Projects	Debt Service	$ 9,274,984

Transfers are used to move SPLOST proceeds from the District-Wide Capital Projects Fund to the Debt Service Fund to fund debt service as allowed in the referendum.

NOTE 9 – 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; and natural disasters.

Georgia School Boards Association Risk Management Fund

The School District participates in the Georgia School Boards Association Risk and Insurance Management System, a public entity risk pool organized on July 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 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.

NOTE 9 – RISK MANAGEMENT (CONTINUED)

WORKERS' COMPENSATION

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the "Trust"), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of $2 million. The Trust covers the first $1 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a $2 million per occurrence maximum. Safety National Casualty Company also provides $2 million in aggregate coverage to the Trust, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

UNEMPLOYMENT COMPENSATION

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2023	$ -	$ 210	$ (210)	$ -
2024	-	4,747	(4,747)	-

The School District has purchased surety bonds to provide additional insurance coverage as follows:

Superintendent	$ 100,000

NOTE 10 – LONG-TERM DEBT

The changes in long-term obligations during the fiscal year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 140,835,000	$ -	$ (6,520,000)	$ 134,315,000	$ 6,670,000
Unamortized bond premium	13,471,240	-	(1,162,841)	12,308,399	-
Total bonds payable	154,306,240	-	(7,682,841)	146,623,399	6,670,000
Financed purchases	441,043	-	(203,968)	237,075	129,407
Net pension liability	217,704,503	40,536,633	(69,013,729)	189,227,407	-
Net OPEB liability	82,404,377	15,623,485	(4,856,166)	93,171,696	-
Compensated absences	578,491	525,674	(540,927)	563,238	523,812
Governmental activities Long-term liabilities	$ 455,434,654	$ 56,685,792	$ (82,297,631)	$ 429,822,815	$ 7,323,219

The net pension liability and net OPEB liability typically have been paid from the General Fund.

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. Bonds have also been issued to advance-refund previously issued bonds. The School District repays general obligation bonds from voter-approved sales taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

The School District's outstanding bonds from general obligations related to governmental activities of $134,315,000 contain a provision that in an event of nonpayment, the paying agent will notify the State of Georgia Department of Education to withhold state appropriations.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2012A	2.00% - 3.00%	11/15/2012	2/1/2027	$ 9,475,000	$ 5,065,000
General Government - Refunding - Series 2016	3.00% - 4.00%	3/29/2016	2/1/2032	17,360,000	15,840,000
General Government - Series 2017	3.00% - 5.00%	8/15/2017	2/1/2032	10,825,000	10,825,000
General Government - Series 2020A	3.00% - 5.00%	4/22/2020	2/1/2037	40,000,000	40,000,000
General Government - Refunding - Series 2020B	1.16%	8/11/2020	2/1/2027	4,375,000	1,990,000
General Government - Refunding - Series 2020C	1.82%	11/5/2020	2/1/2027	22,920,000	11,770,000
General Government - Series 2023	5.00%	6/22/2023	2/1/2042	48,825,000	48,825,000
					$ 134,315,000

NOTE 10 – LONG-TERM DEBT (CONTINUED)

At June 30, 2024, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2025	$ 6,670,000	$ 5,196,648
2026	6,830,000	5,063,129
2027	6,990,000	4,925,959
2028	5,780,000	4,785,100
2029	6,065,000	4,522,350
2030-2034	34,015,000	18,850,950
2035-2039	39,990,000	12,266,600
2040-2042	27,975,000	2,843,000
	$ 134,315,000	$ 58,453,736

FINANCED PURCHASES

An energy efficiency financed purchase agreement dated October 6, 2015 was executed by and between the School District and TCF Equipment Finance. The agreement authorized the borrowing of $944,319 for the purchase of energy efficiency equipment, machinery, supplies, building modifications and other energy saving items. Payments of the financed purchase shall be made from the School District's capital projects fund.

