

**COWETA COUNTY BOARD
OF EDUCATION**

ANNUAL FINANCIAL REPORT

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by:
Business Services Department**

**237 Jackson Street
Newnan, Georgia 30263**

COWETA COUNTY BOARD OF EDUCATION

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

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COWETA COUNTY BOARD OF EDUCATION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Coweta County Board of Education** ("the School System") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School System'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 the aggregate remaining fund information of the School System as of June 30, 2023, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School System'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School System'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 System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 5 through 13, the Schedules of Proportionate Share of Net Pension Liabilities, the Schedules of Pension Contributions, the Schedule of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB contributions, on pages 61 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The combining fiduciary financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds, as required by the Official Code of Georgia Annotated §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fiduciary financial statements, the Schedule of Expenditures of Federal Awards, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds are 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 December 27, 2023, on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 System'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 Coweta County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2023

COWETA COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The Management's Discussion and Analysis ("MD&A") of the Coweta County Board of Education's (the "School System") financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2023. The intent of this MD&A is to look at the School System's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School System's financial performance. Comparative data is provided for fiscal year 2023 and fiscal year 2022.

Financial Highlights

Key financial highlights for 2023 are as follows:

In total, net position increased \$25.3 million which represents a 13.2% increase from 2022. This total increase was due to governmental activities since the School System has no business-type activities and is related to an increase in capital assets and a reduction in net OPEB and Pension liabilities, as well as an extraordinary item.

- ❑ General revenues and the extraordinary item accounted for \$180.5 million in revenue, or 52.4%, of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$163.6 million, or 47.5%, of total revenues of \$344.2 million.
- ❑ The School System had \$318.9 million in expenses related to governmental activities; only \$163.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) and the extraordinary item of \$180.5 million were adequate to provide for these programs.
- ❑ Among major funds, the General Fund had \$299.3 million in revenues and other financing sources, and \$297.0 million in expenditures and other financing uses. The General Fund's fund balance increased to \$49.9 million from \$47.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A, the basic financial statements and required supplementary information. The basic financial statements include two levels of statements that present different views of the School System. These include the government-wide and fund financial statements.

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

The fund financial statements focus on individual parts, reporting the School System's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School System acts solely as a trustee or agent for the benefit of others.

The fund financial statements reflect the School System's most significant funds. For the year ended June 30, 2023, the General Fund and the Capital Projects Fund represent the most significant funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Government-wide Statements

The government-wide statements report information about the School System as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School System's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School System's net position and how it has changed. Net position, the difference between the School System's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the School System's overall financial health or position. Over time, increases or decreases in net position are an indication of whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School System's control, such as the property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School System has one distinct type of activity:

- **Governmental Activities** – All of the School System's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, student activity accounts and various others.

Fund Financial Statements

The School System's fund financial statements provide detailed information about the most significant funds, not the School System as a whole. Some funds are required by State law and some by bond requirements. The School System's major governmental funds are the General Fund and the Capital Projects Fund.

Governmental Funds – Most of the School System's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds – The School System is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School System is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School System excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School System as a whole. Table 1 provides a summary of the School System's net position for fiscal years 2023 and 2022.

**Table 1
Net Position**

	Governmental Activities	
	Fiscal Year 2023	Fiscal Year 2022
Assets		
Current and Other Assets	\$ 174,635,185	\$ 169,843,085
Capital Assets, Net	438,242,123	394,737,395
Total Assets	612,877,308	564,580,480
Deferred outflows of resources	201,944,002	100,839,146
Liabilities		
Current and Other Liabilities	51,255,009	39,763,596
Long-term Liabilities	469,458,637	227,026,769
Total Liabilities	520,713,646	266,790,365
Deferred inflows of resources	76,976,003	206,768,944
Net Position		
Net Investment in Capital Assets	425,058,312	390,922,141
Restricted	70,247,579	58,805,129
Unrestricted	(278,174,230)	(257,866,953)
Total Net Position	\$ 217,131,661	\$ 191,860,317

Total assets and deferred outflows of resources increased by \$149.4 million. There was an increase in investments and in capital assets, and there was an increase in deferred outflows of resources. The increase in capital assets is due to the ongoing construction projects related to the renovation of facilities throughout the School System and the acquisition of equipment. The most significant increase in capital assets is the continued construction related to the rebuild of Newnan High School. In addition, fire alarm upgrades were completed at Central Educational Center and Smokey Road Middle School. Security system and intercom system upgrades were completed at various schools within the School System, and the School System purchased new buses and vehicles. The School System also continued the investment into educational technology by purchasing new interactive panels and Chrome books.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The increase in the deferred outflows of resources is in connection with the School System's proportionate share of the net pension liability for the Teachers' Retirement System of Georgia and the Employees' Retirement System of Georgia and the School System's proportionate share of the net OPEB liability for the School OPEB Fund.

Total liabilities and deferred inflows of resources increased by \$124.1 million, primarily due to an increase in the net pension liability and an increase in contracts payable, retainage payable, workers' compensation claims, and compensated absences.

