

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2023

White County Board of Education

Cleveland, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

White County Board of Education

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Section I

Financial

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DOAA
Georgia Department
of Audits & Accounts

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. Laurie Burkett, Superintendent and Members of the
White County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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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

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

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financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

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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 20, 2024

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White County Board of Education

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents	$ 34,483,886
Receivables, Net	
Taxes	981,784
State Government	3,370,994
Federal Government	1,062,346
Local	171
Other	25,000
Inventories	98,824
Prepaid Items	34,032
Intangible Right-to-Use Assets (Net of Accumulated Amortization)	8,589
Capital Assets, Non-Depreciable	19,749,800
Capital Assets, Depreciable (Net of Accumulated Depreciation)	75,729,980
Total Assets	135,545,406
DEFERRED OUTFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	27,025,955
Related to OPEB Plan	6,257,683
Total Deferred Outflows of Resources	33,283,638
LIABILITIES	
Accounts Payable	416,875
Salaries and Benefits Payable	5,298,180
Interest Payable	230,950
Contracts Payable	785,288
Retainages Payable	1,548,626
Deposits and Unearned Revenues	86
Net Pension Liability	56,724,852
Net OPEB Liability	24,342,714
Long-Term Liabilities	
Due Within One Year	4,173,127
Due in More Than One Year	18,727,720
Total Liabilities	112,248,418
DEFERRED INFLOWS OF RESOURCES	
Related to Defined Benefit Pension Plans	1,029,340
Related to OPEB Plan	15,045,707
Total Deferred Inflows of Resources	16,075,047
NET POSITION	
Net Investment in Capital Assets	76,821,923
Restricted for	
Continuation of Federal Programs	2,240,356
Debt Service	4,352,831
Capital Projects	5,059,561
Unrestricted (Deficit)	(47,969,092)
Total Net Position	$ 40,505,579

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

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

	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	$ 34,571,552	$ 271,656	$ 22,307,766	$ 287,181	$ (11,704,949)
Support Services					
Pupil Services	3,089,480	-	890,235	10,708	(2,188,537)
Improvement of Instructional Services	1,550,144	-	1,352,564	-	(197,580)
Educational Media Services	783,007	-	570,632	2,923	(209,452)
General Administration	1,025,606	-	703,671	-	(321,935)
School Administration	3,668,235	-	1,062,105	22,436	(2,583,694)
Business Administration	375,844	-	107,607	-	(268,237)
Maintenance and Operation of Plant	4,004,261	-	1,689,149	8,770	(2,306,342)
Student Transportation Services	2,541,875	-	866,686	-	(1,675,189)
Central Support Services	243,669	-	84,372	-	(159,297)
Other Support Services	222,753	-	46,968	-	(175,785)
Operations of Non-Instructional Services					
Enterprise Operations	509,862	-	2,277	-	(507,585)
Food Services	3,357,131	633,327	2,874,944	7,921	159,061
Interest on Long-Term Debt	232,394	-	-	-	(232,394)
Total Governmental Activities	$ 56,175,813	$ 904,983	$ 32,558,976	$ 339,939	(22,371,915)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					18,419,880
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					7,715,857
Other Sales Tax					443,590
Investment Earnings					919,250
Miscellaneous					2,562,513
Total General Revenues					30,061,090
Change in Net Position					7,689,175
Net Position - Beginning of Year					32,816,404
Net Position - End of Year					$ 40,505,579

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

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 19,337,012	$ 10,563,093	$ 4,583,781	$ 34,483,886
Receivables, Net				
Taxes	245,087	736,697	-	981,784
State Government	3,370,994	-	-	3,370,994
Federal Government	1,062,346	-	-	1,062,346
Local	171	-	-	171
Other	25,000	-	-	25,000
Due from Other Funds	-	251,579	-	251,579
Inventories	98,824	-	-	98,824
Prepaid Items	-	34,032	-	34,032
Total Assets	$ 24,139,434	$ 11,585,401	$ 4,583,781	$ 40,308,616
LIABILITIES				
Accounts Payable	$ 406,870	$ 10,005	$ -	$ 416,875
Salaries and Benefits Payable	5,298,180	-	-	5,298,180
Due to Other Funds	251,579	-	-	251,579
Contracts Payable	-	785,288	-	785,288
Retainages Payable	-	1,548,626	-	1,548,626
Deposits and Unearned Revenues	86	-	-	86
Total Liabilities	5,956,715	2,343,919	-	8,300,634
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	7,493	-	-	7,493
FUND BALANCES				
Nonspendable	98,824	34,032	-	132,856
Restricted	2,141,532	9,207,450	4,583,781	15,932,763
Assigned	1,105,102	-	-	1,105,102
Unassigned	14,829,768	-	-	14,829,768
Total Fund Balances	18,175,226	9,241,482	4,583,781	32,000,489
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 24,139,434	$ 11,585,401	$ 4,583,781	$ 40,308,616

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")			$ 32,000,489
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	$	1,835,565	
Construction in progress		17,914,235	
Buildings and improvements		88,627,140	
Equipment		9,091,361	
Land improvements		3,445,106	
Accumulated depreciation		(25,433,627)	95,479,780
Right-to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Leased equipment	$	14,835	
Accumulated amortization - Right-to-use assets		(6,246)	8,589
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension liability	$	(56,724,852)	
Net OPEB liability		(24,342,714)	(81,067,566)
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	$	25,996,615	
Related to OPEB		(8,788,024)	17,208,591
Taxes that are not available to pay for current period expenditures are deferred in the funds.			7,493
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	$	(20,000,000)	
Accrued interest payable		(230,950)	
Lease liability payable		(8,928)	
Compensated absences payable		(52,480)	
Unamortized bond premiums		(2,599,965)	
Arbitrage liability		(239,474)	(23,131,797)
Net position of governmental activities (Exhibit "A")			$ 40,505,579