Additionally, the School District has acquired Georgia Public Safety units for use on school buses and other school vehicles under the provisions of various long-term agreements classified as financed purchases for accounting purposes because they provide for a transfer of ownership by the end of the agreement term.

The School District's outstanding financed purchases related to governmental activities of $237,075 contain a provision that in an event of default, outstanding amounts become immediately due if the School District is unable to make payment. Additionally, the financed purchases contain a provision that should the School District fail to budget, appropriate, or otherwise make available funds to pay rental payments, the agreement shall be deemed terminated at the end on the renewal term, and the School District shall cease to use the equipment and peaceably remove and deliver the equipment to the lessor at the School District's expense to the location(s) specified by the lessor.

NOTE 10 – LONG-TERM DEBT (CONTINUED)

Financed purchase agreements currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Energy Lease	2.85%	10/6/2015	2/1/2026	$ 944,319	$ 177,975
General Government - Financed Purchase	0.00%	5/4/2021	12/31/2026	130,020	59,100
					$ 237,075

At June 30, 2024, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30	Principal	Interest
2025	$ 129,407	$ 3,710
2026	95,848	777
2027	11,820	-
	$ 237,075	$ 4,487

NOTE 11 – ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $316,049 for retirement contributions paid on the School District's behalf by the following State Agencies.

Georgia Department of Education
Paid to the Teachers Retirement System
for Teachers Retirement (TRS)
in the amount of $65,076

State Treasurer of the State of Georgia
Paid to the Public School Employees Retirement System
for Public School Employees Retirement (PSERS) Employer's Cost
in the amount of $250,973

NOTE 12 – CONTINGENCIES

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

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. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

NOTE 13 – SIGNIFICANT COMMITMENTS

The School District has entered into various construction contracts. At year end, the uncompleted and unpaid portion of these contracts totaled $19,916,068.

NOTE 14 – RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

***Contributions*:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS were $21,145,343 for the year ended June 30, 2024.

At June 30, 2024, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

District's proportionate share of the net pension liability	$	189,227,407
State of Georgia's proportionate share of the net pension liability associated with the District		620,010
Total	$	189,847,417

The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard rollforward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.640921%, which was a decrease of 0.029518% from its proportion measured as of June 30, 2022.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

For the year ended June 30, 2024, the School District recognized pension expense of $39,614,076 and expense of $108,369 for support provided by the State of Georgia for certain support personnel. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,608,713	$ 782,391
Net difference between projected and actual earnings on pension plan investments	13,308,872	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,131,632	4,597,467
Actuarial assumption changes	19,467,437	-
District contributions subsequent to the measurement date	21,145,343	-
Total	$ 69,661,997	$ 5,379,858

School District contributions subsequent to the measurement date of $21,145,343 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	$ 13,880,444
2026	9,085,045
2027	25,482,796
2028	(5,311,489)
Total	$ 43,136,796

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

***Actuarial assumptions*:** The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.50% semiannually

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.90%
Domestic large equities	46.30	9.40
Domestic small equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	100.00%	

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

***Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate*:** The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 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:

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 299,190,543	$ 189,227,407	$ 99,427,703

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

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of $15.75, 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.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

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

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

***Pension liabilities and pension expense*:** At June 30, 2024, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the state's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 1,601,577

The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard rollforward 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, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of $289,061 and revenue of $289,061 for support provided by the State of Georgia.

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, with the exception of the assumed investment rate of return.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.90%
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
Alternatives	5.00	10.50
Total	100.00%	

* Net of inflation

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

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

NOTE 15 – POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

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

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

***Contributions*:** As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $3,569,179 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2024, the School District reported a liability of $91,171,696 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2024 was determined using standard rollforward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.850618%, which was an increase of 0.018518% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of ($1,139,274). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 55,898	$ -
Differences between expected and actual experience	2,715,801	26,760,006
Changes in proportion and differences between District contributions and proportionate share of contributions	6,199,940	229,677
Changes in plan assumptions	16,927,466	11,635,731
District contributions subsequent to the measurement date	3,569,179	-
Total	$ 29,468,284	$ 38,625,414

