

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2022

Clarke County Board of Education

Athens, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

Clarke County Board of Education

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Section I

Financial

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DOAA
Georgia Department
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Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Robbie Hooker, Superintendent and Members of the
Clarke County Board of Education

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clarke County Board of Education (School District) as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 29, 2023

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INTRODUCTION

The Clarke County Board of Education's (School District) financial statements for the fiscal year ended June 30, 2022 includes a series of basic financial statements that report financial information for the School District. The Statement of Net Position and the Statement of Activities provide financial information about all of the School District's activities and present both a short-term and long-term view of the School District's finances on a global basis. The fund financial statements provide information about all of the School District's funds. Information about these funds, such as the School District's general fund, is important in its own right, but will also give insight into the School District's overall soundness as reported in the Statement of Net Position and the Statement of Activities.

FINANCIAL HIGHLIGHTS

Key Financial Highlights for Fiscal Year 2022

Government-Wide Statements:

- Government-wide net position at June 30, 2022 was $169.8 million. Net position reflects the difference between all assets and deferred outflows of resources of the School District (including capital assets, net of depreciation) and all liabilities, both short-term and long-term, and deferred inflows of resources. The net position at June 30, 2022 of $169.8 million represented an increase of $55.7 million when compared to the prior year.
- The School District had $214.9 million in expenses relating to governmental activities; only $131.6 million of these expenses were offset by program specific charges for services, grants and contributions. However, general revenues (primarily property and sales taxes) of $139.0 million were adequate to provide for these program deficits.
- As stated above, general revenues accounted for $139.0 million or about 51.4% of all revenues totaling $270.6 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues.

Fund Financial Statements

- Among major funds, the general fund had $239.1 million in revenues and $225.5 million in expenditures. The general fund balance of $68.9 million at June 30, 2022 was $13.6 million greater than the prior year.
- The capital projects fund had $32.5 million in revenues and received $80.8 million in bond proceeds and related premiums. $13.0 million was expended and an additional $13.5 million was transferred out of the capital projects fund into the debt service fund to pay general obligation bond principal and interest. The capital projects fund balance of $126.5 million was $86.8 million more than the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The 'governmental funds' statements disclose how basic services are financed in the short-term as well as what remains for future spending. In the case of the Clarke County Board of Education, the general fund, capital projects fund, and debt service fund are all considered to be major funds. The School District has no nonmajor funds as defined by GASB Statement No. 34 for the purposes of this report.

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

Government-Wide Statements

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

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

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

- Capitalize current outlays for capital assets
- Depreciate capital assets
- Report long-term debt as a liability
- Report other post-employment benefits as a liability
- Report pension liabilities
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position as follows:
    - *Net Investment in capital assets*
    - *Restricted net positions are* those resources with constraints placed on the use by external sources such as creditors, grantors, contributors or laws and regulations.
    - *Unrestricted net position* is resources that do not meet any of the above restrictions.

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the School District's significant or major funds. As discussed previously, the School District has no nonmajor funds as defined by generally accepted accounting principles and all funds are considered Governmental Funds.

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

Summary Comparison of the Government-Wide and Fund Financial Statements

Government-Wide Financial Statements	Fund Financial Statements
School District's overall financial status	School District's financial status by fund
Economic resources measurement	Current financial resources measurement
Full accrual	Modified accrual
Statement of Net Position includes: • Current assets • Non-current assets • Deferred outflow of resources • Current liabilities • Long term liabilities • Deferred inflow of resources • Net position	Balance Sheet includes: • Current assets • Deferred outflow of resources • Current liabilities • Deferred inflow of resources • Fund balances
Net position is broken out into: • Net investment in capital assets • Restricted net position • Unrestricted net position	Fund balances are classified as: • Nonspendable • Restricted • Committed • Assigned • Unassigned

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

In the case of the Clarke County Board of Education, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $169.8 million at June 30, 2022. To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $169.8 million of net position, about $52.9 million was restricted for continuation of state and federal programs, debt service and ongoing capital projects. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District had $329.8 million (net of related debt) invested in capital assets (e.g., land, buildings, and equipment). The School District uses these capital assets to provide educational services to students within geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is *not* available for future spending.

The remaining balance of unrestricted net assets is ($212.9) million. The negative unrestricted net position is due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68*, Accounting and Financial Reporting for Pensions*, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net effect of these GASB statements negatively impact unrestricted net position by ($261.7) million. This is made up of:

	Liabilities	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Effect
Teachers Retirement System	($67.6) million	($99.3) million	$56.9 million	($110.0) million
Employees' Retirement System	($0.3) million	($0.3) million	$0.2 million	($0.4) million
Other Post-Employment Benefits	($119.1) million	($64.5) million	$32.3 million	($151.3) million
Total				($261.7) million

The remaining balance of $48.8 million may be used to meet the School District's ongoing obligations to citizens and creditors.

TABLE 1 – NET POSITION COMPARISON

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

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Assets		
Current and Other Assets	$ 219,363,983	$ 129,524,355
Capital Assets, Net	332,968,386	330,167,670
Total Assets	552,332,369	459,692,025
Deferred Outflows of Resources	89,433,749	94,148,194
Total Assets and Deferred Outflows of Resources	641,766,118	553,840,219
Liabilities		
Current and Other Liabilities	23,734,908	33,810,706
Pension and OPEB Liabilities	186,985,235	342,892,644
Long-Term Liabilities	97,131,564	30,161,034
Total Liabilities	307,851,707	406,864,384
Deferred Inflows of Resources	164,088,980	32,834,347
Total Liabilities and Deferred Inflows of Resources	471,940,687	439,698,731
Net Position		
Net Investment in Capital Assets	329,776,745	314,410,820
Restricted	52,910,268	42,853,482
Unrestricted (Deficit)	(212,861,582)	(243,122,814)
Total Net Position	$ 169,825,431	$ 114,141,488

Analysis

Total net position increased $55.7 million in fiscal year 2022 from the prior year. This increase is the net effect of many factors.

- Assets and deferred outflows of resources increased by $87.9 million. Significant factors that led to the increase are:
    - Various cash transactions throughout the year resulted in cash and cash equivalents increasing by $20.0 million.
    - The School District reinvested bond proceeds from the fiscal year increasing investment balances by $72.9 million.
    - The School District was awarded substantial pandemic related federal assistance during both fiscal years. The timing of these and other federal program reimbursement requests caused accounts receivables from the Federal government to decrease by $2.9 million.
    - Various capital related transactions resulted in capital assets net of accumulated depreciation increasing by $2.8 million.
    - GASB Statement No. 68 and GASB Statement No. 75 reporting requirements, which are rooted in actuarial assumptions and estimates, decreased deferred outflows related to defined benefit pension plans and OPEB by $4.7 million.
- Liabilities and deferred inflows of resources increased by $32.2 million. Significant factors that led to the increase are:
    - The School District realigned the payroll calendar to more closely match the timing of work performed, reducing salaries and benefits payable by $9.8 million.
    - GASB Statement No. 68 and GASB Statement No. 75 reporting requirements decreased the net pension liability and net OPEB liability by $155.9 million.
    - Though the School District made principal and interest payments during the year, additional bonds were sold. The net effect on this activity increased long-term liabilities by $66.9 million.
    - GASB Statement No. 68 and GASB Statement No. 75 reporting requirements increased the deferred inflows related to defined benefit pension plans and OPEB by $131.3 million.