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

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 18,438,250	$ -	$ -	$ 18,438,250
Sales Taxes	443,590	7,715,857	-	8,159,447
State Funds	24,657,921	339,939	-	24,997,860
Federal Funds	7,879,627	-	-	7,879,627
Charges for Services	904,983	-	-	904,983
Investment Earnings	514,164	487,635	156,925	1,158,724
Miscellaneous	2,562,513	-	-	2,562,513
Total Revenues	55,401,048	8,543,431	156,925	64,101,404
EXPENDITURES				
Current				
Instruction	32,520,206	305,221	-	32,825,427
Support Services				
Pupil Services	2,587,283	14,529	-	2,601,812
Improvement of Instructional Services	1,500,112	-	-	1,500,112
Educational Media Services	757,155	2,042	-	759,197
General Administration	976,688	25,085	-	1,001,773
School Administration	3,541,376	6,170	-	3,547,546
Business Administration	346,372	12,850	-	359,222
Maintenance and Operation of Plant	3,768,801	201,090	-	3,969,891
Student Transportation Services	2,566,187	39,929	-	2,606,116
Central Support Services	239,902	-	-	239,902
Other Support Services	221,591	-	-	221,591
Enterprise Operations	512,982	26,291	-	539,273
Food Services Operation	3,426,070	-	-	3,426,070
Capital Outlay	589,916	20,307,462	-	20,897,378
Debt Services				
Principal	3,012	-	2,700,000	2,703,012
Interest	433	-	1,060,625	1,061,058
Total Expenditures	53,558,086	20,940,669	3,760,625	78,259,380
Revenues over (under) Expenditures	1,842,962	(12,397,238)	(3,603,700)	(14,157,976)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,580	-	-	2,580
Transfers In	-	-	471,394	471,394
Transfers Out	-	(471,394)	-	(471,394)
Total Other Financing Sources (Uses)	2,580	(471,394)	471,394	2,580
Net Change in Fund Balances	1,845,542	(12,868,632)	(3,132,306)	(14,155,396)
Fund Balances - Beginning	16,329,684	22,110,114	7,716,087	46,155,885
Fund Balances - Ending	$ 18,175,226	$ 9,241,482	$ 4,583,781	$ 32,000,489

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

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

Net change in fund balances total governmental funds (Exhibit "E")			$ (14,155,396)
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 and right-to-use assets are allocated over their estimated useful lives as depreciation expense.			
Capital outlay	$	20,998,666	
Depreciation expense		(1,580,584)	
Amortization expense		(3,123)	19,414,959
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.			(170,650)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			(18,370)
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.			
Bond principal retirements	$	2,700,000	
Lease liability payments		3,012	
Amortization of bond premium		794,914	3,497,926
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	$	(2,932,489)	
OPEB expense		2,248,962	(683,527)
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.			
Net decrease in accrued interest	$	33,750	
Increase in arbitrage liability		(239,474)	
Compensated absences		9,957	(195,767)
Change in net position of governmental activities (Exhibit "B")			$ 7,689,175

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS
ASSETS	
Cash and Cash Equivalents	$ 88,606
NET POSITION	
Held in Trust for Private Purpose	$ 88,606

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

WHITE COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDCUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Contributions	
Donors	$ 2,000
Investment Earnings	
Interest	2,076
Total Additions	4,076
DEDUCTIONS	
Other Deductions	750
Change in Net Position	3,326
Net Position - Beginning	85,280
Net Position - Ending	$ 88,606

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The White County Board of Education (the "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, except for fiduciary activities. 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 non-fiduciary 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

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, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund type:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, 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, including lease liabilities, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions, including entering into contracts giving the School District the right to use leased assets, are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under lease liabilities are reported as other financing sources.

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

New Accounting Pronouncements

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Receivables

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

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

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

On the government-wide financial statements, capital assets and right-to-use leased 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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	Any Amount	N/A
Land Improvements	$ 10,000	20 years
Buildings and Improvements	10,000	10 to 80 years
Equipment	10,000	5 to 20 years
Computer Applications	45,000	6 years
Intangible Assets	100,000	10 to 20 years

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
Equipment	$ 10,000

Leases as Lessee

The School District is a lessee for noncancellable leases of postage meter equipment owned by 3rd parties.

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases as Lessee (continued)

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 sick leave employees earned based on services already rendered.

Sick leave of 1.25 days is awarded on a monthly basis to all full-time public school retirement personnel. Sick leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such sick leave does not exceed 90 days. Upon terminating employment, the School District pays all unused and unforfeited sick leave benefits to public school retirement employees who have accumulated at least 20 days and have at least 10 years of service with the School District. Accordingly, these 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

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 White County Board of Commissioners adopted the property tax levy for the 2022 tax digest year (calendar year) on August 23, 2022 (levy date) based on property values as of January 1, 2022. Taxes were due on November 15, 2022 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The White County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2023, for maintenance and operations amounted to $16,503,866.