School District contributions subsequent to the measurement date of $3,569,179 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2025	$ (5,005,788)
2026	(3,117,305)
2027	(4,467,922)
2028	(1,527,289)
2029	1,182,988
2030	209,007
Total	$ (12,726,309)

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

***Actuarial assumptions*:** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 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, 2023:

Inflation	2.50%
Salary Increases	3.00-6.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Municipal bond index rate	3.65%
Healthcare cost trend rate	
Pre-Medicare eligible	7.00%
Medicare eligible	7.00%
Ultimate trend rate	
Pre-Medicare eligible	4.00%
Medicare eligible	4.00%
Year of ultimate trend rate	
Pre-Medicare eligible	2032
Medicare eligible	2023

Mortality rates were based as follows:

- For TRS members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, 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. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ended July 1, 2014 through June 30, 2019, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	4.00
Equities	70.00%	11.90
Total	100.00%	

*Net of Inflation

***Discount rate*:** The discount rate was 3.68%, an increase from the prior year's rate of 3.57%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.68% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

***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 3.68%, 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 (2.68%) or 1-percentage-point higher (4.68%) than the current rate:

	1% Decrease (2.68%)	Current discount rate (3.68%)	1% Increase (4.68%)
District's proportionate share of the net OPEB liability	$ 105,614,417	$ 93,171,696	$ 82,692,296

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

	1% Decrease	Current healthcare cost trend rate	1% Increase
District's proportionate share of the net OPEB liability	$ 80,255,064	$ 93,171,696	$ 109,095,120

NOTE 16 – TAX ABATEMENTS

Barrow County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. Through the Industrial Building Authority, property taxes of $382,584 were abated for a new business creating 315,000 square feet of manufacturing and distribution capabilities in the County. The abatement has two more tax years remaining.

II. REQUIRED SUPPLEMENTARY INFORMATION

BARROW COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
GENERAL FUND

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 67,631,991	$ 67,631,991	$ 71,483,120	$ 3,851,129
State funds	114,456,277	119,063,839	123,587,439	4,523,600
Federal funds	19,606,134	25,833,685	25,777,477	(56,208)
Charges for services	1,562,900	1,562,900	1,767,080	204,180
Investment income	52,160	54,238	4,071,346	4,017,108
Miscellaneous	1,664,271	6,926,706	7,526,913	600,207
Total revenues	204,973,733	221,073,359	234,213,375	13,140,016
EXPENDITURES				
Current:				
Instruction	132,282,942	140,726,817	137,430,647	3,296,170
Support services:				
Pupil services	8,554,358	9,861,586	8,993,564	868,022
Improvement of instructional services	10,644,877	11,563,618	10,483,479	1,080,139
Educational media services	2,883,640	3,150,063	3,086,288	63,775
General administration	2,024,745	2,995,092	2,964,620	30,472
School administration	11,236,123	11,503,110	11,519,651	(16,541)
Business administration	2,687,232	3,053,403	2,028,672	1,024,731
Maintenance and operation of plant	14,033,041	16,390,120	15,022,463	1,367,657
Student transportation services	9,493,279	11,291,494	11,681,277	(389,783)
Central support services	1,413,644	1,498,179	1,451,142	47,037
Other support services	-	1,342,387	1,301,305	41,082
Food services operation	10,856,224	11,163,727	11,948,581	(784,854)
Enterprise operation	46,383	4,369,503	4,341,242	28,261
Debt service:				
Principal	16,500	10,000	3,680	6,320
Total expenditures	206,172,988	228,919,099	222,256,611	6,662,488
Excess (deficiency) of revenues over expenditures	(1,199,255)	(7,845,740)	11,956,764	19,802,504
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	19,411	19,411
Total other financing sources	-	-	19,411	19,411
Net change in fund balances	(1,199,255)	(7,845,740)	11,976,175	19,821,915
FUND BALANCES, beginning of year	85,195,456	85,195,456	85,195,456	-
FUND BALANCES, end of year	$ 83,996,201	$ 77,349,716	$ 97,171,631	$ 19,821,915

