

MAULDIN & JENKINS

CPAs & ADVISORS

CITY OF CARROLLTON BOARD OF EDUCATION CARROLLTON, GEORGIA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CITY OF CARROLLTON
BOARD OF EDUCATION
CARROLLTON, GEORGIA

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the City of Carrollton Board of Education
Carrollton, 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 **City of Carrollton Board of Education** (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, the Schedule of Contributions – Teachers Retirement System of Georgia, the Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 May 1, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 1, 2024

BASIC FINANCIAL STATEMENTS

CITY OF CARROLLTON BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 43,976,579
Investments	8,878,015
Receivables:	
Taxes, net of allowance for uncollectible amounts	1,460,236
Intergovernmental	7,003,441
Inventory	102,444
Prepaid items	202,565
Capital assets (nondepreciable)	9,614,493
Capital assets (depreciable, net of accumulated depreciation)	113,853,465
Total assets	185,091,238
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	33,594,494
OPEB related items	7,487,391
Total deferred outflows of resources	41,081,885
LIABILITIES	
Accounts payable	512,737
Salaries and benefits payable	7,263,928
Unearned revenue	67,538
Accrued interest payable	617,432
Contracts payable	919,757
Retainage payable	140,983
Bonds payable, due within one year	3,440,000
Bonds payable, due in more than one year	33,787,912
Compensated absences, due within one year	98,714
Compensated absences, due in more than one year	32,904
Intergovernmental payable, Carrollton Redevelopment Authority, due in more than one year	8,000,000
Net pension liability, due in more than one year	68,601,829
Net OPEB liability, due in more than one year	25,592,595
Total liabilities	149,076,329
DEFERRED INFLOWS OF RESOURCES	
Pension related items	695,594
OPEB related items	15,348,810
Total deferred inflows of resources	16,044,404
NET POSITION	
Net investment in capital assets	92,132,305
Restricted for:	
Federal programs	2,175,886
Capital projects	10,762,311
Debt service	5,782,568
Unrestricted	(49,800,680)
Total net position	$ 61,052,390

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

CITY OF CARROLLTON BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	$ 45,170,050	$ 1,641,257	$ 29,382,254	$ -	$ (14,146,539)
Support services:					
Pupil services	1,366,253	-	674,990	-	(691,263)
Improvement of instructional services	2,754,619	-	1,796,816	-	(957,803)
Educational media services	542,366	-	784,771	-	242,405
Federal grant administration	261,457	-	-	-	(261,457)
General administration	1,631,194	-	1,131,604	-	(499,590)
School administration	4,867,541	-	1,567,606	-	(3,299,935)
Business administration	1,133,071	-	42,458	-	(1,090,613)
Maintenance and operation of plant	4,795,139	8,451	1,817,080	10,000,000	7,030,392
Student transportation services	3,269,280	-	663,030	-	(2,606,250)
Central support services	1,321,127	-	1,214,541	-	(106,586)
Other support services	676,979	-	16,316	-	(660,663)
Food services operation	4,279,957	740,954	3,454,660	-	(84,343)
Interest on long-term debt	1,360,557	-	-	-	(1,360,557)
Total governmental activities	$ 73,429,590	$ 2,390,662	$ 42,546,126	$ 10,000,000	(18,492,802)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					21,406,578
Sales taxes:					
For capital projects					7,211,618
Unrestricted investment earnings					600,396
Grants and contributions not restricted to specific programs					557,802
Other					1,907,875
Total general revenues					31,684,269
Change in net position					13,191,467
Net position, beginning of year					47,860,923
Net position, end of year					$ 61,052,390

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

CITY OF CARROLLTON BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 20,780,535	$ 8,243,045	$ 14,952,999	$ 43,976,579
Investments	-	8,878,015	-	8,878,015
Receivables:				
Taxes, net of allowance for uncollectible	756,010	704,226	-	1,460,236
Intergovernmental	7,003,441	-	-	7,003,441
Due from other funds	662,975	1,394,796	-	2,057,771
Prepaid items	202,565	-	-	202,565
Inventory	102,444	-	-	102,444
Total assets	$ 29,507,970	$ 19,220,082	$ 14,952,999	$ 63,681,051
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 512,737	$ -	$ -	$ 512,737
Contracts payable	-	919,757	-	919,757
Salaries and benefits payable	7,263,928	-	-	7,263,928
Retainage payable	-	140,983	-	140,983
Due to other funds	-	662,975	1,394,796	2,057,771
Unearned revenue	67,538	-	-	67,538
Total liabilities	7,844,203	1,723,715	1,394,796	10,962,714
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	356,856	-	-	356,856
Total deferred inflows of resources	356,856	-	-	356,856
FUND BALANCES				
Nonspendable:				
Inventory	102,444	-	-	102,444
Prepaid items	202,565	-	-	202,565
Restricted for:				
Federal programs	2,073,442	-	-	2,073,442
Capital projects	-	11,096,367	13,558,203	24,654,570
Debt service	-	6,400,000	-	6,400,000
Assigned for:				
Capital projects	12,200,000	-	-	12,200,000
Unassigned	6,728,460	-	-	6,728,460
Total fund balances	21,306,911	17,496,367	13,558,203	52,361,481
Total liabilities, deferred inflows of resources and fund balances	$ 29,507,970	$ 19,220,082	$ 14,952,999	$ 63,681,051