TABLE 2 – CHANGE IN NET POSITION COMPARISON

The table below shows the changes in net position as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Revenues		
Program Revenues:		
Charges for Services	$ 1,366,108	$ 299,203
Operating Grants and Contributions	129,900,092	113,468,266
Capital Grants and Contributions	336,330	1,658,016
Total Program Revenues	131,602,530	115,425,485
General Revenues:		
Property Taxes	100,634,938	93,736,289
Sales Taxes	34,801,227	29,909,439
Investment Earnings	306,071	338,352
Miscellaneous	3,227,557	2,900,159
Special Item		
Loss on Disposal of Capital Assets	(3,908)	(30,897)
Total General Revenues and Special Item	138,965,885	126,853,342
Total Revenues	270,568,415	242,278,827
Program Expenses:		
Instruction	125,468,910	145,547,332
Support Services		
Pupil Services	13,865,206	12,360,505
Improvement of Instructional Services	15,381,282	11,048,491
Educational Media Services	2,057,861	2,428,986
General Administration	2,151,316	2,505,556
School Administration	9,577,672	11,147,014
Business Administration	2,635,601	1,507,773
Maintenance and Operation of Plant	17,849,794	16,880,646
Student Transportation Services	11,688,101	9,017,746
Central Support Services	3,186,665	4,214,856
Other Support Services	246,326	166,035
Operations of Non-Instructional Services		
Enterprise Operations	198,465	129,075
Community Services	1,672,734	69,583
Food Services	9,078,932	7,494,549
Interest on Long-Term Debt	(174,393)	80,855
Total Expenses	214,884,472	224,599,002
Increase in Net Position	$ 55,683,943	$ 17,679,825

Analysis

The School District did see another increase in net position. The increase for fiscal year 2022 was $38.0 million more than the increase that occurred in fiscal year 2021. This increase is the net effect of many factors:

- Revenues increased by $28.3 million. Significant factors that led to the increase are:
    - The School District was awarded substantial pandemic related federal assistance during the year and austerity measures that were slated to reduce state revenues were fully restored. As a result operating grants and contributions increased by $16.4 million.
    - Property values in Clarke County increased and as a result of keeping the millage rate consistent, revenue from property taxes increased by $6.9 million.
    - Economic activity increased pushing up sales taxes by $4.9 million.
- Expenses decreased by $9.7 million. Significant factors that led to the decrease are:
    - The School District was awarded substantial pandemic related federal assistance during the year. As a result expenditures related to Federal programs increased by $8.5 million.
    - GASB Statement No. 68 and GASB Statement No. 75 reporting requirements, which are rooted in actuarial assumptions and estimates, decreased expenditures by $20.8 million.
    - The School District returned to face-to-face instruction. As a result, other general fund expenditures increased when compared to the previous fiscal year.

TABLE 3 – COST OF PROVIDING SERVICES

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2021
Instruction	$ 125,468,910	$ 145,547,332	$ 47,762,737	$ 67,778,601
Support Services:				
Pupil Services	13,865,206	12,360,505	5,984,180	6,356,904
Improvement of Instructional Services	15,381,282	11,048,491	5,099,453	6,116,091
Educational Media Services	2,057,861	2,428,986	(5,061)	489,709
General Administration	2,151,316	2,505,556	(3,080,034)	(1,304,484)
School Administration	9,577,672	11,147,014	4,896,234	7,034,627
Business Administration	2,635,601	1,507,773	2,541,329	1,452,927
Maintenance and Operation of Plant	17,849,794	16,880,646	12,709,632	9,803,597
Student Transportation Services	11,688,101	9,017,746	8,134,693	6,341,176
Central Support Services	3,186,665	4,214,856	2,981,827	3,782,494
Other Support Services	246,326	166,035	218,260	140,370
Operations of Non-Instructional Services:				
Enterprise Operations	198,465	129,075	(93,128)	(58,043)
Community Services	1,672,734	69,583	(130,066)	39,842
Food Services	9,078,932	7,494,549	(3,563,722)	1,118,851
Interest on Long-Term Debt	(174,393)	80,855	(174,392)	80,855
Total Expenses	$ 214,884,472	$ 224,599,002	$ 83,281,942	$ 109,173,517

Analysis

Expenses for fiscal year 2022 decreased about 4.3% from prior year expenses, while the net cost of services decreased 23.7%. This is the net result of changes in revenues and program expenses explained above.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Exhibit "C" of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $271.6 million, other financing sources and uses of $80.8 million and total expenditures of $252.0 million in fiscal year 2022. Total governmental fund balances of $195.5 million at June 30, 2022, increased $100.4 million from the prior year. This increase in fund balance was the net effect of many factors. A few significant factors that led to the increase are:

- The School District sold bonds during the fiscal year, which increased cash and investments in the capital projects fund by $80.8 million.
- Various cash transactions throughout the year resulted in cash and cash equivalents increasing by $8.4 million in the general fund and $11.6 million in the capital projects fund.
- The School District realigned the payroll calendar to more closely match the timing of work performed, reducing salaries and benefits payable by $9.8 million.

General Fund Budget Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund. During the course of fiscal year 2022, the School District amended its general fund budget as needed.

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

General Fund Revenue

For the general fund, the final actual revenues of $239.1 million were less than the final budgeted of $254.5 million by $15.4 million. This difference (final actual vs. final budget) is the net effect of many factors:

- The School District operated several pandemic related federal grants with grant periods that extend beyond the end of the fiscal year. These grants operate on a reimbursement basis and were not fully expended during the year. Since more funding was available than drawn down in the fiscal year, revenues related to Federal funds were $20.4 million less than what was budgeted. These funds will roll over and benefit future years.
- The property tax digest grew at a faster pace than was anticipated when the general fund budget was adopted. As a result, property taxes exceeded the budget by $1.4 million.
- Title ad-valorem taxes (TAVT) increased during the year and outpaced the budget by $0.9 million.
- The School District charged the full amount of allowable indirect costs to all federal programs. As a result miscellaneous revenue collections exceeded anticipated collections by $1.4 million.

General Fund Expenditures

The general fund's final actual expenditures of $225.5 million were less than the final budget amount of $263.4 million by $37.9 million. This difference (final actual vs. final budget) is the net effect of many factors:

- The School District operated several pandemic related federal grants with grant periods that extend beyond the end of the fiscal year. These grants operate on a reimbursement basis and were not fully expended during the year. Since more funding was available than drawn down in the fiscal year, expenditures related to Federal funds were $20.4 less than what was budgeted. These unexpended funds will roll over and benefit future years.
- The School District experienced $3.3 million in operational savings in the general fund. These savings are partially attributable to:
    - Technology - Telephone, data lines and software savings of $1.0 million.
    - Transportation - Funds earmarked, but not spent on buses, fuel and repair of $0.5 million.
    - Plant Services – Budgeted funds not expended on electricity, building repair and other purchased services of $0.8 million.
- The School District experienced $7.5 million in salary and benefit savings in the general fund. These savings are partially attributable to:
    - Teacher salaries - $3.8 million
    - Paraprofessional salaries - $0.6
    - Custodian salaries - $0.5
    - All related benefits - $3.0 million

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the School District had $333.0 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including buildings; land; land improvements; and food service, transportation and maintenance equipment. Table 4 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Land	$ 5,742,117	$ 5,742,117
Construction In Progress	11,791,203	6,843,053
Building and Improvements	302,725,861	310,279,821
Equipment	5,897,281	5,687,228
Land Improvements	6,811,924	1,615,451
Total	$ 332,968,386	$ 330,167,670

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

Long-Term Liabilities

At June 30, 2022, the School District had $97.1 million in total debt outstanding which was consisted of $88.2 million in bond debt, $5.8 million unamortized premiums on bonds sold, $0.8 million in leases and $2.3 million in compensated absences debt. Table 5 summarizes the School District's debt as compared to the prior fiscal year.

Table 5
Changes in Long-Term Liabilities

	Governmental Activities	
	Fiscal Year 2022	Fiscal Year 2021
Bonds Payable	$ 88,150,000	$ 25,650,000
Leases	821,167	1,148,330
Compensated Absences	2,290,724	1,843,143
Unamortized Bond Premiums	5,869,673	1,519,561
Total	$ 97,131,564	$ 30,161,034

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- We still see the impact of COVID-19 on the School District's operations and staffing. There has been a continued shortage of custodians, maintenance workers, bus drivers, paraprofessionals and teachers. The School District has turned to contracted services, signing and retention supplements, and paying significant overtime in order to meet the need in these areas.
- Inflation and supply chain issues have also impacted operations. There has been an increase in cost for custodial supplies and equipment, food, fuel, furniture and construction. The School District also experienced significant delays and challenges when purchasing vehicles.
- As with all school districts and public higher education institutions nationally, one challenge is setting enough funds aside for increasing health costs and other post-retirement benefits. Further complicating the issue is the uncertainty of the federal and state governments' commitment to fully funding education, specifically school districts like Clarke County Board of Education which have a significant number of children who are classified as living in poverty. These complex and competing fiscal demands do not only reflect a financial challenge, but present the need for clarity and a strategic focus to fully meet the needs of all students. To that end, the School District has prioritized staffing in the areas of counseling and social work, preserving low class sizes in grades Kindergarten through 8th grade, maintaining staff levels in Special Education, and paying all staff a competitive wage.