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

	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.640921%	0.670439%	0.628205%	0.604654%	0.599882%
School District's proportionate share of the net pension liability	$ 189,227,407	$ 217,704,503	$ 55,560,542	$ 146,470,865	$ 128,990,851
State of Georgia's proportionate share of the net pension liability associated with the School District	620,010	699,445	170,430	432,881	519,935
Total	$ 189,847,417	$ 218,403,948	$ 55,730,972	$ 146,903,746	$ 129,510,786
School District's covered payroll	$ 93,420,951	$ 90,648,077	$ 81,886,128	$ 77,956,873	$ 73,210,239
School District's proportionate share of the net pension liability as a percentage of its covered payroll	202.55%	240.16%	67.85%	187.89%	176.19%
Plan fiduciary net position as a percentage of the total pension liability	76.29%	72.85%	92.03%	77.01%	78.56%

	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.594719%	0.607629%	0.604041%	0.599864%	0.603543%
School District's proportionate share of the net pension liability	$ 110,392,585	$ 112,929,721	$ 124,620,393	$ 91,322,881	$ 76,249,697
State of Georgia's proportionate share of the net pension liability associated with the School District	471,850	411,850	528,982	393,997	231,196
Total	$ 110,864,435	$ 113,341,571	$ 125,149,375	$ 91,716,878	$ 76,480,893
School District's covered payroll	$ 70,834,997	$ 69,769,874	$ 66,257,253	$ 63,318,867	$ 61,738,810
School District's proportionate share of the net pension liability as a percentage of its covered payroll	155.84%	161.86%	188.09%	144.23%	123.50%
Plan fiduciary net position as a percentage of the total pension liability	80.27%	79.33%	76.06%	81.44%	84.03%

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

	2024	2023	2022	2021	2020
Contractually required contributions	$ 21,145,343	$ 18,665,506	$ 17,957,384	$ 15,607,496	$ 16,480,083
Contributions in relation to the contractually required contributions	21,145,343	18,665,506	17,957,384	15,607,496	16,480,083
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 105,832,548	$ 93,420,951	$ 90,648,077	$ 81,886,128	$ 77,956,873
Contributions as a percentage of covered payroll	19.98%	19.98%	19.81%	19.06%	21.14%

	2019	2018	2017	2016	2015
Contractually required contributions	$ 15,300,940	$ 11,907,363	$ 9,956,161	$ 9,454,910	$ 8,326,431
Contributions in relation to the contractually required contributions	15,300,940	11,907,363	9,956,161	9,454,910	8,326,431
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 73,210,239	$ 70,834,997	$ 69,769,874	$ 66,257,253	$ 63,318,867
Contributions as a percentage of covered payroll	20.90%	16.81%	14.27%	14.27%	13.15%

BARROW COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	1,601,577	2,043,478	205,256	1,376,813	1,121,419
Total	$ 1,601,577	$ 2,043,478	$ 205,256	$ 1,376,813	$ 1,121,419
School District's covered-employee payroll	$ 6,373,242	$ 5,350,942	$ 3,962,124	$ 4,398,876	$ 3,480,686
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.67%	81.21%	98.00%	84.45%	85.02%

	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	1,057,943	951,640	1,194,924	818,369	670,954
Total	$ 1,057,943	$ 951,640	$ 1,194,924	$ 818,369	$ 670,954
School District's covered-employee payroll	$ 3,346,275	$ 3,308,496	$ 2,662,255	$ 2,675,995	$ 2,334,652
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.26%	85.69%	81.00%	87.00%	88.29%