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

CITY OF CARROLLTON BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Governmental Fund Balances		$ 52,361,481
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 governmental funds.		
Cost	$ 160,374,956	
Less accumulated depreciation	(36,906,998)	123,467,958
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.		
Property taxes		356,856
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	$ (68,601,829)	
Pension related deferred outflows of resources	33,594,494	
Pension related deferred inflows of resources	(695,594)	(35,702,929)
The net OPEB liability is not expected to be paid with current financial resources and is therefore not reported in governmental funds.		
Net OPEB liability	$ (25,592,595)	
OPEB related deferred outflows of resources	7,487,391	
OPEB related deferred inflows of resources	(15,348,810)	(33,454,014)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds	$ (34,245,000)	
Bond premium, net of amortization	(2,982,912)	
Compensated absences payable	(131,618)	
Accrued interest	(617,432)	
Intergovernmental payable	(8,000,000)	(45,976,962)
Net position of governmental activities		$ 61,052,390

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

CITY OF CARROLLTON BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	District - Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 21,331,955	$ -	$ -	$ 21,331,955
Sales taxes	-	7,211,618	-	7,211,618
State funds	33,219,749	-	-	33,219,749
Federal funds	9,717,934	-	-	9,717,934
Charges for services	2,390,662	-	-	2,390,662
Investment earnings	374,570	303,852	225,826	904,248
Miscellaneous	11,787,875	120,000	-	11,907,875
Total revenues	78,822,745	7,635,470	225,826	86,684,041
EXPENDITURES				
Current:				
Instruction	42,006,934	-	-	42,006,934
Support services:				
Pupil services	1,300,975	-	-	1,300,975
Improvement of instructional services	2,250,555	-	-	2,250,555
Instructional staff training	382,302	-	-	382,302
Educational media services	512,809	-	-	512,809
Federal grant administration	248,795	-	-	248,795
General administration	1,526,436	-	-	1,526,436
School administration	4,584,081	-	-	4,584,081
Business administration	1,108,861	-	-	1,108,861
Maintenance and operation of facilities	4,382,281	-	-	4,382,281
Student transportation services	2,886,856	-	-	2,886,856
Central support services	1,287,597	-	-	1,287,597
Other support services	422,401	-	-	422,401
Food services operation	4,286,427	-	-	4,286,427
Capital outlay	1,461,146	1,738,744	-	3,199,890
Debt service:				
Principal retirement	-	-	1,080,000	1,080,000
Interest and fees	-	-	1,338,746	1,338,746
Total expenditures	68,648,456	1,738,744	2,418,746	72,805,946
Excess (deficiency) of revenues over expenditures	10,174,289	5,896,726	(2,192,920)	13,878,095
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	13,925,000	13,925,000
Premium on issuance of bonds	-	-	1,070,919	1,070,919
Transfers in	-	-	755,204	755,204
Transfers out	-	(755,204)	-	(755,204)
Total other financing sources (uses)	-	(755,204)	15,751,123	14,995,919
Net change in fund balances	10,174,289	5,141,522	13,558,203	28,874,014
FUND BALANCES, beginning of year	11,132,622	12,354,845	-	23,487,467
FUND BALANCES, end of year	$ 21,306,911	$ 17,496,367	$ 13,558,203	$ 52,361,481

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

CITY OF CARROLLTON 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, 2023

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

Net change in fund balances - total governmental funds		$ 28,874,014
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 outlays exceeded depreciation in the current period is as follows:		
Capital outlay	$ 4,152,002	
Depreciation expense	(3,662,700)	489,302
The net effect of the disposal of capital assets is to decrease net position.		(96,007)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		74,623
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.		(4,132,711)
In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of OPEB and related items.		1,951,717
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 net effect of these differences in the treatment of long-term debt and related items.		
Principal payments - bonds	$ 1,080,000	
Bond issuance	(13,925,000)	
Premiums on bond issuance	(1,070,919)	(13,915,919)
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.		
Bond premium amortization expense	$ 328,121	
Change in compensated absences	(31,741)	
Change in accrued interest	(349,932)	(53,552)
Change in net position		$ 13,191,467