- Despite these challenges the School District is financially stable. The operating millage rate for fiscal year 2022 was 20.0 mills, which produced approximately $4.8 million per mill.
- The School District also benefits from Title I funding through the Community Eligibility Provision that enables all students to eat meals at no cost. Additionally, the School District qualifies for special grants and other opportunities afforded to districts with children in need. The focus is on determining how to properly leverage the resources provided to significantly improve student performance.
- The School District continues to construct new facilities and renovate existing buildings to implement a neighborhood school model, improve instructional spaces and reduce the number of portable classrooms district wide. The School District plans to fund additional capital projects with the one percent local sales tax revenue approved in 2021 and with state capital outlay grants.
- The School District leadership is constantly prioritizing where to invest funds to best align to the School District's strategic plan. The School District has converted to the Fund 150 allotment system, maximizing financial flexibility and ensuring resources are provided to children. The School District has earned and maintained an Aa 2 bond rating, which is a higher-than-normal rating in the state of Georgia. The School District is committed to a conservative budget approach and presents annual budgets to the public that are balanced.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Byron Schueneman, Chief Financial Officer, Clarke County Board of Education, 595 Prince Avenue, Athens, Georgia 30601. You may also email your questions to Mr. Schueneman at schuenemanb@clarke.k12.ga.us

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Clarke County Board of Education

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CLARKE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 116,096,644.63
Investments	72,935,594.26
Accounts Receivable, Net	
Interest	187,771.86
Taxes	4,497,196.12
State Government	10,599,588.66
Federal Government	13,900,413.17
Local	5,659.48
Other	369,030.31
Inventories	390,443.20
Prepaid Items	381,641.35
Capital Assets, Non-Depreciable	17,533,319.47
Capital Assets, Depreciable (Net of Accumulated Depreciation)	315,435,066.12
Total Assets	552,332,368.63
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plan	57,140,749.17
Related to OPEB Plan	32,293,000.00
Total Deferred Outflows of Resources	89,433,749.17
LIABILITIES	
Accounts Payable	6,185,544.92
Salaries and Benefits Payable	12,548,462.24
Payroll Withholdings Payable	3,703,852.17
Interest Payable	750,416.67
Contracts Payable	454,507.86
Retainages Payable	39,596.70
Deposits and Unearned Revenues	52,527.05
Net Pension Liability	67,874,945.00
Net OPEB Liability	119,110,290.00
Long-Term Liabilities	
Due Within One Year	14,883,609.01
Due in More Than One Year	82,247,955.35
Total Liabilities	307,851,706.97
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	99,622,628.00
Related to OPEB Plan	64,466,352.00
Total Deferred Inflows of Resources	164,088,980.00
NET POSITION	
Net Investment in Capital Assets	329,776,745.33
Restricted for	
Continuation of Federal Programs	5,642,623.65
Debt Service	13,790,833.33
Capital Projects	33,476,811.12
Unrestricted (Deficit)	(212,861,582.60)
Total Net Position	$ 169,825,430.83

The notes to the basic financial statements are an integral part of this statement.

CLARKE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES					
Instruction	$ 125,468,910.11	$ -	$ 77,706,173.24	$ -	$ (47,762,736.87)
Support Services					
Pupil Services	13,865,205.71	-	7,881,025.14	-	(5,984,180.57)
Improvement of Instructional Services	15,381,282.41	-	10,281,829.31	-	(5,099,453.10)
Educational Media Services	2,057,860.90	-	2,062,921.62	-	5,060.72
General Administration	2,151,315.86	-	5,231,349.91	-	3,080,034.05
School Administration	9,577,672.37	-	4,681,437.86	-	(4,896,234.51)
Business Administration	2,635,601.14	-	94,271.98	-	(2,541,329.16)
Maintenance and Operation of Plant	17,849,793.61	69,321.79	5,070,839.86	-	(12,709,631.96)
Student Transportation Services	11,688,101.57	117,016.97	3,100,061.78	336,330.00	(8,134,692.82)
Central Support Services	3,186,664.71	-	204,837.93	-	(2,981,826.78)
Other Support Services	246,325.86	-	28,065.74	-	(218,260.12)
Operations of Non-Instructional Services					
Enterprise Operations	198,464.92	291,592.99	-	-	93,128.07
Community Services	1,672,733.56	813,548.37	989,251.21	-	130,066.02
Food Services	9,078,931.64	74,627.58	12,568,026.52	-	3,563,722.46
Interest on Long-Term Debt	(174,392.47)	-	-	-	174,392.47
Total Governmental Activities	$ 214,884,471.90	$ 1,366,107.70	$ 129,900,092.10	$ 336,330.00	(83,281,942.10)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					100,564,440.52
Railroad Cars					70,497.22
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					32,389,422.94
Other Sales Tax					2,411,804.20
Investment Earnings					306,070.74
Miscellaneous					3,227,557.35
Special Item					
Loss on Disposal of Capital Assets					(3,908.03)
Total General Revenues and Special Item					138,965,884.94
Change in Net Position					55,683,942.84
Net Position - Beginning of Year					114,141,487.99
Net Position - End of Year					$ 169,825,430.83

The notes to the basic financial statements are an integral part of this statement.

CLARKE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 64,433,514.61	$ 51,663,130.02	$ -	$ 116,096,644.63
Investments	-	72,935,594.26	-	72,935,594.26
Accounts Receivable, Net				
Interest	-	187,771.86	-	187,771.86
Taxes	1,802,014.81	2,695,181.31	-	4,497,196.12
State Government	10,599,588.66	-	-	10,599,588.66
Federal Government	13,900,413.17	-	-	13,900,413.17
Local	5,659.48	-	-	5,659.48
Other	369,030.31	-	-	369,030.31
Inventories	390,443.20	-	-	390,443.20
Prepaid Items	381,641.35	-	-	381,641.35
Total Assets	$ 91,882,305.59	$ 127,481,677.45	$ -	$ 219,363,983.04
LIABILITIES				
Accounts Payable	$ 5,745,661.30	$ 439,883.62	$ -	$ 6,185,544.92
Salaries and Benefits Payable	12,548,462.24	-	-	12,548,462.24
Payroll Withholdings Payable	3,703,852.17	-	-	3,703,852.17
Contracts Payable	-	454,507.86	-	454,507.86
Retainages Payable	-	39,596.70	-	39,596.70
Deposits and Unearned Revenues	52,527.05	-	-	52,527.05
Total Liabilities	22,050,502.76	933,988.18	-	22,984,490.94
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	911,342.43	-	-	911,342.43
FUND BALANCES				
Nonspendable	772,084.55	-	-	772,084.55
Restricted	5,393,235.73	126,547,689.27	-	131,940,925.00
Committed	1,124,695.96	-	-	1,124,695.96
Assigned	1,901,993.61	-	-	1,901,993.61
Unassigned	59,728,450.55	-	-	59,728,450.55
Total Fund Balances	68,920,460.40	126,547,689.27	-	195,468,149.67
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 91,882,305.59	$ 127,481,677.45	$ -	$ 219,363,983.04

The notes to the basic financial statements are an integral part of this statement.

CLARKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - governmental funds (Exhibit "C")		$ 195,468,149.67
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	$ 5,742,116.61	
Construction in progress	11,791,202.86	
Buildings and improvements	405,519,424.71	
Equipment	21,365,263.24	
Land improvements	8,180,025.23	
Accumulated depreciation	(119,629,647.06)	332,968,385.59
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Equipment	$ 81,336.00	
Accumulated amortization - Right-to-use assets	(81,336.00)	-
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (67,874,945.00)	
Net OPEB liability	(119,110,290.00)	(186,985,235.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	$ (42,481,878.83)	
Related to OPEB	(32,173,352.00)	(74,655,230.83)
Taxes that are not available to pay for current period expenditures are deferred in the funds.		911,342.43
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	$ (88,150,000.00)	
Accrued interest payable	(750,416.67)	
Lease liability payable	(821,167.08)	
Compensated absences payable	(2,290,724.27)	
Unamortized bond premiums	(5,869,673.01)	(97,881,981.03)
Net position of governmental activities (Exhibit "A")		$ 169,825,430.83