Table 2 shows the changes in net position for fiscal years ended June 30, 2023 and June 30, 2022.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2023	Fiscal Year 2022
Revenues		
Program Revenues:		
Charges for Services and Sales	\$ 5,245,435	\$ 2,352,435
Operating Grants and Contributions	158,229,271	170,573,283
Capital Grants and Contributions	170,742	10,258,986
Total Program Revenues	163,645,448	183,184,704
General Revenues:		
Taxes:		
Property Taxes for Maintenance and Operations	124,759,411	111,841,457
Sales Taxes:		
Special Purpose Local Option Sales Tax	39,160,694	36,416,879
Other Sales Tax	3,246,066	4,921,809
Other Taxes	105,315	107,728
Local School Activity	4,577,658	3,926,282
Investment Earnings	3,120,189	145,411
Miscellaneous	2,606,215	341,916
Total General Revenues	177,575,548	157,701,482
Extraordinary item	2,964,570	16,143,172
Total Revenues	344,185,566	357,029,358
Program Expenses		
Instruction	204,842,783	163,354,674
Support Services:		
Pupil Services	13,810,759	10,727,830
Improvement of Instructional Services	5,093,393	3,981,442
Educational Media Services	4,123,286	3,412,310
General Administration	993,405	682,267
School Administration	22,509,647	17,533,178
Business Administration	2,067,842	1,570,075
Maintenance and Operation of Plant	28,834,301	29,425,382
Student Transportation Services	15,827,028	16,107,715
Central Support Services	3,548,660	3,326,301
Other Support Services	953,949	944,615
Operations of Non-Instructional Services		
Enterprise Operations	1,179,405	892,839
Community Services	1,745,382	1,513,969
Food Services	13,384,382	12,587,375
Total Expenses	318,914,222	266,059,972
Increase in Net Position	\$ 25,271,344	\$ 90,969,386

MANAGEMENT'S DISCUSSION AND ANALYSIS

Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions decreased \$19.5 million for governmental activities. This increase is largely due to an decrease in federal grants.

General revenues and the extraordinary item increased by \$6.7 million during fiscal year 2023, due to an increase in property tax revenues, an increase in sales tax revenue associated with the School System's Education Special Purpose Local Option Sales Tax ("ESPLOST"), and due to the receipt of insurance proceeds relating to the damages from the tornado affecting Newnan in March 2021. The School System received more in investment earnings in fiscal year 2023 as compared to fiscal year 2022.

Governmental Activities

Governmental program expenses are comprised of the following: Instruction 64.2%, Support Services 30.7%, and Operations of Non-Instructional Services 5.1%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2023 with fiscal year 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022
Program Expenses				
Instruction	\$ 204,842,783	\$ 163,354,674	\$ (71,213,041)	\$ (17,642,803)
Support Services:				
Pupil Services	13,810,759	10,727,830	(12,386,957)	(8,978,225)
Improvement of Instructional Services	5,093,393	3,981,442	(2,726,820)	(1,845,539)
Educational Media Services	4,123,286	3,412,310	(4,085,104)	(3,364,645)
General Administration	993,405	682,267	1,760,159	1,936,602
School Administration	22,509,647	17,533,178	(22,277,931)	(17,326,390)
Business Administration	2,067,842	1,570,075	(2,058,154)	(1,558,941)
Maintenance and Operation of Plant	28,834,301	29,425,382	(22,263,602)	(20,273,930)
Student Transportation Services	15,827,028	16,107,715	(12,293,729)	(12,689,869)
Central Support Services	3,548,660	3,326,301	(3,520,352)	(2,570,056)
Other Support Services	953,949	944,615	(622,898)	(592,205)
Operations of Non-Instructional Services:				
Enterprise Operations	1,179,405	892,839	(1,179,405)	(892,839)
Community Services	1,745,382	1,513,969	(72,631)	(122,577)
Food Services	13,384,382	12,587,375	(2,328,309)	3,046,149
Total Expenses	\$ 318,914,222	\$ 266,059,972	\$ (155,268,774)	\$ (82,875,268)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Although program revenues make up a majority of the revenues, the School System is still dependent upon tax revenues for governmental activities. Taxes and other general revenues support 34.8% of instructional activities; for all governmental activities, general revenue support is 48.7%.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM'S FUNDS

The School System's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues, other financing sources, and an extraordinary item of \$349.7 million, and expenditures and other financing uses of \$356.2 million. The net change in fund balance in the Capital Projects Fund was a decrease of \$8.8 million primarily due to an increase in capital project expenses due to the reconstruction of Newnan High School and the continuation of renovation projects throughout the School System. Special Purpose Local Option Sales Tax ("SPLOST") revenue increased in fiscal year 2023 when compared to fiscal year 2022.

The net change in fund balance in the General Fund was an increase of \$2.3 million. The increase in the General Fund for the year is due to a combination of an increase in local and state revenue and effective budgeting of expenses in the General Fund.

General Fund Budgeting Highlights

The School System's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2023, the School System amended its General Fund budget as needed. The School System uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budgeted revenues of \$326.5 million exceeded the original budgeted amount of \$295.5 million by \$31.0 million. This difference was due to an increase in miscellaneous revenues of \$20.0 million, an increase in state revenues of \$7.3 million (for on-behalf payments and state grants), and an increase in federal revenues of \$3.7 million. The local revenues budget increased due to the inclusion of the principals' accounts in our financial statements and for increased Title Ad Valorem Tax collections. The state revenues increased due to the inclusion of the on-behalf payments and state grants, and the federal revenues increased due to an increase in the federal grants. The final budgeted revenues of \$326.5 million exceeded the actual revenues by \$27.2 million.

The final budgeted expenditures of \$316.5 million exceeded the original budgeted amount of \$298.6 million by \$17.9 million. The majority of this difference was due to a large increase in instruction, which included an increase due to the inclusion of the principals' accounts in our financial statements. Enterprise activities increased by \$1.5 million due to the inclusion of the principals' accounts in our financial statements. The budgeted ending fund balance increased \$13.0 million. The actual expenditures of \$292.0 million was \$24.5 million less than budgeted.

General Fund revenues and other financing sources exceeded expenses and other financing uses by \$2.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the School System had \$438.2 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2023 balances compared with fiscal year 2022 balances.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2023	2022
Land	\$ 11,488,913	\$ 11,488,913
Construction in Progress	51,640,920	28,132,441
Buildings and Improvements	296,940,057	278,898,552
Machinery and equipment	38,573,076	35,648,275
Land Improvements	39,599,157	40,569,214
Total	<u>\$ 438,242,123</u>	<u>\$ 394,737,395</u>

Construction in progress increased primarily due to the continued reconstruction of Newnan High School, and various renovation projects throughout the School System. Equipment increased due to the purchase of new buses, vehicles, and technology used throughout the School System.