The tax millage rate levied for the 2022 tax digest year (calendar year) for the School District was 14.22 (a mill equals $1 per thousand dollars of assessed value).

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $1,934,384 during fiscal year ended June 30, 2023.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $7,715,857 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 fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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. 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

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,

NOTE 4: DEPOSITS (CONTINUED)

Collateralization of Deposits (continued)

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

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

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

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk.

At June 30, 2023, $35,981,472 of the School District’s bank balances were in the State’s 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.

NOTE 5: LEASED ASSETS

The School District has acquired equipment under the provisions of a contract that conveys the right-to-use another entity's asset for a period of time in an exchange or exchange-like transaction. This contract is classified as a lease for accounting purposes. The following is a summary of changes in right-to-use leased assets for governmental activities during the fiscal year:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Leased assets					
Leased Equipment	$ 14,835	$ -	$ -	$ -	$ 14,835
Total	14,835	-	-	-	14,835
Less accumulated amortization for:					
Leased Equipment	(3,123)	(3,123)	-	-	(6,246)
Total	(3,123)	(3,123)	-	-	(6,246)
Net Leased assets	$ 11,712	$ (3,123)	$ -	$ -	$ 8,589

Current year expenses of amortization of leased assets by function is as follows:

School Administration	$ 3,123

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Nondepreciable capital assets:					
Land	$ 1,835,565	$ -	$ -	$ -	$ 1,835,565
Construction in progress	4,952,700	20,178,181	-	(7,216,646)	17,914,235
Total	6,788,265	20,178,181	-	(7,216,646)	19,749,800
Capital assets, being depreciated:					
Buildings and improvements	82,235,039	156,048	(30,593)	6,266,646	88,627,140
Equipment	8,566,834	664,437	(139,910)	-	9,091,361
Land improvements	2,837,641	-	(342,535)	950,000	3,445,106
Total	93,639,514	820,485	(513,038)	7,216,646	101,163,607
Less accumulated depreciation for:					
Buildings and improvements	(16,506,099)	(1,051,479)	808	-	(17,556,770)
Equipment	(5,451,861)	(454,094)	132,993	-	(5,772,962)
Land improvements	(2,237,471)	(75,011)	208,587	-	(2,103,895)
Total	(24,195,431)	(1,580,584)	342,388	-	(25,433,627)
Total capital assets being depreciated, net	69,444,083	(760,099)	(170,650)	7,216,646	75,729,980
Governmental activities capital assets, net excluding leased assets	$ 76,232,348	$ 19,418,082	$ (170,650)	$ -	$ 95,479,780

NOTE 6: CAPITAL ASSETS (CONTINUED)

Current year expenses of depreciation of capital assets by function is as follows:

Instruction	$	1,090,604
Support Services		
Pupil Services		49,789
Educational Media Services		13,593
School Administration		104,318
Maintenance and Operation of Plant		40,778
Student Transportation Services		244,674
Food Services		36,828
	$	1,580,584

NOTE 7: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Assets and Liabilities

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

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	General Fund	$ 251,579

Amounts due to the capital projects fund from the general fund are due to amounts paid by the capital projects fund which will be reimbursed by the general fund, and due to the timing of the repayments of those amounts.

Interfund Transfers

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

Transfer From	Transfer To	Amount
Capital Projects Fund	Debt Service Fund	$ 471,394

Transfers are used to move Special Purpose Local Option Sales Tax (SPLOST) revenues collected by the capital projects fund to the debt service fund for bond principal and interest payments.

NOTE 8: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation (G.O.) Bonds	$ 22,700,000	$ -	$ 2,700,000	$ 20,000,000	$ 3,650,000
Unamortized Bond Premiums	3,394,879	-	794,914	2,599,965	519,993
Lease liabilities	11,940	-	3,012	8,928	3,134
Compensated absences (1)	62,437	1,346	11,303	52,480	-
Arbitrage liability	-	239,474	-	239,474	-
Governmental activity Long-term liabilities	$ 26,169,256	$ 240,820	$ 3,509,229	$ 22,900,847	$ 4,173,127

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

General Obligation Bonds

The School District's bonded debt consists of general obligation bonds that are generally noncallable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The School District repays general obligation bonds from voter-approved 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, 2023. 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.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2021	4.0% - 5.0%	12/9/2021	4/1/2028	$ 20,000,000	$ 20,000,000

NOTE 8: LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

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

Year ending June 30,	Principal	Interest	Total
2024	$ 3,650,000	$ 923,800	$ 4,573,800
2025	3,970,000	777,800	4,747,800
2026	4,045,000	619,000	4,664,000
2027	4,125,000	416,750	4,541,750
2028	4,210,000	210,500	4,420,500
	$ 20,000,000	$ 2,947,850	$ 22,947,850

Leases

In May 2021, the School District entered into a five-year lease agreement as lessee for the acquisition and use of postage meter equipment. An initial lease liability was recorded in the amount of $14,835. As of June 30, 2023, the value of the lease liability was $8,928. The School District is required to make quarterly principal and interest payments in the amount of $861. The lease has an interest rate of 4%. This lease qualifies as a lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of total lease payments:

Year ending June 30,	Principal	Interest	Total
2024	$ 3,134	$ 403	$ 3,537
2025	3,262	372	3,634
2026	2,532	342	2,874
	$ 8,928	$ 1,117	$ 10,045