CLARKE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 100,754,589.15	$ -	$ -	$ 100,754,589.15
Sales Taxes	2,411,804.20	32,389,422.94	-	34,801,227.14
State Funds	80,294,362.83	-	-	80,294,362.83
Federal Funds	50,803,189.48	-	-	50,803,189.48
Charges for Services	1,366,107.70	-	-	1,366,107.70
Investment Earnings	219,652.37	86,418.37	-	306,070.74
Miscellaneous	3,227,557.35	-	-	3,227,557.35
Total Revenues	239,077,263.08	32,475,841.31	-	271,553,104.39
EXPENDITURES				
Current				
Instruction	132,358,593.28	-	-	132,358,593.28
Support Services				
Pupil Services	14,947,523.97	-	-	14,947,523.97
Improvement of Instructional Services	16,234,942.66	-	-	16,234,942.66
Educational Media Services	2,333,142.31	-	-	2,333,142.31
General Administration	2,248,557.63	-	-	2,248,557.63
School Administration	10,709,090.90	-	-	10,709,090.90
Business Administration	1,934,111.40	855,015.50	-	2,789,126.90
Maintenance and Operation of Plant	18,175,314.26	20,077.54	-	18,195,391.80
Student Transportation Services	11,338,399.29	143,500.00	-	11,481,899.29
Central Support Services	3,313,281.31	-	-	3,313,281.31
Other Support Services	247,654.56	-	-	247,654.56
Enterprise Operations	198,464.92	-	-	198,464.92
Community Services	1,672,733.56	-	-	1,672,733.56
Food Services Operation	9,447,231.95	-	-	9,447,231.95
Capital Outlay	8,050.49	12,029,683.11	-	12,037,733.60
Debt Services				
Principal	327,162.66	-	12,500,000.00	12,827,162.66
Interest	22,113.66	-	956,200.00	978,313.66
Total Expenditures	225,516,368.81	13,048,276.15	13,456,200.00	252,020,844.96
Revenues over (under) Expenditures	13,560,894.27	19,427,565.16	(13,456,200.00)	19,532,259.43
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds	-	75,000,000.00	-	75,000,000.00
Premiums on Bonds Sold	-	5,834,934.50	-	5,834,934.50
Transfers In	-	-	13,456,200.00	13,456,200.00
Transfers Out	-	(13,456,200.00)	-	(13,456,200.00)
Total Other Financing Sources (Uses)	-	67,378,734.50	13,456,200.00	80,834,934.50
Net Change in Fund Balances	13,560,894.27	86,806,299.66	-	100,367,193.93
Fund Balances - Beginning	55,359,566.13	39,741,389.61	-	95,100,955.74
Fund Balances - Ending	$ 68,920,460.40	$ 126,547,689.27	$ -	$ 195,468,149.67

The notes to the basic financial statements are an integral part of this statement.

CLARKE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2022

Net change in fund balances total governmental funds (Exhibit "E")		$ 100,367,193.93
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 13,038,018.48	
Depreciation expense	(10,233,394.46)	2,804,624.02
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		(3,908.03)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(119,651.41)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
General obligation bonds issued, including a premium of $5,834,934.50	$ (80,834,934.50)	
Lease liability payments	327,162.66	
Bond principal retirements	12,500,000.00	(68,007,771.84)
District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	$ 17,401,670.49	
OPEB expense	2,536,661.00	19,938,331.49
Interest expense reported on the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.		1,152,706.13
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(447,581.45)
Change in net position of governmental activities (Exhibit "B")		$ 55,683,942.84

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, 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 certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under leases are reported as other financing sources.

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

New Accounting Pronouncements

In fiscal year 2022, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The adoption of this statement did have a significant impact on the School District's financial statements.

Cash and Cash Equivalents

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

Investments

The School District can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

Investments 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. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

Receivables

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

Inventories

Consumable Supplies Inventories

Inventories of consumable supplies are reported at cost using weighted average method. The School District uses the consumption method to account for inventories whereby consumable supplies are recorded as an asset when purchased and expenses are recorded as the inventory items are used.

Food Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000.00	15 to 99 Years
Buildings and	$ 5,000.00	Up to 99 Years
Equipment	$ 5,000.00	3 to 10 Years
Intangible Assets	$ 100,000.00	Individually Determined

Intangible Right-To-Use Assets

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

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

	Capitalization Policy
Land	Any
Land Improvements	$ 5,000.00
Buildings and Improvements	$ 5,000.00
Equipment	$ 5,000.00

Leases as Lessee

The School District is a lessee for noncancellable leases of energy efficiency equipment, machinery, supplies, building modifications and other energy saving items owned by 3rd parties.

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

Key estimates and judgments related to leases include how the School District determines (1) lease term and (2) lease payments:

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

Vacation leave of 15 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 60 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

In the School District’s government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts

should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Clarke County Board of Commissioners adopted the property tax levy for the 2021 tax digest year (calendar year) on June 22, 2021 (levy date) based on property values as of January 1, 2021. Taxes were due on October 20, 2021 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2021 tax digest are reported as revenue in the governmental funds for fiscal year 2022. The Clarke County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2022, for maintenance and operations amounted to $95,315,005.27.

The tax millage rate levied for the 2021 tax digest year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	20.00 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $5,369,086.66 during fiscal year ended June 30, 2022.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $32,389,422.94 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

The Superintendent is authorized by the Board to approve adjustments of no more than 10% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 10% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds $50,000.00 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND INVESTMENTS

Collateralization of Deposits

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

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

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2022, the School District had deposits with a carrying amount of $116,096,444.63, petty cash on hand of $200.00 and a bank balance of $117,582,920.58. The bank balances insured by Federal depository insurance were $887,172.74.

At June 30, 2022, $116,695,747.84 of the School District's bank balances were exposed to custodial credit risk. Bank balances totaling $815,464.84 were collateralized with securities held by the pledging financial institution. The remaining balance was in the State Secure Deposit Program (SDP).

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

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

Categorization of Investments

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

		Investment Maturity	
Investment Type	Fair Value	Less Than 1 Year	1 - 5 Years
Debt Securities			
U. S. Treasuries	$ 72,935,594.26	$ 8,491,017.38	$ 64,444,576.88

Fair Value of Investments

The School District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

At June 30, the School District had the following investments by fair value level:

U.S. Treasuries of $72,935,594.26 are valued using quoted market prices. (Level 1 inputs)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

At June 30, 2022, $72,935,594.26 of the School District's applicable investments were held by the investment’s counterparty, not in the School District's name.

NOTE 5: CAPITAL ASSETS

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

	Restated Balances July 1, 2021	Increases	Decreases	Balances June 30, 2022
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	$ 5,742,116.61	$ -	$ -	$ 5,742,116.61
Construction in Progress	6,843,053.58	11,257,420.15	6,309,270.87	11,791,202.86
Total Capital Assets				
Not Being Depreciated	12,585,170.19	11,257,420.15	6,309,270.87	17,533,319.47
Capital Assets,				
Being Depreciated				
Buildings and Improvements	404,363,755.16	1,155,669.55	-	405,519,424.71
Equipment	21,858,959.07	1,587,738.28	2,000,098.11	21,446,599.24
Land Improvements	2,833,563.86	5,346,461.37	-	8,180,025.23
Less Accumulated				
Depreciation:				
Buildings and Improvements	94,083,934.33	8,709,629.58	-	102,793,563.91
Equipment	16,171,731.40	1,373,776.79	1,996,190.08	15,549,318.11
Land Improvements	1,218,112.95	149,988.09	-	1,368,101.04
Total Capital Assets,				
Being Depreciated, Net	317,582,499.41	(2,143,525.26)	3,908.03	315,435,066.12
Governmental Activities				
Capital Assets - Net	$ 330,167,669.60	$ 9,113,894.89	$ 6,313,178.90	$ 332,968,385.59

Current year depreciation expense by function is as follows:

Instruction		$ 8,608,924.30
Support Services		
Pupil Services	$ 46,305.87	
Improvements of Instructional Services	20,428.11	
General Administration	107,255.49	
Maintenance and Operation of Plant	253,948.39	
Student Transportation Services	970,839.80	
Central Support Services	152,444.85	1,551,222.51
Food Services		73,247.65
		$ 10,233,394.46

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfers to	Transfers From Capital Projects Fund
Debt Service Fund	$ 13,456,200.00

Transfers are used to move sales tax revenues collected by the capital projects fund to the debt service fund for payment of general obligation bonds.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General Obligation (G.O.) Bonds	$ 25,650,000.00	$ 75,000,000.00	$ 12,500,000.00	$ 88,150,000.00	$ 13,150,000.00
Unamortized Bond Premiums	1,519,561.31	5,834,934.50	1,484,822.80	5,869,673.01	1,311,130.43
Leases	1,148,329.74	-	327,162.66	821,167.08	334,478.58
Compensated Absences	1,843,142.82	1,050,753.26	603,171.81	2,290,724.27	88,000.00
	$ 30,161,033.87	$ 81,885,687.76	$ 14,915,157.27	$ 97,131,564.36	$ 14,883,609.01

General Obligation Bonds

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

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2022. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

During the current year, the School District issued general obligation bonds totaling $75,000,000.00 to provide advanced funding for ESPLOST projects.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2017	3.00% - 5.00%	5/25/2017	9/1/2022	$ 60,000,000.00	$ 13,150,000.00
General Government - Series 2022	5.00%	5/19/2022	9/1/2027	75,000,000.00	75,000,000.00
				$ 135,000,000.00	$ 88,150,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt Principal	General Obligation Debt Interest	Unamortized Bond Premium
2023	$ 13,150,000.00	$ 3,266,250.00	$ 1,311,130.43
2024	13,750,000.00	3,406,250.00	1,094,050.22
2025	14,325,000.00	2,704,375.00	1,094,050.22
2026	14,900,000.00	1,973,750.00	1,094,050.22
2027	15,625,000.00	1,210,625.00	1,094,050.22
2028	16,400,000.00	410,000.00	182,341.70
Total Principal and Interest	$ 88,150,000.00	$ 12,971,250.00	$ 5,869,673.01

Leases

The School District has acquired energy efficient equipment, machinery, and building modifications under the provisions of various contracts that convey control of the right-to-use and other entity's assets for a period of time in an exchange or exchange-like transaction. These contracts are classified as leases for accounting purposes.