Debt

At June 30, 2023, the School System's long-term liabilities consisted of compensated absences outstanding of \$1.0 million and a workers' compensation liability of \$1.3 million. Of these amounts, the amount of debt that is considered due within one year is \$0.88 million for compensated absences and \$0.74 million for workers' compensation.

The net OPEB liability and the net pension liability in fiscal year 2023 is \$125.7 million and \$343.1 million, respectively.

Current Issues

Coweta County's economic outlook remained strong through 2022 and through the end of the School System's fiscal year 2023. The 2020 U.S. Census estimates Coweta County's population as 146,158. This is a 14.8% increase since April 2010 when the population in Coweta County was 127,317. The U.S Census population estimate as of July 1, 2022 is 152,822, which illustrates continued population growth in Coweta County, Georgia. New housing starts and residential development, and a continuation of strong housing sales, suggest continued growth throughout 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The School System's student count increased slightly in fiscal year 2023, following three years of moderate increases. In the spring of 2023, total enrollment was 23,036 students. In the spring of 2022 and 2021, student enrollment was 22,669 and 22,316, respectively. Recent enrollment was in line with School System projections, made in collaboration with local officials and consultants, of a modest rise in student enrollment following previous years of flat student enrollment. Flat growth was the result of lower local birth rates, lower rates of net county in-migration, and new home growth at higher price-points (less likely to be purchased by young families). Education Planners, LLC, (the "Firm"), a demographic consulting firm worked with local planning and officials and state and national demographic studies to provide the School System with enrollment projections. The Firm noted a rebound in live birth rates in the County and an increase in housing permits, and projected trends of moderately higher family growth and a return of residential in-migration.

In response to the COVID pandemic, the School System was awarded approximately \$3.2 million in Elementary and Secondary School Emergency Relief Funds ("ESSER") – Coronavirus Aid, Relief, and Economic Security ("CARES") I funding in the fiscal year 2020 to assist with reduced funding from local and state sources. In the fiscal year 2021, the School System was awarded \$16.9 million in various ESSER – CARES II funds. For the fiscal year 2022, the School System was awarded approximately \$30.6 million in ESSER III – American Rescue Plan Act ("ARPA") funds. The grant period for the ESSER Funds range from March 2020 to September 2024.

According to the Georgia Department of Labor, the Three Rivers Region experienced unemployment rates of 3.2% in March 2023, 2.6% in April 2023, 3.4% in May 2023, and 3.5% in June 2023. The Three Rivers Region includes Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, and Upson counties. In Coweta County, the unemployment rate for March, April, May, and June 2023 was 2.9%, 2.5%, 3.2%, and 3.2%, respectively, according to the Economic Research Federal Reserve Bank of St. Louis (<https://fred.stlouisfed.org/series/GACOWE7URN>). The Georgia Department of Labor reports the labor force in Coweta County equal to 79,840 in October 2023 compared to 77,911 in October 2022 (per revised information from the Georgia Department of Labor). Current data shows the unemployment rate in Coweta County as of October 2023 to be 3.3%, which is lower than the Three Rivers Region rate of 3.5% and the State of Georgia's rate of 3.5% (not seasonally adjusted).

At the fall 2023 Economic Forecast Breakfast at the University of West Georgia, the Center for Business and Economic Research reported that the economy in Coweta County, and the West Georgia area, remains healthy. Unemployment in Coweta County is lower than other counties in the area, and Coweta County led the region in job growth. Coweta County's five largest employment sectors are retail trade, healthcare, manufacturing, local government, and accommodation and food services. Coweta County continues to add new manufacturing facilities and distribution centers. Most recently, expansions at distribution centers at Amazon and HelloFresh added jobs to the local economy, along with Goodyear Tire and Rubber warehouse, Semperit, and Hale Aircraft. According to the Georgia Department of Economic Development, Hyundai Industrial Co., Ltd., will invest more than \$24 million and add approximately 100 new jobs in Coweta County.

From the housing market prospective, home sales in Coweta County were down in June 2023 as compared to June 2022, per the Coweta County, Georgia Real Estate Market Report (<https://data.thetimesherald.com/real-estate-market-report/sales/coweta-county/county-13077/>). The number of homes sold in June 2023 was 265 homes compared to 296 homes in June 2022. The average number of days homes remained on the market increased about 14% when compared to the year prior. Although sales were down, the median home price continued to increase. The median home price was \$409,900 in June 2023 compared to \$358,000 in June 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In March 2021, Newnan was affected greatly by an EF-4 tornado. The tornado did significant damage to Newnan High School, Atkinson Elementary School, and the bus transportation facility. By the beginning of fiscal year 2023, storm damage repair was complete at Atkinson Elementary School and the transportation facility. The storm damage at Newnan High School was substantial and resulted in a rebuilt of the majority of the buildings on campus, and a repair of the remaining buildings. The rebuild and repair of Newnan High School is scheduled to be complete by August 2024. The School System continues to work with the system's insurance company, FEMA, GEMA, and the Georgia Department of Education to make extensive replacement and repairs of buildings at Newnan High School.