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 9: RISK MANAGEMENT

Insurance

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

Georgia School Boards Association Risk Management Fund

The School District participates in the Georgia School Boards Association Risk 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

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
2022	$ -	$ 442	$ 442	$ -
2023	$ -	$ 96	$ 96	$ -

NOTE 9: RISK MANAGEMENT (CONTINUED)

Surety Bond

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

Position Covered	Amount
Superintendent	$ 50,000
Drivers Education	10,000

NOTE 10: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable	
Inventories	$ 98,824
Prepaid Assets	34,032
Restricted	
Arbitrage Rebate Tax	239,474
Continuation of Federal Programs	2,141,532
Capital Projects	8,967,976
Debt Service	4,583,781
Assigned	
Flexible Spending Account	9,199
School Activity Accounts	1,095,903
Unassigned	14,829,768
Fund Balance, June 30, 2023	$ 32,000,489

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 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, 2023, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2023 (2)	Funding Available From State (1)
White County High School Baseball/Softball Fields	$ 376,117	$ 4,075,976	$ -
White County High School Performing Arts Center	5,110,941	13,780,612	27,706
	$ 5,487,058	$ 17,856,588	$ 27,706

(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 lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Arbitrage Rebate Tax

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment every five years, or upon maturity of the bonds, whichever is earlier. The arbitrage calculation resulted in $239,474 of possible excess earnings, which have the potential of being rebated to the IRS. At June 30, 2023, this amount is reported as a reserve for arbitrage commitments in the capital projects fund and a long-term liability in governmental activities.

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 $947,411 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2023, the School District reported a liability of $24,342,714 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the School District's proportion was 0.245807%, which was an increase of 0.002456% from its proportion measured as of June 30, 2021.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2023, the School District recognized negative OPEB expense of ($1,301,551). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 971,654	$ 9,567,424
Changes in plan assumptions	3,707,445	4,923,348
Net difference between projected and actual earnings on OPEB plan investments	148,484	-
Changes in proportion and differences between employer and proportionate share of contributions	482,689	554,935
School District contributions subsequent to the measurement date	947,411	-
Total	$ 6,257,683	$ 15,045,707

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 subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	$ (2,819,276)
2025	(2,189,119)
2026	(1,650,866)
2027	(2,023,376)
2028	(956,004)
Thereafter	(96,794)

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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

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

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

- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males 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 adjusted 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

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

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

Asset class	Target allocation	Long-term expected real rate of return *
Fixed income	30.00%	2.00%
Equities	70.00%	9.40%
Total	100.00%	

* Net of inflation

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

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

	1% Decrease (2.57%)	Current discount rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the net OPEB liability	$ 27,534,533	$ 24,342,714	$ 21,637,508

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	$ 20,974,158	$ 24,342,714	$ 28,482,656

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/swar/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.

NOTE 14: RETIREMENT PLANS (CONTINUED)

Teachers Retirement System of Georgia (TRS) (continued)

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual School District payroll, of which 19.95% of payroll was required from the School District and 0.03% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $4,954,078 and $8,281 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.

NOTE 14: RETIREMENT PLANS (CONTINUED)

Employees' Retirement System (continued)

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, plus 6.00% of annual compensation in excess of $4,200. 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, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of cost-of-living adjustments (COLA) prefunding for certain retired ERS 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 $9,104 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 $15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

NOTE 14: RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System (PSERS) (continued)

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $69,457.

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

At June 30, 2023, the School District reported a liability of $56,665,147, and $59,705, for its proportionate share of the net pension liability for TRS and ERS, respectively.

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:

	TRS	ERS
School District's proportionate share of the net pension liability	$ 56,665,147	$ 59,705
State of Georgia's proportionate share of the net pension liability associated with the School District	100,014	-
Total	$ 56,765,161	$ 59,705

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

At June 30, 2022, the School District's TRS proportion was 0.174505%, which was a decrease of 0.003970% from its proportion measured as of June 30, 2021. At June 30, 2022, the School District's ERS proportion was 0.000894%, which was an increase of 0.000894% from its proportion measured as of June 30, 2021.

NOTE 14: RETIREMENT PLANS (CONTINUED)

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

At June 30, 2023, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $514,599.

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

For the year ended June 30, 2023, the School District recognized pension expense of $7,836,616 for TRS, $28,903 for ERS, and $129,318 for PSERS and revenue of ($30,152) for TRS and $129,318 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, 2023, 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	$ 2,352,184	$ 294,955	$ 128	$ 542
Changes of assumptions	8,529,913	-	10,613	-
Net difference between projected and actual earnings on pension plan investments	11,133,089	-	6,937	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	10,850	733,843	19,059	-
School District contributions subsequent to the measurement date	4,954,078	-	9,104	-
Total	$ 26,980,114	$ 1,028,798	$ 45,841	$ 542

NOTE 14: RETIREMENT PLANS (CONTINUED)

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

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	TRS	ERS
Year ending June 30:		
2024	$ 5,640,682	$ 23,724
2025	4,259,006	6,964
2026	3,082,315	173
2027	8,015,235	5,334

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

Teachers Retirement System:

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

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

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

NOTE 14: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (continued)

Employees' Retirement System:

Inflation	2.50%
Salary increases	3.00 – 6.75%, average 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, 2021 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
Postretirement 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

NOTE 14: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (continued)

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:

	TRS/ERS/PSERS	
Asset class	Target allocation	Long-term expected real rate of return *
Fixed income	30.00%	0.20%
Domestic large equities	46.30%	9.40%
Domestic small equities	1.20%	13.40%
International developed market equities	12.30%	9.40%
International emerging market equities	5.20%	11.40%
Alternatives	5.00%	10.50%
Total	100.00%	

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

Discount Rate: The discount rate used to measure the total TRS pension liability was 6.90%. 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.