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

CITY OF CARROLLTON BOARD OF EDUCATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 21,110,667	$ 21,339,039	$ 21,331,955	$ (7,084)
State funds	32,309,655	32,957,184	33,219,749	262,565
Federal funds	7,311,410	9,719,981	9,717,934	(2,047)
Charges for services	1,106,600	2,052,212	2,390,662	338,450
Investment earnings	20,000	361,877	374,570	12,693
Miscellaneous	203,000	11,765,473	11,787,875	22,402
Total revenues	62,061,332	78,195,766	78,822,745	626,979
EXPENDITURES				
Current:				
Instruction	38,515,410	41,494,679	42,006,934	(512,255)
Support services:				
Pupil services	1,336,594	1,301,548	1,300,975	573
Improvement of instructional services	1,706,262	2,250,555	2,250,555	-
Instructional staff training	310,594	382,101	382,302	(201)
Educational media services	523,582	512,809	512,809	-
Federal grant administration	271,179	248,795	248,795	-
General administration	1,529,691	1,526,436	1,526,436	-
School administration	4,547,700	4,583,835	4,584,081	(246)
Business administration	1,093,216	903,861	1,108,861	(205,000)
Maintenance and operation of plant	4,168,891	4,400,978	4,382,281	18,697
Student transportation services	1,999,906	2,886,856	2,886,856	-
Central support services	1,488,556	1,490,162	1,287,597	202,565
Other support services	37,232	422,401	422,401	-
Food services operation	3,938,000	4,286,427	4,286,427	-
Capital Outlay	-	1,449,806	1,461,146	(11,340)
Total expenditures	61,466,813	68,141,249	68,648,456	(507,207)
Excess of revenues over expenditures	594,519	10,054,517	10,174,289	119,772
OTHER FINANCING SOURCES				
Transfers in	-	5,999	-	(5,999)
Total other financing sources	-	5,999	-	(5,999)
Net change in fund balances	594,519	10,060,516	10,174,289	113,773
FUND BALANCES, beginning of year	11,132,622	11,132,622	11,132,622	-
FUND BALANCES, end of year	$ 11,727,141	$ 21,193,138	$ 21,306,911	$ 113,773

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

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

REPORTING ENTITY

The City of Carrollton Board of Education (School District) was established under the laws of the state of Georgia and operates under the guidance of a School Board (Board) elected by the voters and a Superintendent appointed by the Board. The Board 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 School District-wide financial statements, fund financial statements and notes to the basic financial statements of the City of Carrollton Board of Education.

District-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.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 sales taxes and grants from the Georgia State Financing and Investment Commission to be used for the acquisition, construction or renovation of major capital facilities.
- *Debt Service Fund* accounts for the accumulation of resources for the payment of general long-term principal, interest and paying agent's fees.

Basis of Accounting and Measurement Focus

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if they are collected within one hundred eighty (180) days after year-end with the exception of property taxes which the School District considers available if they are collected within sixty (60) days after year-end; however, intergovernmental revenues reported in the governmental funds are considered to be available if they are collected within one hundred twenty (120) days after year end.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 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 acquisitions under capital leases and bonds are reported as other financing sources.

Revenues 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 twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School 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 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.

The School District does not have a formal policy regarding investments that addresses credit risks, custodial credit risks, concentration of credit risks, interest rate risks or foreign currency risks.

Receivables

Receivables consist of amounts due from property and sales taxes, interest receivable, 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 include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The City of Carrollton levied the property tax for the 2022 tax digest year (calendar year) in August 2022. Taxes were due in December 2022. Taxes collected within the current fiscal year or within 60 days after fiscal year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The Carroll County Tax Commissioner bills and collects the property taxes for the School District and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2023, for maintenance and operations amounted to $21,331,955.

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 City of Carrollton Board of Education is in compliance with this law. Tax millage rates levied for the 2022 tax year (calendar year) for the City of Carrollton Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	18.50 mills

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $7,211,618 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 reauthorized 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 food 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)

Inventories (Continued)

FOOD INVENTORIES (Continued)
The food commodities, received during the fiscal year, from the United States Department of Agriculture (USDA) for school breakfast and lunch programs are recorded at their federally assigned value of $168,435.

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2023, are recorded as prepaid items. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital 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 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 is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital 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
Buildings and Improvements	$5,000	30 to 80 years
Equipment	$5,000	5 to 25 years
Land Improvements	$5,000	15 to 20 years

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 30 days.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has five (5) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred outflow of resources for the District's actual contributions to the pension plan and OPEB plan during the fiscal year ended June 30, 2023 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2024; (2) a deferred outflow of resources for experience gains or losses related to the pension plan and OPEB plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions for the pension plan and OPEB plan which will be amortized over the remaining service period; (4) a deferred outflow of resources for the change in the District's proportionate share based on actual contributions towards both the pension plan and OPEB plan, which will be amortized over the remaining service period; and (5) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB plan assets, which will be amortized over a five-year 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of deferred inflow under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property tax revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The District has three (3) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report (1) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary for the pension plan and OPEB plan, which will be amortized over the remaining service period; (2) a deferred inflow of resources for the change in the District's proportionate share based on actual contributions towards the pension and OPEB plan, which will be amortized over the remaining service period; and (3) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of resources, liabilities and deferred inflows of resources, 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, pension expense, information about the fiduciary net position of the Public School Employees Retirement System of Georgia (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.

Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to the OPEB plan, OPEB expense, information about fiduciary net position of the Georgia School Employees Postemployment Health Benefit Fund (School Health Fund) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the School Health Fund. 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.

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".

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position (Continued)

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 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 through adoption of a subsequent resolution.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the 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 and the Director of Finance the authority 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.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity/Net Position (Continued)

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.

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund and Debt Service Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The following functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2023.

General Fund:		
Instruction	$	512,255
Instructional staff training		201
School administration		246
Business administration		205,000
Capital outlay		11,340

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

Note 4: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance unless a depository participates in the State of Georgia Secure Deposit Program.