Leases currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Purchase of Energy Efficiency Equipment	2.26%	3/5/2014	11/5/2024	$ 2,200,785.00	$ 586,908.58
Purchase of Energy Efficiency Equipment	2.10%	6/15/2016	11/5/2024	677,271.00	234,258.50
				$ 2,878,056.00	$ 821,167.08

The following is a schedule of total lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2023	$ 334,478.58	$ 14,797.74
2024	341,958.29	7,318.03
2025	144,730.21	802.00
Total Principal and Interest	$ 821,167.08	$ 22,917.77

Compensated Absences

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

NOTE 8: RISK MANAGEMENT

Insurance

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

Georgia School Boards Association Risk Management Fund

The School District participates in the Georgia School Boards Association Risk Management Fund (the Fund), a public entity risk pool organized on August 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against members of the Fund . The School District pays an annual contribution to the Fund for coverage. Reinsurance is provided to the Fund through agreements by the Fund with insurance companies according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

Workers' Compensation

Georgia School Boards Association Workers' Compensation Fund

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

Unemployment Compensation

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2021	$ -	$ 341,656.88	$ 341,656.88	$ -
2022	$ -	$ 118,874.14	$ 118,874.14	$ -

Surety Bond

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

Position Covered	Amount
Superintendent	$ 250,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2022:

Nonspendable		
Inventories	$ 390,443.20	
Prepaid Assets	381,641.35	$ 772,084.55
Restricted		
Continuation of Federal Programs	$ 5,393,235.73	
Capital Projects	112,006,439.27	
Debt Service	14,541,250.00	131,940,925.00
Committed		
School Activity Accounts		1,124,695.96
Assigned		
After School Program	$ 417,862.11	
Local Capital Outlay Projects	57,139.40	
Local Programs	1,426,992.10	1,901,993.61
Unassigned		59,728,450.55
Fund Balance, June 30, 2022		$ 195,468,149.67

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

NOTE 10: BROADBAND SPECTRUM AGREEMENT

Effective April 10, 2008, the School District entered into a 30-year agreement with Clearwire Spectrum Holdings for the use of excess spectrum capacity on Education Broadband Service licenses currently held by School District. These licenses were granted to the School District by the Federal

Communications Commission. The agreement requires monthly payments over the term of the agreement, of which $37,200.00 was recognized during fiscal year 2022 as a general revenue on the Statement of Activities.

NOTE 11: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2022.

Project	Unearned Executed Contracts (1)	Payments through June 30, 2022 (2)
Cedar Shoals Fieldhouse	$ 5,143,158.00	$ 395,967.00

(1) The amounts described are not reflected in the basic financial statements.
(2) Payments include contracts and retainages payable at year end.

NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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 have a material adverse effect on the financial condition of the School District.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $3,970,692.00 for the year ended June 30, 2022. 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, 2022, the School District reported a liability of $119,110,290.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the School District's proportion was 1.099734%, which was a decrease of 0.001359% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of $1,432,624.00. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 54,385,380.00
Changes of assumptions	21,810,932.00	9,719,324.00
Net difference between projected and actual earnings on OPEB plan investments	-	188,871.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	6,511,376.00	172,777.00
School District contributions subsequent to the measurement date	3,970,692.00	-
Total	$ 32,293,000.00	$ 64,466,352.00

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

Year Ended June 30:	OPEB
2023	$ (8,847,553.00)
2024	$ (8,361,637.00)
2025	$ (6,293,479.00)
2026	$ (4,179,411.00)
2027	$ (6,459,375.00)
Thereafter	$ (2,002,589.00)

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

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible	5.13%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

Mortality rates were based on the Pub-2010 Mortality Tables for Males or Females, as appropriate, as follows:

- For TRS members: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP- 2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied

generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Project scale applied generationally.

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

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

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

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

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.14%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

***Discount Rate*:** In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 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 2.20%, 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 (1.20%) or 1-percentage-point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
School District's proportionate share of the net OPEB liability	$ 136,169,774.00	$ 119,110,290.00	$ 104,829,888.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 101,069,699.00	$ 119,110,290.00	$ 141,662,448.00

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

NOTE 14: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2022. The School District's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of annual School District payroll, of which 19.76% of payroll was required from the School District and 0.05% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $22,165,791.09 and $55,070.21 from the School District and the State, respectively.

Employees' Retirement System

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

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

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

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

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to $4,200.00, plus 6.00% of annual compensation in excess of $4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the

computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2022 was 24.63% of annual covered payroll for old and new plan members and 21.57% for GSEPS members. 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. Employer contributions to the pension plan were $77,301.08 for the current fiscal year.

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

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $393,612.00.

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

At June 30, 2022, the School District reported a liability of $67,874,945.00 for its proportionate share of the net pension liability for TRS ($67,628,635.00) and ERS ($246,310.00).

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

School District's proportionate share of the net pension liability	$	67,628,635.00
State of Georgia's proportionate share of the net pension liability associated with the School District		173,968.00
Total	$	67,802,603.00

The net pension liability for TRS and ERS was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2021.

At June 30, 2021, the School District's TRS proportion was 0.764655%, which was an increase of 0.018604% from its proportion measured as of June 30, 2020. At June 30, 2021, the School District's ERS proportion was 0.010531%, which was an a decrease of 0.000026% from its proportion measured as of June 30, 2020.

At June 30, 2022, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $307,124.00.

The PSERS net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The 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, 2021.

For the year ended June 30, 2022, the School District recognized pension expense of $4,443,628.67 for TRS, ($32,567.49) for ERS and $3,229.00 for PSERS and revenue of ($415,677.00) for TRS and $3,229.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,138,342.00	$ -	$ 5,829.00	$ -
Changes of assumptions	13,089,303.00	-	70,930.00	-
Net difference between projected and actual earnings on pension plan investments	-	98,921,590.00	-	227,649.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	5,593,253.00	426,882.00	-	46,507.00
School District contributions subsequent to the measurement date	22,165,791.09	-	77,301.08	-
Total	$ 56,986,689.09	$ 99,348,472.00	$ 154,060.08	$ 274,156.00

The School District contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2023	$ (11,428,470.00)	$ (49,335.00)
2024	$ (11,483,817.00)	$ (31,931.00)
2025	$ (17,782,021.00)	$ (55,323.00)
2026	$ (23,833,266.00)	$ (60,808.00)

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

Teachers Retirement System:

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

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

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

Employees' Retirement System:

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

Mortality rates are as follows:

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

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

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

Public School Employees Retirement System:

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

Mortality rates are as follows:

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

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

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

Asset class	TRS Target allocation	Long-term expected real rate of return*	ERS/PSERS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.80)%	30.00%	(1.50)%
Domestic large stocks	46.30%	9.30%	46.40%	9.20%
Domestic small stocks	1.20%	13.30%	1.10%	13.40%
International developed market stocks	11.50%	9.30%	11.70%	9.20%
International emerging market stocks	6.00%	11.30%	5.80%	10.40%
Alternative	5.00%	10.60%	5.00%	10.60%
Total	100.00%		100.00%	

* Rates shown are net of inlation

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to

be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% and 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% and 6.00%) or 1-percentage-point higher (8.25% and 8.00%) than the current rate:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	$ 182,173,625.00	$ 67,628,635.00	$ 26,233,080.00

Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 451,357.00	$ 246,310.00	$ 72,897.00

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publicly available at www.trsga.com/publications and http://www.ers.ga.gov/financials.