NOTE 14: RETIREMENT PLANS (CONTINUED)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.90% 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 (5.90% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

	TRS			ERS		
	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 85,488,940	$ 56,665,147	$ 33,126,706	$ 79,479	$ 59,705	$ 43,077

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 www.ers.ga.gov/financials.

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WHITE 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
2023	0.174505%	$ 56,665,147	$ 100,014	$ 56,765,161	$ 23,647,992	239.62%	72.85%
2022	0.178475%	$ 15,784,923	$ 24,145	$ 15,809,068	$ 23,316,183	67.70%	92.03%
2021	0.179639%	$ 43,515,597	$ 80,908	$ 43,596,505	$ 23,245,131	187.20%	77.01%
2020	0.179479%	$ 38,592,838	$ 74,614	$ 38,667,452	$ 21,964,381	175.71%	78.56%
2019	0.180102%	$ 33,430,789	$ 65,710	$ 33,496,499	$ 21,492,936	155.54%	80.27%
2018	0.185757%	$ 34,523,511	$ 270,602	$ 34,794,113	$ 21,497,903	160.59%	79.33%
2017	0.185718%	$ 38,315,694	$ 578,290	$ 38,893,984	$ 20,681,026	185.27%	76.06%
2016	0.189972%	$ 28,921,351	$ 330,056	$ 29,251,407	$ 20,280,801	142.60%	81.44%
2015	0.191627%	$ 24,209,544	$ 302,829	$ 24,512,373	$ 19,734,250	122.68%	84.03%

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

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

For the Year Ended June 30	Contractually required contribution (1)	Contributions in relation to the contractually required contribution (1)	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	$ 4,954,078	$ 4,954,078	$ -	$ 24,832,471	19.95%
2022	$ 4,677,005	$ 4,677,005	$ -	$ 23,647,992	19.78%
2021	$ 4,435,170	$ 4,435,170	$ -	$ 23,316,183	19.02%
2020	$ 4,904,913	$ 4,904,913	$ -	$ 23,245,131	21.10%
2019	$ 4,581,704	$ 4,581,704	$ -	$ 21,964,381	20.86%
2018	$ 3,605,872	$ 3,605,872	$ -	$ 21,492,936	16.78%
2017	$ 3,043,888	$ 3,043,888	$ -	$ 21,497,903	14.16%
2016	$ 2,912,032	$ 2,912,032	$ -	$ 20,681,026	14.08%
2015	$ 2,666,825	$ 2,666,825	$ -	$ 20,280,801	13.15%
2014	$ 2,423,366	$ 2,423,366	$ -	$ 19,734,250	12.28%

(1) The School District has included on-behald payments within the contributions for years 2015 and prior.

WHITE 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
2023	0.000894%	$ 59,705	$ 21,896	272.68%	67.44%
2022	0.000000%	$ -	$ -	N/A	87.62%
2021	0.000000%	$ -	$ -	N/A	76.21%
2020	0.000000%	$ -	$ -	N/A	76.74%
2019	0.000106%	$ 4,358	$ 2,710	160.81%	76.68%
2018	0.000000%	$ -	$ -	N/A	N/A
2017	0.000000%	$ -	$ -	N/A	N/A
2016	0.000983%	$ 39,825	$ 28,611	139.19%	76.20%
2015	0.001251%	$ 46,920	$ 27,688	169.46%	77.99%

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

WHITE 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
2023	$ 9,104	$ 9,104	$ -	$ 29,359	31.01%
2022	$ 5,393	$ 5,393	$ -	$ 21,896	24.63%
2021	$ -	$ -	$ -	$ -	N/A
2020	$ -	$ -	$ -	$ -	N/A
2019	$ -	$ -	$ -	$ -	N/A
2018	$ 672	$ 672	$ -	$ 2,710	24.81%
2017	$ -	$ -	$ -	$ -	N/A
2016	$ -	$ -	$ -	$ -	N/A
2015	$ 6,283	$ 6,283	$ -	$ 28,611	21.96%
2014	$ 5,111	$ 5,111	$ -	$ 27,688	18.46%

WHITE 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
2023	0.00%	$ -	$ 514,599	$ 514,599	$ 753,971	N/A	81.21%
2022	0.00%	$ -	$ 54,735	$ 54,735	$ 785,537	N/A	98.00%
2021	0.00%	$ -	$ 381,036	$ 381,036	$ 860,557	N/A	84.45%
2020	0.00%	$ -	$ 391,304	$ 391,304	$ 836,542	N/A	85.02%
2019	0.00%	$ -	$ 361,691	$ 361,691	$ 817,331	N/A	85.26%
2018	0.00%	$ -	$ 334,911	$ 334,911	$ 898,389	N/A	85.69%
2017	0.00%	$ -	$ 448,772	$ 448,772	$ 875,390	N/A	81.00%
2016	0.00%	$ -	$ 329,428	$ 329,428	$ 934,417	N/A	87.00%
2015	0.00%	$ -	$ 389,393	$ 389,393	$ 1,304,045	N/A	88.29%