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.

CATEGORIZATION OF INVESTMENTS

State statutes authorize the School District to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

Note 4: DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2023, the School District had the following investments:

Investment	Credit Rating	Maturity	Fair Value
Georgia Fund 1	AAAf	WAM - 28 days	$ 25,022,580
Repurchase Agreement	N/A	April 1, 2025	6,400,000
US Treasury Note	Aaa	WAM - 90 days	2,478,015
			$ 33,900,595

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	$ 43,976,579
Investments	8,878,015
Total	$ 52,854,594

Cash deposited with financial institutions	$ 18,953,999
Repurchase agreement	6,400,000
Georgia Fund 1	25,022,580
United States government securities	2,478,015
	$ 52,854,594

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 U.S. Treasury Notes are classified in Level 1 of the hierarchy. They are valued using prices quoted in active markets for the exact same money market mutual funds.

The repurchase agreements, in the amount of $6,400,000, are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School District does not disclose investments in the repurchase agreements and Georgia Fund 1 within the fair value hierarchy.

Note 4: DEPOSITS AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institutions holding all of the District's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2023, all of the District's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

Note 5: RECEIVABLES

Receivables at June 30, 2023, for the School District's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	General	District-Wide Capital Projects	Total
Receivables:			
Taxes	$ 771,440	$ 704,226	$ 1,475,666
Intergovernmental	7,003,441	-	7,003,441
Gross receivables	7,774,881	704,226	8,479,107
Less allowance for uncollectibles	(15,430)	-	(15,430)
Net total receivables	$ 7,759,451	$ 704,226	$ 8,463,677

Note 6: CAPITAL ASSETS

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

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 8,161,340	$ 1,453,153	$ -	$ 9,614,493
Total	8,161,340	1,453,153	-	9,614,493
Capital assets, being depreciated:				
Building improvements	130,327,851	520,625	(24,621)	130,823,855
Equipment	12,993,313	739,507	(16,218)	13,716,602
Land improvements	4,962,189	1,438,717	(180,900)	6,220,006
Total	148,283,353	2,698,849	(221,739)	150,760,463
Less accumulated depreciation for:				
Building improvements	(22,225,316)	(2,213,534)	20,489	(24,418,361)
Equipment	(8,382,397)	(1,256,988)	16,218	(9,623,167)
Land improvements	(2,762,317)	(192,178)	89,025	(2,865,470)
Total	(33,370,030)	(3,662,700)	125,732	(36,906,998)
Total capital assets, being depreciated, net	114,913,323	(963,851)	(96,007)	113,853,465
Governmental activities capital assets, net	$ 123,074,663	$ 489,302	$ (96,007)	$ 123,467,958

Depreciation expense was charged to functions as follows:

Instruction	$ 2,388,108
Support services:	
Pupil services	5,198
Improvement of instructional services	2,616
Educational media services	1,405
Federal grant administration	1,276
General administration	9,016
School administration	8,405
Business administration	315
Maintenance and operation of plant	422,013
Student transportation services	467,531
Central support services	19,361
Other support services	254,578
Operations of non-instructional services:	
Food services	82,878
	$ 3,662,700

Note 7: RISK MANAGEMENT

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 unemployment compensation.

The School District has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions and job-related illness or injuries to employees. The School District has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

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	Claims and Changes in Estimates	Claims Paid	End of Year
2022	$ -	$ 81,109	$ 81,109	$ -
2023	$ -	$ 816	$ 816	$ -

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

Position Covered	Amount
Superintendent	$ 100,000
All Other Employees	$ 25,000

Note 8: INTERFUND BALANCES AND TRANSFERS

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

Interfund receivable and payable balances at June 30, 2023 are as follows:

Interfund payable	Interfund receivable	Amount
Debt Service Fund	District-Wide Capital Projects Fund	1,394,796
District-Wide Capital Projects Fund	General Fund	662,975
Total		$ 2,057,771

Note 8: INTERFUND BALANCES AND TRANSFERS (Continued)

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

Transfers in	Transfers out	Amount
Debt Service Fund	District-Wide Capital Projects Fund	$ 755,204
Total		$ 755,204

Transfers are used to move SPLOST proceeds from the District-Wide Capital Projects Fund to the Debt Service Fund to fund debt service expenditures due in the fiscal year, as allowed for in the voter approved SPLOST Referendum.

Note 9: LONG – TERM DEBT

The changes in long-term debt during the fiscal year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 21,400,000	$ 13,925,000	$ (1,080,000)	$ 34,245,000	$ 3,440,000
Unamortized bond premium	2,240,114	1,070,919	(328,121)	2,982,912	-
Total general obiligation bonds	23,640,114	14,995,919	(1,408,121)	37,227,912	3,440,000
Intergovernmental payable	8,000,000	-	-	8,000,000	-
Compensated absences	99,877	170,088	(138,347)	131,618	98,714
Net pension liability	18,368,707	57,782,813	(7,549,691)	68,601,829	-
Net OPEB liability	27,183,427	4,275,002	(5,865,834)	25,592,595	-
Governmental activity Long-term liabilities	$ 77,292,125	$ 77,223,822	$ (14,961,993)	$ 139,553,954	$ 3,538,714