The School System remains Committed to Student Success.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact:

W. Keith Chapman, CPA, Assistant Superintendent for Financial Services
Coweta County Board of Education
237 Jackson Street
Newnan, Georgia 30263
You may also email your questions to keith.chapman@cowetaschools.net

BASIC FINANCIAL STATEMENTS

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 23,524,599
Investments	122,250,410
Receivables:	
Taxes	7,060,633
Accounts	37,737
Intergovernmental	21,570,307
Inventories	191,499
Capital assets, nondepreciable	63,129,833
Capital assets, depreciable (net of accumulated depreciation)	375,112,290
Total assets	<u>612,877,308</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	168,318,716
Other post-employment benefits	33,625,286
Total deferred outflows of resources	<u>201,944,002</u>
LIABILITIES	
Accounts payable	1,425,214
Accrued payroll and payroll withholdings	34,693,287
Contracts payable	8,937,001
Retainage payable	4,246,810
Unearned revenue	325,731
Workers' compensation claims payable due within one year	749,007
Workers' compensation claims payable due in more than one year	589,698
Compensated absences due within one year	877,959
Compensated absences due in more than one year	114,425
Net post-employment benefit liability, due in more than one year	125,652,068
Net pension liability, due in more than one year	343,102,446
Total liabilities	<u>520,713,646</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,109,356
Other post-employment benefits	74,866,647
Total deferred inflows of resources	<u>76,976,003</u>
NET POSITION	
Net investment in capital assets	425,058,312
Restricted for capital projects	69,127,716
Restricted for continuation of federal programs	1,119,863
Unrestricted	<u>(278,174,230)</u>
Total net position	<u>\$ 217,131,661</u>

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

COWETA COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 204,842,783	\$ 800,641	\$ 132,658,359	\$ 170,742	\$ (71,213,041)
Pupil services	13,810,759	-	1,423,802	-	(12,386,957)
Improvement of instructional services	5,093,393	-	2,366,573	-	(2,726,820)
Educational media services	4,123,286	-	38,182	-	(4,085,104)
General administration	993,405	-	2,753,564	-	1,760,159
School administration	22,509,647	-	231,716	-	(22,277,931)
Business services	2,067,842	-	9,688	-	(2,058,154)
Maintenance and operations	28,834,301	-	6,570,699	-	(22,263,602)
Student transportation	15,827,028	-	3,533,299	-	(12,293,729)
Central support services	3,548,660	-	28,308	-	(3,520,352)
Other support services	953,949	-	331,051	-	(622,898)
Enterprise operations	1,179,405	-	-	-	(1,179,405)
School nutrition	13,384,382	2,772,212	8,283,861	-	(2,328,309)
Community services	1,745,382	1,672,582	169	-	(72,631)
Total governmental activities	<u>\$ 318,914,222</u>	<u>\$ 5,245,435</u>	<u>\$ 158,229,271</u>	<u>\$ 170,742</u>	<u>(155,268,774)</u>
General revenues:					
Property taxes					124,759,411
Sales taxes, for capital projects					39,160,694
Other sales taxes					3,246,066
Other taxes					105,315
Local school activity					4,577,658
Unrestricted investment earnings					3,120,189
Miscellaneous					2,606,215
Total general revenues					<u>177,575,548</u>
Extraordinary item					<u>2,964,570</u>
Total general revenues and extraordinary item					<u>180,540,118</u>
Change in net position					<u>25,271,344</u>
Net position, beginning of year					<u>191,860,317</u>
Net position, end of year					<u>\$ 217,131,661</u>

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

COWETA COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	\$ 22,363,185	\$ 1,161,414	\$ 23,524,599
Investments	40,208,621	82,041,789	122,250,410
Receivables:			
Taxes	2,698,036	4,362,597	7,060,633
Accounts	37,737	-	37,737
Intergovernmental	21,570,307	-	21,570,307
Inventories	191,499	-	191,499
Total assets	<u>\$ 87,069,385</u>	<u>\$ 87,565,800</u>	<u>\$ 174,635,185</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,297,305	\$ 127,909	\$ 1,425,214
Contracts payable	-	8,937,001	8,937,001
Retainage payable	-	4,246,810	4,246,810
Accrued payroll and payroll withholdings	34,693,287	-	34,693,287
Unearned revenue	325,731	-	325,731
Total liabilities	<u>36,316,323</u>	<u>13,311,720</u>	<u>49,628,043</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	896,610	-	896,610
Total deferred inflows of resources	<u>896,610</u>	<u>-</u>	<u>896,610</u>
FUND BALANCES			
Fund balances:			
Nonspendable for inventories	191,499	-	191,499
Restricted for:			
Continuation of federal programs	928,364	-	928,364
Capital projects	-	69,127,716	69,127,716
Committed:			
Self-insurance	7,475,040	-	7,475,040
School activity accounts	3,391,520	-	3,391,520
Assigned:			
Local capital outlay projects	-	5,126,364	5,126,364
After school program	88,526	-	88,526
Subsequent year's budget	4,420,511	-	4,420,511
Unassigned	33,360,992	-	33,360,992
Total fund balances	<u>49,856,452</u>	<u>74,254,080</u>	<u>124,110,532</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 87,069,385</u>	<u>\$ 87,565,800</u>	<u>\$ 174,635,185</u>

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

COWETA COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported in the Balance Sheet of governmental funds due to the following:

Fund balances - total governmental funds	\$ 124,110,532
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Capital assets

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets	579,993,235
Accumulated depreciation	(141,751,112)

Revenues

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

896,610

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. Long-term liabilities at year-end consist of the following:

Deferred outflows - pensions	168,318,716
Deferred outflows - OPEB	33,625,286
Deferred inflows - pensions	(2,109,356)
Deferred inflows - OPEB	(74,866,647)
Net pension liability	(343,102,446)
Net OPEB liability	(125,652,068)
Workers' compensation claims payable	(1,338,705)
Compensated absences payable	(992,384)

Net position - governmental activities.	<u>\$ 217,131,661</u>
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The accompanying notes are an integral part of these financial statements.