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

WHITE 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
2023	0.245807%	$ 24,342,714	$ -	$ 24,342,714	$ 23,079,159	105.47%	6.17%
2022	0.243351%	$ 26,356,926	$ -	$ 26,356,926	$ 22,694,337	116.14%	6.14%
2021	0.247542%	$ 36,358,155	$ -	$ 36,358,155	$ 21,250,608	171.09%	3.99%
2020	0.246042%	$ 30,194,633	$ -	$ 30,194,633	$ 20,556,347	146.89%	4.63%
2019	0.244953%	$ 31,132,774	$ -	$ 31,132,774	$ 19,942,062	156.12%	2.93%
2018	0.248065%	$ 34,853,032	$ -	$ 34,853,032	$ 19,798,997	176.03%	1.61%

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

WHITE 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
2023	$ 947,411	$ 947,411	$ -	$ 23,907,339	3.96%
2022	$ 888,775	$ 888,775	$ -	$ 23,079,159	3.85%
2021	$ 905,226	$ 905,226	$ -	$ 22,694,337	3.99%
2020	$ 837,129	$ 837,129	$ -	$ 21,250,608	3.94%
2019	$ 1,325,110	$ 1,325,110	$ -	$ 20,556,347	6.45%
2018	$ 1,269,569	$ 1,269,569	$ -	$ 19,942,062	6.37%
2017	$ 1,293,430	$ 1,293,430	$ -	$ 19,798,997	6.53%

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.

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

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, disability, 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 forwarded 2 years for both males and females).

A new funding policy was initially adopted 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.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

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 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 rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund

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

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

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement System's 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 the 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% as of June 30, 2019, and to 2.22% as of June 30, 2020.

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

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 17,464,844	$ 18,455,573	$ 18,438,250	$ (17,323)
Sales Taxes	625,000	625,000	443,590	(181,410)
State Funds	23,188,297	24,797,890	24,657,921	(139,969)
Federal Funds	11,982,769	13,850,027	7,879,627	(5,970,400)
Charges for Services	820,015	943,389	904,983	(38,406)
Investment Earnings	338,803	489,505	514,164	24,659
Miscellaneous	1,621,062	2,279,786	2,562,513	282,727
Total Revenues	56,040,790	61,441,170	55,401,048	(6,040,122)
EXPENDITURES				
Current				
Instruction	33,418,468	35,787,251	32,520,206	3,267,045
Support Services				
Pupil Services	2,591,079	3,110,751	2,587,283	523,468
Improvement of Instructional Services	1,564,830	2,157,827	1,500,112	657,715
Educational Media Services	747,506	766,360	757,155	9,205
General Administration	1,020,028	1,095,669	976,688	118,981
School Administration	3,416,113	3,485,354	3,541,376	(56,022)
Business Administration	340,310	352,276	346,372	5,904
Maintenance and Operation of Plant	6,667,646	6,162,994	3,768,801	2,394,193
Student Transportation Services	3,379,898	3,187,116	2,566,187	620,929
Central Support Services	334,031	327,096	239,902	87,194
Other Support Services	257,063	262,947	221,591	41,356
Food Services Operation	3,648,353	3,793,817	3,426,070	367,747
Enterprise Operations	372,150	514,150	512,982	1,168
Capital Outlay	-	637,114	589,916	47,198
Debt Service	-	-	3,445	(3,445)
Total Expenditures	57,757,475	61,640,722	53,558,086	8,082,636
Excess of Revenues over (under) Expenditures	(1,716,685)	(199,552)	1,842,962	2,042,514
OTHER FINANCING SOURCES(USES)				
Sale of Capital Assets	-	-	2,580	2,580
Other Sources	340,000	8,365,000	-	(8,365,000)
Other Uses	(340,000)	(8,365,000)	-	8,365,000
Total Other Financing Sources (Uses)	-	-	2,580	2,580
Net Change in Fund Balances	(1,716,685)	(199,552)	1,845,542	2,045,094
Fund Balances - Beginning	16,384,833	16,384,833	16,329,684	(55,149)
Adjustments	-	5,137	-	(5,137)
Fund Balances - Ending	$ 14,668,148	$ 16,190,418	$ 18,175,226	$ 1,984,808

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

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	235GA324N1199	$ 692,211
National School Lunch Program	10.555	235GA324N1199	2,070,185
COVID-19 - National School Lunch Program	10.555	225GA324N1099	114,774
Total Child Nutrition Cluster			2,877,170
Forest Service Schools and Roads Cluster			
Pass-Through From Office of the State Treasurer			
Schools and Roads - Grants to States	10.665	486 Forest	24,888
Other Programs			
Pass-Through From Bright from the Start			
Georgia Department of Early Care and Learning			
Child and Adult Care Food Program	10.558	04960-A/04960-B	256,587
Pass-Through From Georgia Department of Education			
Food Services			
Child Nutrition Discretionary Grants Limited Availability	10.579	202321I500345	52,995
Total Other Programs			309,582
Total U. S. Department of Agriculture			3,211,640
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	797,733
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	1,755,654
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	34,925
Total Education Stabilization Fund			2,588,312
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A210073	226,365
Grants to States	84.027A	H027A220073	725,115
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	58,336
Preschool Grants	84.173A	H173A210081	22,431
Preschool Grants	84.173A	H173A220081	10,613
Total Special Education Cluster			1,042,860
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A220010	57,881
Rural and Low-Income School Program	84.358A	S358B210010	53,037
Student Support and Academic Enrichment Program	84.424A	S424A210011	12,353
Student Support and Academic Enrichment Program	84.424A	S424A220011	164,697
Supporting Effective Instruction State Grants	84.367A	S367A210001	38,026
Supporting Effective Instruction State Grants	84.367A	S367A220001	23,114
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	58,424
Title I Grants to Local Educational Agencies	84.010A	S010A220010	991,705
Total Other Programs			1,399,237
Total U. S. Department of Education			5,030,409