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

GENERAL OBLIGATION DEBT OUTSTANDING

General Obligation Bonds are as follows:

Purpose	Interest Rates	Outstanding
General Government – Series 2015	5.00%	$ 20,320,000
General Government – Series 2023	4.00% - 5.00%	13,925,000
		$ 34,245,000

Note 9: LONG – TERM DEBT (Continued)

At June 30, 2023, 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	Total
2024	$ 3,440,000	$ 1,703,282	$ 5,143,282
2025	3,815,000	1,514,500	5,329,500
2026	4,665,000	1,349,500	6,014,500
2027	4,990,000	1,116,250	6,106,250
2028	5,330,000	866,750	6,196,750
2029-2033	12,005,000	1,859,000	13,864,000
Total	$ 34,245,000	$ 8,409,282	$ 42,654,282

INTERGOVERNMENTAL PAYABLE – DIRECT BORROWING

In August 2010, the Carrollton Redevelopment Authority (Authority), issued $8,000,000 in federally taxable qualified school construction bonds, with interest payments beginning April 1, 2011, through April 1, 2025 with the principal balance due with the final interest payment at an interest rate of 5.125%. The School District will fund the direct borrowing with ad valorem property tax revenues and thus the School District has an intergovernmental payable to the Authority equal to the outstanding bonds. The proceeds from the bonds will be used for the purpose of the (i) renovation, modernization and revitalization of the restrooms and gymnasium at the Carrollton High School to meet applicable federal and state standards, (ii) addition of two-story classroom wing to house pre-kindergarten and sixth grade classes located at the Carrollton Middle School for the benefit of the public educational system of the City of Carrollton, Georgia and (iii) the costs of issuing the Bonds. The interest on these bonds is subsidized 100% by the federal government. The School District makes annual deposits in the amount of $800,000 into the Guaranteed Investment Contract sinking fund, which will be used to retire the debt when due.

The intergovernmental payable currently outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 410,000	$ 410,000
2025	8,000,000	410,000	8,410,000
Total	$ 8,000,000	$ 820,000	$ 8,820,000

Note 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $137,607 for health insurance and retirement contributions paid on the School District's behalf by the following state agencies:

Georgia Department of Education:
Paid the Teachers Retirement District
For Teachers Retirement (TRS)
In the amount of $55,184

Office of the State Treasurer:
Paid to the Public School Employees Retirement District
For Public School Employees Retirement (PSERS) Employer's Cost
In the amount of $82,423

Note 11: RETIREMENT PLANS

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

Plan description: All teachers of the 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 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Note 11: RETIREMENT PLANS (Continued)

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

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 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual school district payroll. District contributions to TRS were $6,212,266 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the District by the State of Georgia for certain public school support personnel. The amount recognized by the 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 District were as follows:

District's proportionate share of the net pension liability	$	68,601,829
State of Georgia's proportionate share of the net pension liability associated with the District		560,790
Total	$	69,162,619

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022. At June 30 2022, the District's proportion was 0.211265%, which was an increase of 0.003576% from its proportion measured as of June 30, 2021.

Note 11: 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, 2023, the District recognized pension expense of $10,348,745 and expense of $68,532 for support provided by the State of Georgia for certain support personnel. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 13,478,308	$ -
Differences between expected and actual experience	2,847,679	357,089
Actuarial assumption changes	10,326,764	-
Changes in proportion and differences between District contributions and proportionate share of contributions	729,477	338,505
District contributions subsequent to the measurement date	6,212,266	-
Total	$ 33,594,494	$ 695,594

District contributions subsequent to the measurement date of $6,212,266 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2024	$ 7,312,442
2025	5,460,905
2026	4,013,270
2027	9,900,017
Total	$ 26,686,634

Note 11: 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, 2022, was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

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% semi-annually

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

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 on the following page.

Note 11: RETIREMENT PLANS (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.20%
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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the 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	$ 103,497,441	$ 68,601,829	$ 40,104,946

Note 11: RETIREMENT PLANS (Continued)

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

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

Payables to the pension plan: As of June 30, 2023, the School District is reporting $859,495 in accrued benefits payable for the Teachers Retirement System Plan.

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.

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.

Note 11: RETIREMENT PLANS (Continued)

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

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, 2023, the 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 District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the District	$ 753,254

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of $189,292 and revenue of $189,292 for support provided by the State of Georgia.

***Actuarial assumptions*:** The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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 11: 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – 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%	0.20%
Domestic large stocks	46.30	9.40
Domestic small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	100.00%	

* Net of inflation

Note 11: 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 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.

The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies.

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

Note 13: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

Plan Description: The 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 noncertified employees of the 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.

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (Continued)

Benefits: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and noncertified 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 District were $1,058,180 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2023, the District reported a liability of $25,592,595 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the State OPEB Fund during the fiscal year ended June 30, 2022. At June 30, 2022, the School District's proportion was 0.258428%, which was an increase of 0.007446% from its proportion measured as of June 30, 2021.