COWETA COUNTY BOARD OF EDUCATION

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

	General	Capital Projects	Total Governmental Funds
REVENUES			
Local sources	\$ 140,606,596	\$ 39,160,694	\$ 179,767,290
State sources	128,791,024	64,091	128,855,115
Federal sources	29,889,328	106,651	29,995,979
Interest income	105	3,120,084	3,120,189
Total revenues	<u>299,287,053</u>	<u>42,451,520</u>	<u>341,738,573</u>
EXPENDITURES			
Current:			
Instruction	188,953,386	-	188,953,386
Pupil services	13,083,589	-	13,083,589
Improvement of instructional services	4,773,139	-	4,773,139
Educational media services	3,605,126	-	3,605,126
General administration	958,603	-	958,603
School administration	21,263,499	-	21,263,499
Business services	1,951,234	-	1,951,234
Maintenance and operations	21,845,807	-	21,845,807
Student transportation	14,774,504	-	14,774,504
Central support services	3,411,041	-	3,411,041
Other support services	835,846	-	835,846
Other non-instructional services	1,156,506	-	1,156,506
School nutrition	13,745,065	-	13,745,065
Community service	1,614,608	-	1,614,608
Capital outlay	-	59,259,382	59,259,382
Total expenditures	<u>291,971,953</u>	<u>59,259,382</u>	<u>351,231,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,315,100</u>	<u>(16,807,862)</u>	<u>(9,492,762)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	18,856	-	18,856
Transfers in	-	5,000,000	5,000,000
Transfers out	(5,000,000)	-	(5,000,000)
Total other financing sources (uses)	<u>(4,981,144)</u>	<u>5,000,000</u>	<u>18,856</u>
Net change before extraordinary item	2,333,956	(11,807,862)	(9,473,906)
EXTRAORDINARY ITEM	<u>-</u>	<u>2,964,570</u>	<u>2,964,570</u>
Net change in fund balance	2,333,956	(8,843,292)	(6,509,336)
FUND BALANCE, beginning of year	<u>47,522,496</u>	<u>83,097,372</u>	<u>130,619,868</u>
FUND BALANCE, end of year	<u>\$ 49,856,452</u>	<u>\$ 74,254,080</u>	<u>\$ 124,110,532</u>

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

COWETA COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Net change in fund balances - total governmental funds.	\$ (6,509,336)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Total capital outlay	55,888,744
Total depreciation	(12,143,449)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(240,567)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(66,496)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The adjustments for these items are as follows:

Adjustment to record pension expense and related revenue for pension special funding situation, net of fund level amounts	(451,081)
Change in net pension liability and deferred inflows and outflows related to pension activity	(21,029,694)
Change in workers' compensation claim liability	(139,954)
Change in compensated absences liability	(192,884)
Change in net OPEB pension liability and deferred inflows and outflows related to OPEB activity	10,156,061

Change in net position - governmental activities	\$ 25,271,344
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The accompanying notes are an integral part of these financial statements.

COWETA COUNTY BOARD OF EDUCATION

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

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 122,929,490	\$ 142,929,490	\$ 140,606,596	\$ (2,322,894)
State sources	123,799,176	131,138,092	128,791,024	(2,347,068)
Federal sources	48,401,315	52,080,584	29,889,328	(22,191,256)
Interest income	349,000	349,000	105	(348,895)
Total revenues	<u>295,478,981</u>	<u>326,497,166</u>	<u>299,287,053</u>	<u>(27,210,113)</u>
EXPENDITURES				
Current:				
Instruction	199,048,977	211,761,877	188,953,386	22,808,491
Pupil services	13,711,256	13,260,320	13,083,589	176,731
Improvement of instructional services	4,792,767	5,816,505	4,773,139	1,043,366
Educational media services	3,601,917	3,682,902	3,605,126	77,776
General administration	1,009,920	1,119,500	958,603	160,897
School administration	20,491,406	20,761,240	21,263,499	(502,259)
Business services	1,754,219	1,765,229	1,951,234	(186,005)
Maintenance and operations	19,662,189	19,818,621	21,845,807	(2,027,186)
Student transportation	12,226,426	14,856,490	14,774,504	81,986
Central support services	3,738,934	3,368,968	3,411,041	(42,073)
Other support services	1,809,550	1,923,250	835,846	1,087,404
Enterprise operations	-	1,500,000	1,156,506	343,494
School nutrition	14,951,715	15,088,389	13,745,065	1,343,324
Community services	1,776,060	1,776,060	1,614,608	161,452
Total expenditures	<u>298,575,336</u>	<u>316,499,351</u>	<u>291,971,953</u>	<u>24,527,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,096,355)</u>	<u>9,997,815</u>	<u>7,315,100</u>	<u>(2,682,715)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(5,000,000)	(5,000,000)
Proceeds from sale of assets	-	-	18,856	18,856
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,981,144)</u>	<u>(4,981,144)</u>
Net change in fund balances	<u>(3,096,355)</u>	<u>9,997,815</u>	<u>2,333,956</u>	<u>(7,663,859)</u>
FUND BALANCE, beginning of year	<u>47,522,496</u>	<u>47,522,496</u>	<u>47,522,496</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 44,426,141</u>	<u>\$ 57,520,311</u>	<u>\$ 49,856,452</u>	<u>\$ (7,663,859)</u>

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

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2023

		Custodial Funds
	ASSETS	
Cash		\$ 531,903
Investments		195,523
Total assets		<u>727,426</u>
	LIABILITIES	
Accounts payable		<u>500,874</u>
Total liabilities		<u>500,874</u>
	NET POSITION	
Restricted for individuals, organizations and other governments		<u>\$ 226,552</u>

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

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS	
Local collections	\$ 199
Total additions	<u>199</u>
DEDUCTIONS	
Collections disbursed	<u>16,000</u>
Total deductions	<u>16,000</u>
Change in net position	(15,801)
NET POSITION	
Beginning of year	<u>242,353</u>
End of year	<u><u>\$ 226,552</u></u>

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

NOTES TO FINANCIAL STATEMENTS

COWETA COUNTY BOARD OF EDUCATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Coweta County Board of Education (the "School System") 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 System 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 System is a primary government and consists of all the organizations that compose its legal entity.