NOTE 15: TAX ABATEMENTS

The School District property tax revenues were reduced by $949,906.33 under agreements entered into by Athens-Clarke County Economic Development Authority for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Clarke County. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount

- A 100 percent property tax abatement to a manufacturing plant relocating and increasing employment. The abatement amounted to $414,349.45.
- A 100 percent property tax abatement to a supermarket store increasing employment. The abatement amounted to $117,057.98.
  A 100 percent property tax abatement to a biotech company focused on sustainable alternatives to petroleum increasing employment. The abatement amounted to $169,430.40.

NOTE 16: SPECIAL ITEMS

The School District disposed of equipment with a carrying value of $3,908.03. This activity is reported as a special item on the Statements of Activities.

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

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.764655%	$ 67,628,635.00	$ 173,968.00	$ 67,802,603.00	$ 99,816,768.50	67.75%	92.03%
2021	0.746051%	$ 180,722,753.00	$ 475,758.00	$ 181,198,511.00	$ 96,516,890.79	187.24%	77.01%
2020	0.724175%	$ 155,717,207.00	$ 452,417.00	$ 156,169,624.00	$ 88,633,867.39	175.69%	78.56%
2019	0.730239%	$ 135,548,000.00	$ 358,064.00	$ 135,906,064.00	$ 87,228,717.46	155.39%	80.27%
2018	0.723899%	$ 134,538,859.00	$ 1,169,202.00	$ 135,708,061.00	$ 84,048,383.81	160.07%	79.33%
2017	0.708165%	$ 146,102,336.00	$ 2,939,521.00	$ 149,041,857.00	$ 79,118,748.30	184.66%	76.06%
2016	0.709882%	$ 108,072,485.00	$ 2,225,598.00	$ 110,298,083.00	$ 76,446,913.46	141.37%	81.44%
2015	0.714449%	$ 90,261,208.00	$ 1,859,172.00	$ 92,120,380.00	$ 73,548,010.23	122.72%	84.03%

This schedule is intended to show information for 10 years. Additional years will be displayed as they are available.

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

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2022	$ 22,165,791.09	$ 22,165,791.09	$ -	$ 112,168,976.58	19.76%
2021	$ 18,977,608.17	$ 18,977,608.17	$ -	$ 99,816,768.50	19.01%
2020	$ 20,350,138.67	$ 20,350,138.67	$ -	$ 96,516,890.79	21.08%
2019	$ 18,471,698.67	$ 18,471,698.67	$ -	$ 88,633,867.39	20.84%
2018	$ 14,624,519.81	$ 14,624,519.81	$ -	$ 87,228,717.46	16.77%
2017	$ 11,860,743.75	$ 11,860,743.75	$ -	$ 84,048,383.81	14.11%
2016	$ 11,067,260.69	$ 11,067,260.69	$ -	$ 79,118,748.30	13.99%
2015	$ 9,847,179.98	$ 9,847,179.98	$ -	$ 76,446,913.46	12.88%
2014	$ 9,033,288.47	$ 9,033,288.47	$ -	$ 73,548,010.23	12.28%
2013	$ 8,609,968.12	$ 8,609,968.12	$ -	$ 75,459,843.29	11.41%

CLARKE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2022	0.010531%	$ 246,310.00	$ 253,650.82	97.11%	87.62%
2021	0.010557%	$ 444,973.00	$ 273,773.20	162.53%	76.21%
2020	0.016229%	$ 669,695.00	$ 409,092.68	163.70%	76.74%
2019	0.012648%	$ 519,963.00	$ 318,121.43	163.45%	76.68%
2018	0.010368%	$ 421,079.00	$ 256,784.16	163.98%	76.33%
2017	0.010334%	$ 488,842.00	$ 248,205.72	196.95%	72.34%
2016	0.009988%	$ 404,654.00	$ 230,887.48	175.26%	76.20%
2015	0.009953%	$ 373,299.00	$ 245,676.27	151.95%	77.99%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CLARKE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2022	$ 77,301.08	$ 77,301.08	$ -	$ 313,848.62	24.63%
2021	$ 62,550.51	$ 62,550.51	$ -	$ 253,650.82	24.66%
2020	$ 67,512.41	$ 67,512.41	$ -	$ 273,773.20	24.66%
2019	$ 101,373.33	$ 101,373.33	$ -	$ 409,092.68	24.78%
2018	$ 78,926.00	$ 78,926.00	$ -	$ 318,121.43	24.81%
2017	$ 63,708.15	$ 63,708.15	$ -	$ 256,784.16	24.81%
2016	$ 61,356.41	$ 61,356.41	$ -	$ 248,205.72	24.72%
2015	$ 50,702.89	$ 50,702.89	$ -	$ 230,887.48	21.96%
2014	$ 45,351.84	$ 45,351.84	$ -	$ 245,676.27	18.46%
2013	$ 24,385.08	$ 24,385.08	$ -	$ 163,658.26	14.90%

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

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.00%	$ -	$ 307,124.00	$ 307,124.00	$ 6,720,806.15	N/A	98.00%
2021	0.00%	$ -	$ 2,169,370.00	$ 2,169,370.00	$ 7,667,722.83	N/A	84.45%
2020	0.00%	$ -	$ 2,113,995.00	$ 2,113,995.00	$ 7,658,089.56	N/A	85.02%
2019	0.00%	$ -	$ 2,020,944.00	$ 2,020,944.00	$ 8,573,114.74	N/A	85.26%
2018	0.00%	$ -	$ 1,862,435.00	$ 1,862,435.00	$ 7,291,484.26	N/A	85.69%
2017	0.00%	$ -	$ 2,433,106.00	$ 2,433,106.00	$ 7,459,662.68	N/A	81.00%
2016	0.00%	$ -	$ 1,553,512.00	$ 1,553,512.00	$ 7,021,029.38	N/A	87.00%
2015	0.00%	$ -	$ 1,311,954.00	$ 1,311,954.00	$ 6,749,075.36	N/A	88.29%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	1.099734%	$ 119,110,290.00	$ -	$ 119,110,290.00	$ 95,589,871.91	124.61%	6.14%
2021	1.101093%	$ 161,724,918.00	$ -	$ 161,724,918.00	$ 85,048,853.59	190.16%	3.99%
2020	1.062703%	$ 130,416,458.00	$ -	$ 130,416,458.00	$ 74,023,494.68	176.18%	4.63%
2019	1.049856%	$ 133,433,475.00	$ -	$ 133,433,475.00	$ 77,845,032.10	171.41%	2.93%
2018	1.047699%	$ 147,201,287.00	$ -	$ 147,201,287.00	$ 74,647,572.74	197.20%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2022	$ 3,970,692.00	$ 3,970,692.00	$ -	$ 97,869,772.24	4.06%
2021	$ 4,090,825.00	$ 4,090,825.00	$ -	$ 95,589,871.91	4.28%
2020	$ 3,723,639.00	$ 3,723,639.00	$ -	$ 85,048,853.59	4.38%
2019	$ 5,723,393.00	$ 5,723,393.00	$ -	$ 74,023,494.68	7.73%
2018	$ 5,441,305.00	$ 5,441,305.00	$ -	$ 77,845,032.10	6.99%
2017	$ 5,462,781.00	$ 5,462,781.00	$ -	$ 74,647,572.74	7.32%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Teachers Retirement System

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

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

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

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

Employees' Retirement System

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

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, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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

Public School Employees Retirement System

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

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

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

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates 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, and to 2.22% as of June 30, 2020.