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

	2024	2023	2022	2021	2020
School District's proportion of the net OPEB liability	0.850618%	0.832100%	0.818321%	0.794617%	0.779600%
School District's proportionate share of the net OPEB liability	$ 93,171,696	$ 82,404,377	$ 88,630,934	$ 116,710,732	$ 95,673,646
Total	$ 93,171,696	$ 82,404,377	$ 88,630,934	$ 116,710,732	$ 95,673,646
School District's covered-employee payroll	$ 81,861,734	$ 74,977,987	$ 66,621,360	$ 67,527,048	$ 63,069,248
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	113.82%	109.90%	133.04%	172.84%	151.70%
Plan fiduciary net position as a percentage of the total OPEB liability	6.05%	6.17%	6.14%	3.99%	4.63%

	2019	2018
School District's proportion of the net OPEB liability	0.784842%	0.788795%
School District's proportionate share of the net OPEB liability	$ 99,751,009	$ 110,825,380
Total	$ 99,751,009	$ 110,825,380
School District's covered-employee payroll	$ 62,419,661	$ 61,303,196
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	159.81%	180.78%
Plan fiduciary net position as a percentage of the total OPEB liability	2.93%	1.61%

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

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

	2024	2023	2022	2021	2020
Contractually required contributions	$ 3,569,179	$ 3,270,147	$ 3,008,667	$ 3,044,017	$ 2,687,210
Contributions in relation to the contractually required contributions	3,569,179	3,270,147	3,008,667	3,044,017	2,687,210
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 91,598,438	$ 81,861,734	$ 74,977,987	$ 66,621,360	$ 67,527,048
Contributions as a percentage of covered-employee payroll	3.90%	3.99%	4.01%	4.57%	3.98%

	2019	2018	2017
Contractually required contributions	$ 4,198,686	$ 4,067,758	$ 4,112,840
Contributions in relation to the contractually required contributions	4,198,686	4,067,758	4,112,840
Contribution deficiency (excess)	$ -	$ -	$ -
School District's covered-employee payroll	$ 63,069,248	$ 62,419,661	$ 61,303,196
Contributions as a percentage of covered-employee payroll	6.66%	6.52%	6.71%

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

Teachers Retirement System of Georgia:

***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 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On May 11, 2022, the Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Public Schools Employees Retirement System of Georgia:

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

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

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

School OPEB Fund:

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

Changes in assumptions: June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's 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, to 2.22% as of June 30, 2020, to 3.57% as of June 30, 2023 and to 3.68% as of June 30, 2024.

III. OTHER SUPPLEMENTARY INFORMATION

BARROW COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Project	Original Estimated Cost [1]	Current Estimated Cost [2]	Expended In Prior Years [3]	Expended In Current Year [3]	Total Completion Cost	Project Status
SPLOST 6: (i) the acquisition, construction, and equipping of new schools and facilities, including but not limited to new school buildings, physical education/athletic facilities and equipment, classrooms, lunchrooms, gymnasiums, and auditoriums, renovations and equipment for existing facilities, and the acquisition and purchase of any property necessary and desirable therefore, both real and personal property, including but not limited to technology, safety and security equipment, buses, vehicles, and transportation facilities and equipment; (ii) paying capitalized interest on the Bonds; and (iii) paying the costs of issuing the Bonds; and shall a special one percent sales and use tax for educational purposes be continued in the Barrow County for a period of time not to exceed 20 calendar quarters and for the raising of not more than $75,000,000 for the purpose of: (i) providing funds to finance the Projects directly or through the payment of a portion of the debt service on the Bonds, and (ii) paying debt service on the outstanding Barrow County School District General Obligation Bonds, Series 2010; Barrow County School District General Obligation Bonds, Series 2012A; Barrow County School District General Obligation Bonds, Series 2014; the Barrow County School District General Obligation Bonds, Series 2016; and the Barrow County School District General Obligation Bonds, Series 2017, coming due August 1, 2022 through and including February 1, 2027, the maximum amount to be retired not to exceed $41,708,445.	$ 75,000,000	$ 75,000,000	$ 25,292,363	$ 16,981,170	$ 42,273,533	Ongoing
Total	$ 75,000,000	$ 75,000,000	$ 25,292,363	$ 16,981,170	$ 42,273,533	