Blended Component Unit – The Central Education Center (the "Charter School") is responsible for the public education of all students attending its school. The Charter School was created through a contract between the School System and the Charter School whereby all State funding associated with the students attending the Charter School and certain specified local funds are turned over to the Charter School to cover the costs of its operations. The financial statements of the Charter School have been included with the School System's General Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements 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 when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The proportionate share of the School System's net pension liability and net OPEB liability have been allocated to the pension plan and the OPEB plan based on actual contributions made to the plans during the measurement period to actuarially determine the proportionate share of each participating employer.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the School System considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period and all other revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School System.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

The School System reports the following major governmental funds:

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

The **Capital Projects Fund** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST") as well as bond proceeds and revenues from local and state sources to be used for land and building acquisitions and construction and renovations of new educational and administrative facilities.

Additionally, the School System reports the following fund types:

The **Custodial Funds** are used to account for student club and class accounts, and flex benefits for the employees of the School System.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the School System's policy to use restricted resources first, then unrestricted resources as they are needed.

D. New Accounting Pronouncements

In fiscal year 2023, the School System adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs"). 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 an impact on the School System's financial statements.

E. Cash and Investments

The School System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. On-Behalf Payments

The State of Georgia makes certain pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2023 was \$636,299.

H. Inventories

Inventories are stated at cost using the first-in/first-out method. Donated food commodities are recorded at fair value. The School System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

I. Non-Monetary Transactions

The School System received from the United States Department of Agriculture ("USDA") through the Georgia Department of Education approximately \$883,701 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities and expendable equipment are reflected as revenues and expenditures in the financial statements.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS"), the Employees' Retirement System of Georgia ("ERS"), and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from TRS/ERS/PSERS fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. See also Note 9 – Retirement Plans.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Property, plant and equipment are depreciated using the straight-line method over the estimated useful life of the asset. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capitalization thresholds and estimated useful lives of capital assets are as follows:

<u>Asset</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Land	All	N/A
Land improvements	\$ 10,000	20 – 80
Buildings and improvements	10,000	25 – 80
Equipment	10,000	10 – 50
Intangible assets	500,000	5 – 80

L. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a Statement of Net Position.

In addition to assets, the statement of financial position/governmental funds Balance Sheet will sometimes 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The governmental activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. See also Note 9 – Retirement Plans and Note 10 – Other Post-Employment Benefits.

In addition to liabilities, the statement of financial position/governmental funds Balance Sheet will sometimes 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 so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items reported by the governmental activities related to changes in the net pension liability and net OPEB liability as discussed in Note 9 - Retirement Plans and Note 10 – Other Post-Employment Benefits, the School System has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Members of the 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 System. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School System's financial statements. Accumulated unpaid vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

O. Other Post-Employment Benefits ("OPEB")

For purposes of measuring the net other post-employment benefits ("OPEB") liability (asset), 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 Personnel Post-Employment Health Benefit Fund (the "School OPEB Fund") and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity

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

Fund Balances – Generally, fund balances represent the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily to the extent to which the School System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

Non-spendable: Fund balances that are not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).

Committed: Fund balances that can be used only for the specific purposes determined by an approved resolution of the Coweta County Board of Education (the “Board”). Commitments may be changed or lifted only by referring to formal action that imposed the original constraint on the fund (e.g., the School System’s commitment in connection with future construction projects).

Assigned: Fund balances intended to be used by the School System for specific purposes. Intent can be expressed by the Board or by a designee to whom the Board delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Fund Balances (Continued) –

The responsibility for designating funds to specific classifications shall be as follows:

Committed: The Board is the School System'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.

Assigned: The Board has authorized the Superintendent and the Assistant Superintendent for Financial Services as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

It is the goal of the School System to achieve and maintain an unassigned fund balance in the General Fund at fiscal year-end of not less than 5% of budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. §20-2-167(a) 5. If the unassigned fund balance at fiscal year-end falls below the goal, the School System shall develop a restoration plan to achieve and maintain the minimum fund balance.

When multiple categories of fund balances are available for expenditures (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balances), the School System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

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

Q. Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. BUDGETARY DATA

The budget is a complete financial plan for the School System'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 Fund. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School System'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 System's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

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

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool ("Georgia Fund 1"). The investment in Georgia Fund 1 represents the School System's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. Treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer. As of June 30, 2023, the School System's investment in Georgia Fund 1 was rated AA+ by Standard & Poor's.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued). At June 30, 2023, the School System had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Less than One Year</u>
Georgia Fund 1	AAAf	\$ 122,250,410	\$ 122,250,410
Certificates of Deposit	N/A	195,523	195,523
		<u>\$ 122,445,933</u>	<u>\$ 122,445,933</u>

Investments are reported in the following activities:

Governmental	\$ 122,250,410
Fiduciary	195,523
	<u>\$ 122,445,933</u>

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2023, all of the School System's deposits were properly collateralized in accordance with state law and applicable GASB pronouncements.

Fair Value Measurements. The School System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The School System has the following recurring fair value measurements as of June 30, 2023:

Investments not subject to level disclosure:

Georgia Fund 1	
Certificates of Deposit	\$ 122,250,410
	195,523
Total Investments	<u>\$ 122,445,933</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School System does not disclose its investment in the Georgia Fund 1 within its fair value hierarchy.

NOTE 4. RECEIVABLES

Receivables at June 30, 2023 for the School System's individual major funds are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Taxes	\$ 2,698,036	\$ 4,362,597	\$ 7,060,633
Accounts	37,737	-	37,737
Intergovernmental	21,570,307	-	21,570,307
Net total receivable	<u>\$ 24,306,080</u>	<u>\$ 4,362,597</u>	<u>\$ 28,668,677</u>

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education. Sales taxes are collected by the state on the School System's behalf. Property taxes are collected by the Coweta County Tax Commissioner on the School System's behalf.