CLARKE COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 99,335,733.00	$ 99,335,733.00	$ 100,754,589.15	$ 1,418,856.15
Sales Taxes	1,500,000.00	1,500,000.00	2,411,804.20	911,804.20
State Funds	73,333,002.00	80,089,025.00	80,294,362.83	205,337.83
Federal Funds	75,235,804.57	71,184,438.27	50,803,189.48	(20,381,248.79)
Charges for Services	511,613.00	511,613.00	1,366,107.70	854,494.70
Investment Earnings	70,000.00	70,000.00	219,652.37	149,652.37
Miscellaneous	1,704,917.08	1,828,063.22	3,227,557.35	1,399,494.13
Total Revenues	251,691,069.65	254,518,872.49	239,077,263.08	(15,441,609.41)
EXPENDITURES				
Current				
Instruction	141,557,477.91	147,562,530.94	132,358,593.28	15,203,937.66
Support Services				
Pupil Services	17,326,668.37	20,624,209.80	14,947,523.97	5,676,685.83
Improvement of Instructional Services	14,070,485.38	25,527,953.51	16,234,942.66	9,293,010.85
Educational Media Services	2,241,154.90	2,383,440.90	2,333,142.31	50,298.59
General Administration	2,916,436.18	3,451,232.85	2,248,557.63	1,202,675.22
School Administration	10,586,248.08	11,116,057.08	10,709,090.90	406,966.18
Business Administration	12,132,678.00	2,092,696.00	1,934,111.40	158,584.60
Maintenance and Operation of Plant	20,027,566.22	21,379,897.09	18,175,314.26	3,204,582.83
Student Transportation Services	11,282,355.56	13,376,025.14	11,338,399.29	2,037,625.85
Central Support Services	10,307,913.83	3,872,543.83	3,313,281.31	559,262.52
Other Support Services	265,864.81	369,589.81	247,654.56	121,935.25
Enterprise Operations	-	-	198,464.92	(198,464.92)
Community Services	184,663.00	441,836.00	1,672,733.56	(1,230,897.56)
Food Services Operation	10,490,081.48	11,206,759.83	9,447,231.95	1,759,527.88
Capital Outlay	4,014.76	19,770.76	8,050.49	11,720.27
Debt Service				
Principal	-	-	327,162.66	(327,162.66)
Interest	-	-	22,113.66	(22,113.66)
Total Expenditures	253,393,608.48	263,424,543.54	225,516,368.81	37,908,174.73
Excess of Revenues over (under) Expenditures	(1,702,538.83)	(8,905,671.05)	13,560,894.27	22,466,565.32
OTHER FINANCING SOURCES(USES)				
Other Sources	2,533,952.00	3,095,328.00	-	(3,095,328.00)
Other Uses	(2,533,952.00)	(3,095,328.00)	-	3,095,328.00
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(1,702,538.83)	(8,905,671.05)	13,560,894.27	22,466,565.32
Fund Balances - Beginning	54,254,442.38	54,485,775.10	55,359,566.13	873,791.03
Fund Balances - Ending	$ 52,551,903.55	$ 45,580,104.05	$ 68,920,460.40	$ 23,340,356.35

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.
The actual revenues and expenditures of the various principal accounts are $2,574,091.19 and $2,274,668.11, respectively.

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

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	225GA324N1199	$ 2,680,636.48
National School Lunch Program	10.555	225GA324N1199	5,285,289.79
Fresh Fruit and Vegetable Program	10.582	215GA324L1603	167,058.71
Total U. S. Department of Agriculture			8,132,984.98
Education, U. S. Department of			
Direct			
Impact Aid			
Payments for Federally Connected Children - Section 7003	84.041B		45,107.00
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	1,446,690.17
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	7,841,066.57
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	12,202,180.04
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	72,074.71
Total Education Stabilization Fund			21,562,011.49
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A200073	1,138,283.75
Grants to States	84.027A	H027A210073	2,097,932.95
Preschool Grants	84.173A	H173A200081	9,515.00
Preschool Grants	84.173A	H173A210081	108,348.31
Total Special Education Cluster			3,354,080.01
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A210010	184,096.32
Education for Homeless Children and Youth	84.196A	S196A200011	8,631.45
Education for Homeless Children and Youth	84.196A	S196A210011	32,687.54
English Language Acquisition State Grants	84.365A	S365A200010	79,944.79
English Language Acquisition State Grants	84.365A	S365A210010	146,256.49
Migrant Education - State Grant Program	84.011A	S011A200011	8,467.16
Migrant Education - State Grant Program	84.011A	S011A200011	45,925.37
Student Support and Academic Enrichment Program	84.424A	S424A210011	514,974.46
Supporting Effective Instruction State Grants	84.367A	S367A210001	742,899.72
Title I Grants to Local Educational Agencies	84.010A	S010A200010	1,789,326.79
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	5,459,410.04

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Twenty-First Century Community Learning Centers	84.287C	S287C200010	157,898.10
Twenty-First Century Community Learning Centers	84.287C	S287C210010	438,880.46
Total Other Programs			9,609,398.69
Total U. S. Department of Education			34,570,597.19
Health and Human Services, U. S. Department of			
Head Start Cluster			
Direct			
Head Start	93.600		4,477,701.33
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12. UNKNOWN		724,364.26
Total Expenditures of Federal Awards			$ 47,905,647.76

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Clarke County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 3,524,213.78
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	3,148,910.00
Kindergarten Program - Early Intervention Program	1,390,785.00
Primary Grades (1-3) Program	6,300,000.00
Primary Grades - Early Intervention (1-3) Program	4,049,871.00
Upper Elementary Grades (4-5) Program	2,869,079.00
Upper Elementary Grades - Early Intervention (4-5) Program	2,465,562.00
Middle School (6-8) Program	6,169,891.00
High School General Education (9-12) Program	6,342,648.00
Vocational Laboratory (9-12) Program	1,391,937.00
Students with Disabilities	12,207,822.00
Gifted Student - Category VI	6,331,710.00
Remedial Education Program	1,418,139.00
Alternative Education Program	470,944.00
English Speakers of Other Languages (ESOL)	3,290,136.00
Media Center Program	1,364,114.00
20 Days Additional Instruction	372,958.00
Staff and Professional Development	249,241.00
Principal Staff and Professional Development	5,203.00
Indirect Cost	
Central Administration	1,820,971.00
School Administration	3,014,402.00
Facility Maintenance and Operations	2,692,251.00
Mid-term Adjustment Hold-Harmless	525,723.00
Amended Formula Adjustment	444,360.00
Charter System Adjustment	1,285,225.00
Pupil Transportation	
Regular	1,402,462.91
Bus Replacement	264,330.00
Nursing Services	250,670.00
One-time Supplement	3,443,822.00
Other State Programs	
Food Services	548,127.00
Hygiene Products	7,875.01
Math and Science Supplements	148,885.00
Preschool Disability Services	410,315.00
Pupil Transportation - State Bonds	72,000.00
Teachers Retirement	55,070.21
Vocational Education	103,097.92
Office of the State Treasurer	
Public School Employees Retirement	393,612.00
CONTRACT	
Human Resources, Georgia Department of	
Family Connections	48,000.00
	$ 80,294,362.83

See notes to the basic financial statements.

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CLARKE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2022

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
SPLOST V			
Providing funds to pay the costs for the purposes of acquiring, constructing and equipping the following capital outlay projects:			
(a) Additions to, renovations of, repairs to, improvements to, and equipment for existing educational, administrative and services buildings, properties, and facilities of the School District, including, without limitation, Alps Road Elementary School, Barnett Shoals Elementary School, David C. Barrow Elementary School, Chase Street Elementary School, Cleveland Road Elementary School, Fowler Drive Elementary School, the facility known as the West Broad campus, Howard B. Stroud Elementary School, Judia J. Harris Elementary School, the current Gaines Elementary School, the facility formerly operated as Gaines Elementary School and known as Old Gaines, Oglethorpe Avenue Elementary School, Timothy Road Elementary School, Whit Davis Elementary School, Whitehead Road Elementary School, Winterville Elementary School, Burney-Harris-Lyons Middle School, Clarke Middle School, W. R. Coile Middle School, Hilsman Middle School, Cedar Shoals High School, Clarke Central High School and Classic City High School, Athens Community Career Academy, Early Learning Center, athletic facilities, transportation facilities (including bus driver training facilities), maintenance facilities, storage facilities (including the storage facility located on Barber Street), and administrative and services facilities;	$ 103,597,902.00	$ 95,264,518.05	7/1/2023
(b) New administrative and services facilities and professional and early learning facilities;	6,000,000.00	16,577,025.98	7/1/2023
(c) Technology to be used at all educational and administrative facilities, including, but not limited to, classroom technology infrastructure, computers, laptops, tablets and mobile devices for students and staff, servers, wiring, wireless antennas, and other technology upgrades with necessary hardware, software, and programs;	20,000,000.00	18,011,395.00	7/1/2023
(d) Real and personal property, including, but not limited to, improved or unimproved land and existing buildings for future school or administrative and services facility sites, custodial and school nutrition kitchen equipment and other furniture, fixtures and equipment;	300,000.00	743,124.97	7/1/2023
(e) Security system upgrades, equipment and infrastructure to all educational and administrative facilities;	-	-	7/1/2023
(f) School buses (including installment payments);	2,500,000.00	2,500,000.00	7/1/2023
(g) Sewer system upgrades to convert from septic systems to public sewer; and	-	-	7/1/2023
(h) Capitalized expenses incident thereto (including, but not limited to, the payment of implementation administrative and management expenses, any capitalized interest, and reimbursements for expenditures for needs assessment for facilities).	2,602,098.00	1,903,936.00	7/1/2023
Subtotal SPLOST V Projects	135,000,000.00	135,000,000.00	