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (Continued)

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

For the year ended June 30, 2023, the School District recognized OPEB revenue of $893,537. At June 30, 2023, 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	$ 156,108	$ -
Differences between expected and actual experience	1,021,544	10,058,665
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,353,754	114,007
Changes in plan assumptions	3,897,805	5,176,138
School District contributions subsequent to the measurement date	1,058,180	-
Total	$ 7,487,391	$ 15,348,810

School District contributions subsequent to the measurement date of $1,058,180 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	$ (2,522,497)
2025	(2,010,262)
2026	(1,535,165)
2027	(1,908,814)
2028	(864,154)
2029	(78,707)
Total	$ (8,919,599)

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (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, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary Increases	TRS – 3.00-8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare eligible	6.50%
Medicare eligible	5.00%
Ultimate trend rate:	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate:	
Pre-Medicare eligible	2029
Medicare eligible	2023

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (Continued)

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

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

- For TRS Members: 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.

- For PSERS Members: Preretirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthly 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 Projection scale applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 158% for females) with the MP-2019 Projection scale applied generationally.

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

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

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (Continued)

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

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

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.00%
Equities	70.00%	9.40%
Total	100.00%	

*Net of Inflation

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (Continued)

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

Discount rate: The discount rate was 3.57%, an increase from the prior year's rate of 2.20%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate. 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 (3.54% per the Muncicpal 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 2145.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current rate:

	1% Decrease (2.57%)	Current discount rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the net OPEB liability	$ 28,948,298	$ 25,592,595	$ 22,748,489

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
School District's proportionate share of the net OPEB liability	$ 22,051,080	$ 25,592,595	$ 29,945,102

II. REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON 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

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.211265%	0.207689%	0.210622%	0.208902%	0.206211%
District's proportionate share of the net pension liability	$ 68,601,829	$ 18,368,707	$ 51,020,892	$ 44,919,579	$ 38,277,179
State of Georgia's proportionate share of the net pension liability associated with the District	560,790	129,569	436,515	394,575	340,801
Total	$ 69,162,619	$ 18,498,276	$ 51,457,407	$ 45,314,154	$ 38,617,980
District's covered payroll	$ 28,546,391	$ 27,022,183	$ 27,155,264	$ 25,495,273	$ 24,561,041
District's proportionate share of the net pension liability as a percentage of its covered payroll	240.32%	67.98%	187.89%	176.19%	155.85%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	92.03%	77.01%	78.56%	80.27%

	2018	2017	2016	2015
District's proportion of the net pension liability	0.201727%	0.204282%	0.205153%	0.203644%
District's proportionate share of the net pension liability	$ 37,491,584	$ 42,145,654	$ 31,232,507	$ 25,727,733
State of Georgia's proportionate share of the net pension liability associated with the District	378,211	479,054	360,961	285,900
Total	$ 37,869,795	$ 42,624,708	$ 31,593,468	$ 26,013,633
District's covered payroll	$ 23,162,971	$ 22,407,856	$ 21,655,080	$ 20,775,708
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.86%	188.08%	144.23%	123.84%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%

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

CITY OF CARROLLTON BOARD OF EDUCATION

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

	2023	2022	2021	2020	2019
Contractually required contributions	$ 6,212,266	$ 5,655,040	$ 5,150,428	$ 5,740,623	$ 5,328,512
Contributions in relation to the contractually required contributions	6,212,266	5,655,040	5,150,428	5,740,623	5,328,512
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 31,092,422	$ 28,546,391	$ 27,022,183	$ 27,155,264	$ 25,495,273
Contributions as a percentage of covered payroll	19.98%	19.81%	19.06%	21.14%	20.90%

	2018	2017	2016	2015	2014
Contractually required contributions	$ 4,128,711	$ 3,305,356	$ 3,197,601	$ 2,847,643	$ 2,551,257
Contributions in relation to the contractually required contributions	4,128,711	3,305,356	3,197,601	2,847,643	2,551,257
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 24,561,041	$ 23,162,971	$ 22,407,856	$ 21,655,080	$ 20,775,708
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%	12.28%

CITY OF CARROLLTON 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

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	753,254	66,898	452,163	424,708	375,254
Total	$ 753,254	$ 66,898	$ 452,163	$ 424,708	$ 375,254
District's covered-employee payroll	$ 1,712,099	$ 1,246,163	$ 1,038,441	$ 1,006,931	$ 964,490
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	81.21%	98.00%	84.45%	85.02%	85.62%

	2018	2017	2016	2015
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	343,081	459,587	294,752	272,575
Total	$ 343,081	$ 459,587	$ 294,752	$ 272,575
District's covered-employee payroll	$ 978,747	$ 766,261	$ 777,317	$ 1,006,936
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
Plan fiduciary net position as a percentage of the total pension liability	85.69%	81.00%	87.00%	88.29%