NOTE 5. PROPERTY TAXES

Coweta County (the "County") bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. State law limits the School System's tax levy for operations to 20 mills (one mill equals \$1 per thousand dollars of assessed value). Assessed values for property tax purposes are determined by the Coweta County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes were levied on August 24, 2022, billed on October 1, 2022, and payable on or before December 1, 2022. The County may place liens on property once the related tax payments become delinquent. Liens were placed on delinquent accounts on January 1, 2023.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis. Beginning in April 2013, A Title Ad Valorem Tax ("TAVT") is assessed upon sale of a vehicle, which replaces the personal property tax due annually on the payor's date of birth.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

Interfund Transfers:

<u>Transfers In</u>	<u>Transfers Out</u>
<u>Capital Projects Fund</u>	<u>General Fund</u>
	\$ 5,000,000

General Fund transfers are for the support of programs that are partially funded by grants but need additional resources to support their operations. The General Fund transfer supported the projects ongoing in the Capital Projects Fund.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 11,488,913	\$ -	\$ -	\$ -	\$ 11,488,913
Construction in progress	28,132,441	50,445,909	-	(26,937,430)	51,640,920
Total	39,621,354	50,445,909	-	(26,937,430)	63,129,833
Capital assets, being depreciated:					
Buildings and improvements	376,118,022	95,266	-	25,073,029	401,286,317
Land improvements	58,656,086	126,539	-	788,001	59,570,626
Machinery and equipment	50,404,062	5,221,030	(695,033)	1,076,400	56,006,459
Total	485,178,170	5,442,835	(695,033)	26,937,430	516,863,402
Less accumulated depreciation for:					
Buildings and improvements	(97,219,470)	(7,126,790)	-	-	(104,346,260)
Land improvements	(18,086,872)	(1,884,597)	-	-	(19,971,469)
Machinery and equipment	(14,755,787)	(3,132,062)	454,466	-	(17,433,383)
Total	(130,062,129)	(12,143,449)	454,466	-	(141,751,112)
Total capital assets, being depreciated, net	355,116,041	(6,700,614)	(240,567)	26,937,430	375,112,290
Governmental activities capital assets, net	\$ 394,737,395	\$ 43,745,295	\$ (240,567)	\$ -	\$ 438,242,123

NOTES TO FINANCIAL STATEMENTS

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the School System as follows:

Governmental activities:

Instruction	\$ 6,557,232
Improvements of instructional services	11,371
Educational media services	253,693
General administration	4,125
School administration	35,761
Business administration	48,090
Maintenance and operations	3,419,582
Student transportation	1,158,365
Central support services	6,004
School nutrition	508,904
Enterprise operations	22,899
Community services operations	117,423
Total depreciation expense - governmental activities	<u>\$ 12,143,449</u>

NOTE 8. LONG-TERM DEBT

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Workers' compensation claims	\$ 1,198,751	\$ 605,018	\$ (465,064)	\$ 1,338,705	\$ 749,007
Compensated absences	799,500	1,070,843	(877,959)	992,384	877,959
Net OPEB liability	135,367,903	20,088,820	(29,804,655)	125,652,068	-
Net pension liability	91,164,100	289,698,374	(37,760,028)	343,102,446	-
Governmental activities:					
Long-term liabilities	<u>\$ 228,530,254</u>	<u>\$ 311,463,055</u>	<u>\$ (68,907,706)</u>	<u>\$ 471,085,603</u>	<u>\$ 1,626,966</u>

Workers' compensation claims payable, compensated absences, the net other post-employment benefit liability, and the net pension liability are liquidated primarily by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS

A. Teachers' Retirement System

Plan Description

All teachers of the School System as defined in §47-3-60 of the O.C.G.A. and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers' Retirement System ("TRS"). The 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 TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications/.

Benefits Provided

The TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employees' two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employees' creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employees' beneficiary had the employee retired on the date of death. Death benefits are based on the employees' 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 System's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual School System payroll. School System contributions to TRS were \$29,938,365 for the year ended June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

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

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

School System's proportionate share of the net pension liability	\$ 342,881,856
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>534,813</u>
Total	<u>\$ 343,416,669</u>

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to the TRS during the fiscal year ended June 30, 2022. At June 30 2022, the School System's proportion was 1.055933%, which was an increase of 0.027606% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School System recognized pension expense of \$51,525,073 and revenue of \$97,793. The revenue is for support provided by the State of Georgia for certain support personnel.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (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 System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,233,111	\$ 1,784,780
Changes of assumptions	51,614,660	-
Net difference between projected and actual earnings on pension plan investments	67,366,530	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	5,056,919	196,626
School System contributions subsequent to the measurement date	29,938,365	-
Total	<u>\$ 168,209,585</u>	<u>\$ 1,981,406</u>

The School System's contributions subsequent to the measurement date of \$29,938,365 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2024	\$ 36,953,132
2025	28,444,325
2026	21,182,649
2027	49,709,708

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Actuarial Assumptions

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

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

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

The long-term expected rate of return on TRS 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Fixed income	30.00 %	0.20 %
U.S. large stocks	46.30	9.40
U.S. small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	<u>100.00 %</u>	

Discount Rate

The discount rates used to measure the total TRS pension liability were 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability (asset)	\$ 517,295,167	\$ 342,881,856	\$ 200,450,317

Pension Plan Fiduciary Net Position

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

B. Public School Employees' Retirement System ("PSERS")

Plan Description

Public School Employees' Retirement System ("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 TRS. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (Continued)

Benefits Provided (Continued)

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

Contributions

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$493,240.

Pension Liabilities and Pension Expense

At June 30, 2023, the School System did not have a liability for a proportionate share of the net pension liability of PSERS because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School System is as follows:

State of Georgia's proportionate share of the net pension liability associated with the School System	<u>\$ 4,273,405</u>
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For the year ended June 30, 2023, the School System recognized pension expense of \$1,073,905 and revenue of \$1,073,905 for support provided by the State of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (Continued)

Actuarial Assumptions

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

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

Mortality rates are as follows:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00 %	0.20 %
U.S. large stocks	46.30	9.40
U.S. small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	<u>100.00 %</u>	

*Rates shown are net of inflation.

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS")

Plan Description

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

Benefits Provided

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

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

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement 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 plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Contributions

Member contributions under the Old Plan are 4% of annual compensation, up to \$4,200, plus 6% 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 System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2023 was 24.67% of annual covered payroll. The School System's contributions to ERS totaled \$23,855 for the year ended June 30, 2023. 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.