PROJECT			
SPLOST VI			
Providing funds to pay the costs for the purposes of acquiring, constructing and equipping the following capital outlay projects:			
(a) Additions to, renovations of, repairs to, improvements to, and equipment for existing educational, facility known as the West Broad campus, Howard B. Stroud Elementary School, J.J. Harris Elementary School, the current Gaines Elementary School, the facility formerly operated as Gaines Elementary School, Oglethorpe Avenue Elementary School, Timothy Road Elementary School, Whit Davis Elementary School, Whitehead Road Elementary School, Winterville Elementary School, Burney-Harris-Lyons Middle School, Clarke Middle School, W. R. Coile Middle School, Hilsman Middle School, Cedar Shoals High School, Clarke Central High School and Classic City High School, Athens Community Career Academy, Early Learning Center, athletic facilities, transportation facilities (including bus driver training facilities), maintenance facilities, storage facilities, and administrative and services facilities;	147,450,000.00	147,450,000.00	7/1/2027
(b) new administrative and services facilities, and professional and early learning facilities;	-	-	7/1/2027
(c) technology to be used at all educational and administrative facilities, including, but not limited to, computers, laptops, tablets and mobile devices for students and staff, servers, wiring, wireless antennas, and other technology upgrades with necessary hardware, software, and programs;	22,500,000.00	22,500,000.00	7/1/2027
(d) Acquisition of and/or improvements to real and personal property, including, but not limited to, improved or unimproved land and existing buildings for future school or administrative and services facility sites, custodial and school nutrition kitchen equipment and other furniture, fixtures and equipment;	600,000.00	600,000.00	7/1/2027
(e) Security system upgrades, equipment and infrastructure to all educational and administrative facilities;	-	-	7/1/2027
(f) School buses (including installment payments);	2,500,000.00	2,500,000.00	7/1/2027
(g) sewer system upgrades to convert from septic systems to public sewer;	-	-	7/1/2027
(h) Capital expenditures in accordance with the School District's strategic plan for facilities; and capitalized expenses incident thereto (including the payment of any capitalized interest).	1,950,000.00	1,950,000.00	7/1/2027
Subtotal SPLOST VI Projects	175,000,000.00	175,000,000.00	
Total	$ 310,000,000.00	$ 310,000,000.00	

CLARKE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2022

SCHEDULE "12"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST V				
Providing funds to pay the costs for the purposes of acquiring, constructing and equipping the following capital outlay projects:				
(a) Additions to, renovations of, repairs to, improvements to, and equipment for existing educational, administrative and services buildings, properties, and facilities of the School District, including, without limitation, Alps Road Elementary School, Barnett Shoals Elementary School, David C. Barrow Elementary School, Chase Street Elementary School, Cleveland Road Elementary School, Fowler Drive Elementary School, the facility known as the West Broad campus, Howard B. Stroud Elementary School, Judia J. Harris Elementary School, the current Gaines Elementary School, the facility formerly operated as Gaines Elementary School and known as Old Gaines, Oglethorpe Avenue Elementary School, Timothy Road Elementary School, Whit Davis Elementary School, Whitehead Road Elementary School, Winterville Elementary School, Burney-Harris-Lyons Middle School, Clarke Middle School, W. R. Coile Middle School, Hilsman Middle School, Cedar Shoals High School, Clarke Central High School and Classic City High School, Athens Community Career Academy, Early Learning Center, athletic facilities, transportation facilities (including bus driver training facilities), maintenance facilities, storage facilities (including the storage facility located on Barber Street), and administrative and services facilities;	$ 3,670,938.93	$ 71,529,820.84	$ -	$ -
(b) New administrative and services facilities and professional and early learning facilities;	7,150,736.74	9,426,289.24	-	-
(c) Technology to be used at all educational and administrative facilities, including, but not limited to, classroom technology infrastructure, computers, laptops, tablets and mobile devices for students and staff, servers, wiring, wireless antennas, and other technology upgrades with necessary hardware, software, and programs;	866,504.25	16,449,236.55	-	-
(d) Real and personal property, including, but not limited to, improved or unimproved land and existing buildings for future school or administrative and services facility sites, custodial and school nutrition kitchen equipment and other furniture, fixtures and equipment;	26,236.06	449,044.67	-	-
(e) Security system upgrades, equipment and infrastructure to all educational and administrative facilities;	-	-	-	-
(f) School buses (including installment payments);	143,500.00	1,960,725.00	-	-
(g) Sewer system upgrades to convert from septic systems to public sewer; and	-	-	-	-
(h) Capitalized expenses incident thereto (including, but not limited to, the payment of implementation administrative and management expenses, any capitalized interest, and reimbursements for expenditures for needs assessment for facilities).	332,811.17	1,423,798.48	-	-
Subtotal SPLOST V Projects	12,190,727.15	101,238,914.78	-	-

PROJECT				
SPLOST VI				
Providing funds to pay the costs for the purposes of acquiring, constructing and equipping the following capital outlay projects:				
(a) Additions to, renovations of, repairs to, improvements to, and equipment for existing educational, facility known as the West Broad campus, Howard B. Stroud Elementary School, J.J. Harris Elementary School, the current Gaines Elementary School, the facility formerly operated as Gaines Elementary School, Oglethorpe Avenue Elementary School, Timothy Road Elementary School, Whit Davis Elementary School, Whitehead Road Elementary School, Winterville Elementary School, Burney-Harris-Lyons Middle School, Clarke Middle School, W. R. Coile Middle School, Hilsman Middle School, Cedar Shoals High School, Clarke Central High School and Classic City High School, Athens Community Career Academy, Early Learning Center, athletic facilities, transportation facilities (including bus driver training facilities), maintenance facilities, storage facilities, and administrative and services facilities;	2,500.00	-	-	-
(b) New administrative and services facilities, and professional and early learning facilities;	-	-	-	-
(c) Technology to be used at all educational and administrative facilities, including, but not limited to, computers, laptops, tablets and mobile devices for students and staff, servers, wiring, wireless antennas, and other technology upgrades with necessary hardware, software, and programs;	-	-	-	-
(d) Acquisition of and/or improvements to real and personal property, including, but not limited to, improved or unimproved land and existing buildings for future school or administrative and services facility sites, custodial and school nutrition kitchen equipment and other furniture, fixtures and equipment;	-	-	-	-
(e) Security system upgrades, equipment and infrastructure to all educational and administrative facilities;	-	-	-	-
(f) School buses (including installment payments);	-	-	-	-
(g) Sewer system upgrades to convert from septic systems to public sewer;	-	-	-	-
(h) Capital expenditures in accordance with the School District's strategic plan for facilities; and capitalized expenses incident thereto (including the payment of any capitalized interest).	855,049.00	-	-	-
Subtotal SPLOST VI Projects	857,549.00	-	-	-
Total	$ 13,048,276.15	$ 101,238,914.78	$ -	$ -

(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 projects. Includes all cost from project inception to completion.
(3) The voters of Clarke 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.
(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

Total	$ 9,342,323.33

See notes to the basic financial statements.

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Section II

Compliance and Internal Control Reports

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Robbie Hooker, Superintendent and Members of the
Clarke County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Clarke County Board of Education (School District) as of and for the year ended June 30, 2022, 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 March 29, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 29, 2023

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Robbie Hooker, Superintendent and Members of the
Clarke County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Clarke County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 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 a combination of deficiencies, in internal control over compliance, such

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that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 29, 2023

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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CLARKE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section IV

Findings and Questioned Costs

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CLARKE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Governmental Activities and Each Major Fund — Unmodified

Internal control over financial reporting:
- Material weakness(es) identified? — No
- Significant deficiency(ies) identified? — None Reported

Noncompliance material to financial statements noted: — No

Federal Awards

Internal Control over major programs:
- Material weakness(es) identified? — No
- Significant deficiency(ies) identified? — None Reported

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

All major programs — Unmodified

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

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
10.553, 10.555, 10.582	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: $1,437,169.43

Auditee qualified as low-risk auditee? — Yes

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.