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

CITY OF CARROLLTON BOARD OF EDUCATION

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

	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.258428%	0.250982%	0.251305%	0.249095%	0.250489%	0.243846%
District's proportionate share of the net OPEB liability	$ 25,592,595	$ 27,183,427	$ 36,910,852	$ 30,569,301	$ 31,836,383	$ 34,260,265
Total	$ 25,592,595	$ 27,183,427	$ 36,910,852	$ 30,569,301	$ 31,836,383	$ 34,260,265
District's covered-employee payroll	$ 22,376,906	$ 20,663,130	$ 20,845,197	$ 19,307,950	$ 19,040,800	$ 17,149,427
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	114.37%	131.56%	177.07%	158.32%	167.20%	199.77%
Plan fiduciary net position as a percentage of the total OPEB liability	6.17%	6.14%	3.99%	4.63%	2.93%	1.61%

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

CITY OF CARROLLTON BOARD OF EDUCATION

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

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 1,058,180	$ 934,409	$ 933,612	$ 849,856	$ 1,341,549	$ 1,298,260
Contributions in relation to the contractually required contribution	1,058,180	934,409	933,612	849,856	1,341,549	1,298,260
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School System's covered-employee payroll	$ 24,091,329	$ 22,376,906	$ 20,663,130	$ 20,845,197	$ 19,307,950	$ 19,040,800
Contributions as a percentage of covered-employee payroll	4.39%	4.18%	4.52%	4.08%	6.95%	6.82%

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.

Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

On May 13, 2020, 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, and withdrawal.

Effective with the June 30, 2021 valuation, the long-term assumed rate of return on assets (discount rate) 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 3 years for males and 2 years for females).

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

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

School OPEB Fund:

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

Changes in assumptions: June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of 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, and to 3.57% as of June 30, 2022.

III. OTHER SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Project	Original Estimated Cost(1)	Current Estimated Costs(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Expended To Date	Project Status
SPLOST Issue 2017:						
The payment of a portion of the sinking fund deposits relating to the Carrollton Redevelopment Authority Federally Taxable Qualified School Construction Bonds - Direct Pay, Series 2010	$ 3,500,000	$ 3,500,000	$ 625,055	$ 2,750,210	$ 3,375,265	Ongoing
The payment of a portion of the debt service with respect to the general obligation bonds to be issued.	10,497,000	10,497,000	2,150,000	6,850,020	9,000,020	Ongoing
Capital outlay projects within the Carrollton Independent School District, consisting of acquiring, constructing, adding to, renovating, modifying, repairing, improving and equipping existing schools and other buildings and facilities including but not limited to the following: (A) as to Carrollton Elementary School, additional classrooms, exterior door replacement, interior and exterior painting, replacement of gutters, downspouts and roofs, HVAC modifications, bathroom renovations, new lighting and new acoustical tile; (B) as to Carrollton Junior High School, replacement of gutters, downspouts and roofs, storm water/drain modification, exterior painting, HVAC additions and modifications, exterior door replacement; (C) as to Carrollton High School, classroom modifications to accommodate STEM curriculum, acquisition and installation of technology and STEM equipment, exterior and interior painting and modifications to handicap access; and (D) as to system-wide, replacement and improvement of parking lots and driveways, replacement of tennis courts, replacement of telephone system head end, replacement of maintenance vehicles, replacement of grounds maintenance equipment, replacement of busses, pavement of transportation parking lot, system-wide technology upgrades, replacement of classroom furniture at all schools; and funding capitalized interest on the Carrollton School District Debt.	6,338,000	6,338,000	208,918	4,511,880	4,720,798	Ongoing
Total 2017 SPLOST	20,335,000	20,335,000	2,983,973	14,112,110	17,096,083	

(continued)

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Project	Original Estimated Cost(1)	Current Estimated Costs(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Expended To Date	Project Status
SPLOST Issue 2022:						
The payment of a portion of the sinking fund deposits relating to the Carrollton Redevelopment Authority Federally Taxable Qualified School Construction Bonds - Direct Pay, Series 2010	$ 1,241,992	$ 1,241,992	$ -	$ -	$ -	Ongoing
The payment of a portion of the sinking fund deposits relating to the Carrollton Independent School System General Obligation Bonds, Series 2015	12,691,000	12,691,000	-	-	-	Ongoing
Capital outlay projects within the Carrollton Independent School District, consisting of acquiring, constructing, adding to, renovating, modifying, repairing, improving and equipping existing schools and other buildings and facilities, and acquiring any property necessary or desirable therefor, both real and personal, including but not limited to the following and without prioritizing any of such items: Classroom additions; HVAC additions and modifications; roof replacement and repair; interior and exterior painting; flooring replacement and repair; replacing, purchasing, upgrading, or supplementing capital equipment to include, but not limited to, school buses, tractors, trucks, furnishings, technology, laboratory, band, fine arts, safety, security, physical education, athletic, or other equipment; books and other instructional equipment; energy efficiency upgrades and acquisition of energy savings project equipment currently being leased; parking lots and driveways; acquisition of land and construction of new schools or facilities as needed.	23,575,908	23,575,908	1,678,572	-	1,678,572	Ongoing
Total 2022 SPLOST	37,508,900	37,508,900	1,678,572	-	1,678,572	
Total SPLOST	$ 57,843,900	$ 57,843,900	$ 4,662,545	$ 14,112,110	$ 18,774,655	

(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 Carroll 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 City of Carrollton Board of Education
Carrollton, 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 City of Carrollton Board of Education (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated May 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
May 1, 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 City of Carrollton Board of Education
Carrollton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that 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
May 1, 2024