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Federal Communications Commission, U.S.			
Direct			
COVID-19 - Emergency Connectivity Fund Program	32.009		$ 3,070
Health and Human Services, U. S. Department of			
Child Care and Development Fund Cluster			
Pass-Through From Georgia Department Of Early Care And Learning			
Child Care and Development Block Grant	93.575	4270093202200140	34,221
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	2110GACDC6	9,978
Total Child Care and Development Fund Cluster			44,199
Other Programs			
Pass-Through From Georgia Department of Education			
Substance Abuse Mental Health Services Projects of Regional and and National Significance	93.243	1H79SM061877	32
Pass-Through From Georgia Department of Behavioral Health and Development Disabilities			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	44100002300000100000	5,877
Total Other Programs			5,909
Total U.S. Department of Health and Human Services			50,108
Defense, U.S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.UNKNOWN	N/A	56,880
Total Expenditures of Federal Awards			$ 8,352,107

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling $106,000 were transferred from the Supporting Effective Instruction State Grants program (ALN 84.367A) and expended in the Student Support and Academic Enrichment Program (ALN 84.424A) during Fiscal Year 2023.

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	$ 235,295	$ -	$ 235,295
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	1,428,621	-	1,428,621
Kindergarten Program - Early Intervention Program	55,429	-	55,429
Primary Grades (1-3) Program	2,881,743	-	2,881,743
Primary Grades - Early Intervention (1-3) Program	628,542	-	628,542
Upper Elementary Grades (4-5) Program	1,494,900	-	1,494,900
Upper Elementary Grades - Early Intervention (4-5) Program	575,742	-	575,742
Middle School (6-8) Program	2,710,213	-	2,710,213
High School General Education (9-12) Program	2,312,978	-	2,312,978
Vocational Laboratory (9-12) Program	980,934	-	980,934
Students with Disabilities	4,420,307	-	4,420,307
Gifted Student - Category VI	703,046	-	703,046
Remedial Education Program	115,944	-	115,944
Alternative Education Program	202,885	-	202,885
English Speakers of Other Languages (ESOL)	107,748	-	107,748
Media Center Program	470,168	-	470,168
20 Days Additional Instruction	146,409	-	146,409
Staff and Professional Development	82,564	-	82,564
Principal Staff and Professional Development	1,724	-	1,724
Indirect Cost			
Central Administration	618,209	-	618,209
School Administration	1,005,463	-	1,005,463
Facility Maintenance and Operations	920,858	-	920,858
Charter System Adjustment	411,343	-	411,343
One Time QBE Adjustment (GHI Certified Increase)	1,038,090	-	1,038,090
Categorical Grants			
Pupil Transportation			
Regular	561,126	-	561,126
Nursing Services	85,202	-	85,202
Vocational Supervisors	14,333	-	14,333
Other State Programs			
Food Services	95,954	-	95,954
Hygiene Products	3,062	-	3,062
Math and Science Supplements	42,130	-	42,130
Preschool Disability Services	83,679	-	83,679
Teachers Retirement	8,281	-	8,281
Vocational Education	93,042	-	93,042
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	339,939	339,939
Office of the State Treasurer			
Public School Employees Retirement	69,457	-	69,457
CONTRACT			
Human Resources, Georgia Department of			
Family Connections	52,500	-	52,500
	$ 24,657,921	$ 339,939	$ 24,997,860

See notes to the basic financial statements.

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

SCHEDULE "12"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
SPLOST 2015			
(i) Adding to, constructing, renovating, repairing, improving and equipping existing school buildings and School District facilities, including athletic facilities,	$ 9,259,200	$ 11,300,000	June 2024
(ii) Acquiring computers and computer technology equipment and software, including tablets and laptops,	2,500,000	2,200,000	May 2024
(iii) Acquiring heating, air conditioning and energy efficiency equipment, and	1,850,800	50,000	April 2024
(iv) Acquiring textbooks and other instructional materials and electronic media, as well as school buses, transportation and maintenance equipment and band equipment.	940,000	1,900,000	June 2024
Subtotal 2015 Projects	14,550,000	15,450,000	
SPLOST 2020			
(i) Acquiring, constructing and equipping a performing arts center, a transportation facility, and athletic field improvements at White County High School,	25,674,640	24,350,700	August 2024
(ii) Adding to, constructing, renovating, repairing, demolishing, improving and equipping existing school buildings and School District facilities, including athletic fields and facilities,	2,695,360	3,900,856	September 2027
(iii) Acquiring computers and computer technology equipment and software, including tablets and laptops,	2,020,000	2,020,000	September 2027
(iv) Acquiring heating, air conditioning and energy efficiency equipment, and	250,000	250,000	September 2027
(v) Acquiring textbooks and other instructional materials and electronic media, as well as school buses, transportation and maintenance equipment and band equipment.	1,360,000	1,478,444	September 2027
Subtotal 2020 Projects	32,000,000	32,000,000	
Total	$ 46,550,000	$ 47,450,000	