[1] The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

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

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

IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS

CPAs & ADVISORS

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

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Barrow County Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Barrow County Board of Education's basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 20, 2024

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Barrow County Board of Education's 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 Barrow County Board of Education's major federal programs for the year ended June 30, 2024. The Barrow County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Barrow County Board of Education's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Barrow County Board of Education 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 Barrow County Board of Education'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 Barrow County Board of Education's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Barrow County Board of Education'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 Barrow County Board of Education'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 Barrow County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 20, 2024

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	10.553	245GA324N1199	$ 2,730,457
National School Lunch Program:			
Non-Cash Assistance - Commodities [1]	10.555	235GA324N1099	709,274
Cash Assistance	10.555	235GA324N1199	5,365,095
School Snack Program	10.555	235GA324N1199	256,658
COVID-19 - National School Lunch Program	10.555	225GA324N1099	374,694
Fresh Fruit and Vegetable Program	10.582	245GA324N1199	39,197
Total Child Nutrition Cluster			9,475,375
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	26,412
Child Nutrition Discretionary Grants Limited Availability	10.579	225GA350N8103	58,464
Total U.S. Department of Agriculture			9,560,251
U.S. DEPARTMENT OF DEFENSE			
Junior R.O.T.C.	12.357	N/A	168,927
Total U.S. Department of Defense			168,927
U.S. DEPARTMENT OF EDUCATION			
Passed through the Georgia Department of Education:			
Comprehensive Literacy Development	84.371C	S371C190016-19A	924,616
Title I, Part A - Local Education Agency	84.010	S010A220010-21A	319,848
Title I, Part A - Local Education Agency	84.010	S010A230010-22A	2,536,507
			2,856,355
Title I, Part C - Migrant Education State Grant Program	84.011	S011A220011	466
Title I, Part C - Migrant Education State Grant Program	84.011	S011A230011	32,676
			33,142
Title II-A Program			
Title II-A - Improving Teacher Quality	84.367	S367A230001	517,493
Special Education Cluster (IDEA)			
Title VI-B Preschool	84.173A	H173A220081	8,173
Title VI-B Preschool	84.173A	H173A230081	86,890
Title VI-B Flowthrough	84.027A	H027A220073	1,242,543
Title VI-B Flowthrough	84.027A	H027A230073	1,895,826
COVID-19: IDEA Special Education Flow-Through ARPA	84.027X	H027X220073	163,594
Total Special Education Cluster (IDEA)			3,397,026
Title III Program			
Title III - Limited English Proficient	84.365	S365A220010	8,732
Title III - Limited English Proficient	84.365	S365A230010	207,180
			215,912

(Continued)

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (Continued):			
Passed through Georgia Department of Education (continued):			
Education for the Homeless Children and Youth	84.196	S196A220011	$ 121
Education for the Homeless Children and Youth	84.196	S196A230011	128,038
			128,159
Vocational Education - Program Improvement	84.048A	V048A220010	8,640
Vocational Education - Program Improvement	84.048A	V048A230010	135,803
			144,443
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A220011	261
Title IV - Part A Student Support and Academic Enrichment	84.424	S424A230011	222,240
Total Title IV Program			222,501
Education Stabilization Fund			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	2,153
COVID-19: American Rescue Plan Elementary & Secondary School Emergency Relief Fund	84.425U	S425U210012	7,562,089
COVID-19: ESSER ARP - Homeless Children and Youth	84.425W	S425W210012	44,410
Total Education Stabilization Fund			7,608,652
Total Passed Through Georgia Department of Education			16,048,299
Total U.S. Department of Education			16,048,299
Total Expenditures of Federal Awards			$ 25,777,477

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

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

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

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

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major program:

Name of Federal Program or Cluster	Assistance Listing Number
Child Nutrition Cluster	10.553, 10.555, & 10.582

Dollar threshold used to distinguish between Type A and Type B programs:	$773,324
Auditee qualified as low-risk auditee?	__X__ yes ___no

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

STATUS OF PRIOR YEAR FINDINGS

None reported.