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Funding Agency Program/Grant	Assistance Listing Number	Pass-Through Entity ID Number	Expenditures In Period
Agriculture, U. S. Department of			
Pass-Through From Georgia Department of Education			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	10.553	225GA324N1199	$ 806,975
National School Lunch Program:			
After School Snack Program	10.555	225GA324N1199	102,797
Cash Assistance (2)	10.555	225GA324N1199	1,983,751
Non-Cash Assistance - Commodities (1)	10.555	225GA324N1199	168,435
COVID-19 - National School Lunch Program	10.555	225GA324N1099	161,988
Total Child Nutrition Cluster			3,223,946
Commercial Warehouse Storage and Delivery Cost Reimbursement Grant	10.560	225GA904N2533	36,942
Total U. S. Department of Agriculture			3,260,888
Education, U. S. Department of			
Pass-Through From Georgia Department of Education			
Special Education Cluster (IDEA)			
Title VI - B - Flowthrough	84.027	H027A210073	414,531
Title VI - B - Flowthrough	84.027	H027A220073	753,524
Title VI - B - Parent Mentor	84.027	H027A220073	18,400
Title VI - B - Capacity Building Grant	84.027	H027A210073	27,980
Title VI - B - Preschool Grants	84.173	H173A210081	14,636
Title VI - B - Preschool Grants	84.173	H173A220081	55,057
Total Special Education Cluster (IDEA)			1,284,128
Title I, Part A			
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	S010A210010	3,968
Title I - Improving the Academic Achievement of the Disadvantaged	84.010	S010A220010	1,184,678
Total Title I, Part A			1,188,646
Education of Homeless Children and Youth	84.196	S196A220011	56,818
Twenty-first Century Community Learning Centers	84.287	S287C210010	126,387
Twenty-first Century Community Learning Centers	84.287	S287C220010	720,078
Total Twenty-first Century Community Learning Centers			846,465
Title III, Part A - Limited English Proficient	84.365	S365A210010	25,233
Title III, Part A - Limited English Proficient	84.365	S365A220010	25,833
Title III, Part A - Immigrant	84.365	S365A220010	26,935
Total Title III, Part A			78,001
Title II, Part A - Improving Teacher Quality	84.367	S367A210001	34,402
Title II, Part A - Improving Teacher Quality	84.367	S367A220001	104,284
Title II, Part A - Advance Placement	84.367	S367A220001	700
Total Title II, Part A			139,386

(Continued)

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Funding Agency Program/Grant	Assistance Listing Number	Pass-Through Entity ID Number	Expenditures In Period
Perkins IV Grants - Program Improvement	84.048	V048A220010	$ 38,416
Perkins Plus Reserve	84.048	V048A220010	2,628
Perkins IV Carryover	84.048	V048A220010	7,177
Total Perkins Grants			48,221
Title IV-A - Student Support and Academic Enrichment	84.424A	S424A210011	9,840
Title IV-A - Student Support and Academic Enrichment	84.424A	S424A220011	73,028
Total Title IV-A			82,868
Education Stabilization Fund			
COVID-19 - ESSER ARP - Homeless Children and Youth II	84.425W	S425W210011	67,386
COVID-19 - ESSER III - ARP - LL - L4GA BIRTH TO 5YRS	84.425U	S425U210012	29,310
COVID-19 - ESSER III - ARP - LL - L4GA KINDERGARTEN TO 5TH GR.	84.425U	S425U210012	100,397
COVID-19 - ESSER III - ARP - LL - L4GA MIDDLE SCHOOL	84.425U	S425U210012	36,795
COVID-19 - ESSER III - ARP - LL - L4GA HIGH SCHOOL	84.425U	S425U210012	37,414
COVID-19 - ESSER III - ARP - LL - READINESS IN LITERACY	84.425U	S425U210012	576
COVID-19 - ESSER III - ARP - Opportunity - FACE Grants	84.425U	S425U210012	9,883
COVID-19 - ESSER III - ARP - LEA	84.425U	S425U210012	1,963,661
Total Education Stabilization Fund			2,245,422
Total U. S. Department of Education			5,969,955
Defense, U. S. Department of			
Direct Award			
Department of the Army			
R.O.T.C. Program	12 U01	N/A	62,443
Department of Early Care and Learning			
Bright from the Start			
Pre-K Lottery Power Supplemental Payment	93.575	N/A	35,000
Total Expenditures of Federal Awards			$ 9,328,286

N/A = Not Available

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

(2) Expenditures for the funds earned on Child and Adult Care Food Program were not maintained separately and are included in the National School Lunch Program.

The School District did not provide Federal Assistance to any Subrecipient.

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the City of Carrollton Board of Education and is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

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.

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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 federal program:

Name of Federal Program or Cluster	Assistance Listing Number
Child Nutrition Cluster	10.553 and 10.555
Special Education Cluster	84.027 and 84.173
Twenty-First Century Community Learning Centers	84.287
COVID-19: Education Stabilization Fund	84.425U and 84.425W

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

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF CARROLLTON BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

STATUS OF PRIOR YEAR FINDINGS

None reported.