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

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)(4)(5)(6)	AMOUNT EXPENDED IN PRIOR YEARS (3)(4)(5)(6)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST 2015				
(i) Adding to, constructing, renovating, repairing, improving and equipping existing school buildings and School District facilities, including athletic facilities,	$ 4,625,712	$ 6,373,884	$ -	$ -
(ii) Acquiring computers and computer technology equipment and software, including tablets and laptops,	186,178	1,918,407	-	-
(iii) Acquiring heating, air conditioning and energy efficiency equipment, and	-	46,050	-	-
(iv) Acquiring textbooks and other instructional materials and electronic media, as well as school buses, transportation and maintenance equipment and band equipment.	248,361	1,580,841	-	-
Subtotal 2015 Projects	5,060,251	9,919,182	-	-
SPLOST 2020				
(i) Acquiring, constructing and equipping a performing arts center, a transportation facility, and athletic field improvements at White County High School,	15,880,418	2,434,933	-	-
(ii) Adding to, constructing, renovating, repairing, demolishing, improving and equipping existing school buildings and School District facilities, including athletic fields and facilities,	-	-	-	-
(iii) Acquiring computers and computer technology equipment and software, including tablets and laptops,	-	-	-	-
(iv) Acquiring heating, air conditioning and energy efficiency equipment, and	-	-	-	-
(v) Acquiring textbooks and other instructional materials and electronic media, as well as school buses, transportation and maintenance equipment and band equipment.	-	-	-	-
Subtotal 2020 Projects	15,880,418	2,434,933	-	-
Total	$ 20,940,669	$ 12,354,115	$ -	$ -

(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 White 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:

Prior Years	$ 7,758,431
Current Year	1,058,800
Total	$ 8,817,231

(5) In the 2015 Resolution, the School District obtained approval to issue a total of $15,000,000 in general obligation debt. In April of 2016, bonds were issued for the projects noted above in the amount of $12,085,000.
(6) In the 2020 Resolution, the School District obtained approval to issue a total of $20,000,000 in general obligation debt. In December of 2021, bonds were issued for the projects noted above in the amount of $20,000,000.

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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. Laurie Burkett, Superintendent and Members of the
White County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the White County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 20, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

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deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2023-001 that we consider to be a significant deficiency.

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*.

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 20, 2024

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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. Laurie Burkett, Superintendent and Members of the
White County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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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 the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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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 20, 2024

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Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	
Governmental Activities, Each Major Fund, and Fiduciary Activities	Unmodified
Internal control over financial reporting:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	Yes
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
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:	$750,000
Auditee qualified as low-risk auditee?	Yes

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

II FINANCIAL STATEMENT FINDINGS

FS 2023-001 Improve Controls over Financial Reporting

Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:
The School District did not have adequate internal controls in place over the financial reporting process.

Criteria:
Management is responsible for having adequate controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The School District's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the statement requires information about the government's major and nonmajor funds in the aggregate to be provided in the fund financial statements.

Chapter II – 2, *Annual Financial Reporting* of the Financial Management for Georgia Local Units of Administration provides that School Districts must prepare their financial statements in accordance with generally accepted accounting principles.

Condition:
The following errors and omissions were noted in the School District's financial statements, note disclosures and supplementary information presented for audit:

- Expenditures of $23,112, revenues of $22,076 and assets of $1,036 for the driver's education fund were included in the private purpose trust fund instead of the general fund. An audit adjustment was proposed and accepted by the School District.
- Other audit adjustments and reclassifications were proposed and accepted by the client to properly present the School District's financial statements, note disclosures, and supplemental information.

Cause:
Per discussion with the School District, it was determined that the misstatements were due to oversight.

Effect:
Significant misstatements were included in the financial statements presented for audit. The lack of controls and monitoring over the financial statement process could impact the reporting of the School District's financial position and results of operations.

Recommendation:
The School District should strengthen their internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP statements, GASB pronouncements and knowledge of the School District's activities and operations. The School District should also consider implementing the use of a review checklist to assist in the review process over the financial statements.

Views of Responsible Officials:
We concur with this finding.

lll FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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Section V

Management's Corrective Action

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Dr. Laurie Burkett
Superintendent

White County School System
136 Warriors Path, Suite 600
Cleveland, GA 30528
Phone: (706) 865-2315 x1600
Fax: (706) 865-7784
www.white.k12.ga.us

March 15, 2024

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2023-001 Improve Controls over Financial Reporting

Internal Control Impact: Significant Deficiency

Description:
The School District did not have adequate internal controls in place over the financial reporting process.

Corrective Action Plans:
This Improve Controls over Financial Reporting procedure was identified during the audit for the fiscal year that ended June 30, 2023. Since the inception of the Driver's Education fund, all activity has run through the fiduciary fund. These activities were normally adjusted at the financial statement preparation stage to correctly reflect the fiduciary activity. The activity was left on the ledger and only adjusted on the financial statements. In FY 2023, this wasn't corrected during the financial statement preparation.

To correct this in the future, we will move all driver's education activities to the general fund. As a system, we will implement DOAA checklists for year-end along with the DOE checklist that we currently use.

Estimated Completion Date: June 30, 2024

Contact Person: Lauren Anderson, Director of Finance
Telephone: 706-865-2315
Email: lauren.anderson@white.k12.ga.us

Laurie Burkett, Ed.D.
Superintendent