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

At June 30, 2023, the School System reported a liability for its proportionate share of the net pension liability of ERS in the amount of \$220,590. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2022. At June 30, 2022, the School System's proportion was 0.003303%, which was a decrease of 0.005908% from its proportion measured as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

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

For the year ended June 30, 2023, the School System recognized pension expense of \$15,715. At June 30, 2023, the School System reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 474	\$ 2,001
Change of assumptions	39,212	-
Net difference between projected and actual earnings on pension plan investments	25,630	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,960	125,949
Employer contributions subsequent to the measurement date	<u>23,855</u>	<u>-</u>
Total	<u>\$ 109,131</u>	<u>\$ 127,950</u>

School System contributions subsequent to the measurement date of \$23,855 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2024	\$ (43,437)
2025	(19,587)
2026	639
2027	19,711

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.00 - 6.75%, including inflation
Investment rate of return	7.00%, net 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
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	<u>100.00 %</u>	

*Rates shown are net inflation.

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net pension liability	\$ 293,646	\$ 220,590	\$ 159,155

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

Defined Contribution Plan

Employees of the School System may elect to contribute to a qualifying 403(b) and/or 457 plan by selecting a vendor that has been approved by the School System. The School System does not provide matching funds to supplement the employee contributions. The employee contributions, disbursements, and loans are governed by the Internal Revenue Service rules and regulations and the plan document approved by the School System. The School System selected a third-party administrator to assist in the administration of the 403(b) plan and common remitting services for the 457 plan. Contributions to the plan become property of the employee without a vesting period.

The School System also provides a supplemental 403(b) plan option for employees who are not members of the TRS. Employees who are not members of the TRS may elect to contribute to a supplemental 403(b) plan by choosing a vendor that has been approved by the School System. The School System provides matching funds of 50% of the employee's contribution up to a maximum School System contribution of 3% of the employee's contribution. The employee and employer contributions, disbursements, and loans are governed by the Internal Revenue Service rules and regulations and the plan document approved by the School System. The School System selected a third-party administrator to assist in the administration of the supplemental 403(b) plan. Employee and employer contributions become property of the employee without a vesting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Defined Contribution Plan (Continued)

Employer contributions for the current fiscal year and preceding two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2023	100%	\$ 140,628
2022	100%	129,978
2021	100%	109,609

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

State of Georgia School Employees' Post-employment Benefit Fund

Plan Description

Certified teachers and non-certified public school employees of the School System as defined in §20-2-875 of the O.C.G.A. are provided OPEB through the School OPEB Fund – a cost-sharing multiple-employer defined benefit healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (the "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"), 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

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 System were \$4,957,343 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 System reported a liability of \$125,652,068 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 System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2022. At June 30 2022, the School System's proportion was 1.268805%, which was an increase of 0.018966% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School System recognized OPEB expense of \$(5,198,718). At June 30, 2023, the School System 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	\$ 5,015,477	\$ 49,385,068
Changes of assumptions	19,137,067	25,413,305
Net difference between projected and actual earnings on OPEB plan investments	766,442	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	3,748,957	68,274
School System contributions subsequent to the measurement date	4,957,343	-
Total	<u>\$ 33,625,286</u>	<u>\$ 74,866,647</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

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

Board contributions subsequent to the measurement date of \$4,957,343 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2024	\$ (13,246,059)
2025	(10,450,229)
2026	(7,798,480)
2027	(9,624,982)
2028	(4,609,137)
2029	(469,817)

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%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate:	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate trend rate:	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate:	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Actuarial assumptions (Continued)

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Actuarial assumptions (Continued)

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 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 %	

*Rates shown are net of inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

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.

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School System'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 System's proportionate share of the net OPEB liability	\$ 142,127,575	\$ 125,652,068	\$ 111,688,350

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the School System's proportionate share of the net OPEB liability, as well as what the School System'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 System's proportionate share of the net OPEB liability	\$ 108,264,277	\$ 125,652,068	\$ 147,021,589

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Annual Financial Report ("ACFR") which is publicly available at: <https://sao.georgia.gov/statewide-reporting/acfr>.

NOTE 11. RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation; unemployment compensation; and dental benefits. The School System is self-insured for workers' compensation and unemployment compensation. The School System purchases commercial insurance for all other risks of loss. The School System has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three years.

A. Workers' Compensation

The School System has established a limited risk management program for workers' compensation claims. In connection with this program, a self-insurance reserve has been established within the General Fund by the School System. The School System 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. An excess coverage insurance policy covers individual claims in excess of \$700,000 loss per occurrence, up to the statutory limit.

B. Unemployment Compensation

The School System is self-insured with regard to unemployment compensation claims. In connection with this program, a self-insurance reserve has been established within the General Fund by the School System. The School System 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

B. Unemployment Compensation (Continued)

Changes in the balances of claims liabilities for the years June 30, 2022 and June 30, 2023 for which the School System is self-insured are as follows:

<u>Workers' Compensation</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Unpaid claims, beginning of fiscal year	\$ 1,198,751	\$ 1,178,211
Incurred claims (including IBNRs)	605,018	640,999
Claim payments and changes in estimates	(465,064)	(620,459)
Unpaid claims, end of fiscal year	<u>\$ 1,338,705</u>	<u>\$ 1,198,751</u>

<u>Unemployment Compensation</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims (including IBNRs)	4,906	19,591
Claim payments and changes in estimates	(4,906)	(19,591)
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

C. Surety Bond

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 20,000
Assistant Superintendent for Financial Services	10,000
Vice Chairman	10,000
Board Treasurer	10,000
Board Chair	10,000
Commercial Driver Training School	10,000
Northgate High School Driver Training School	10,000
All Employees	250,000

NOTE 12. COMMITMENTS AND CONTINGENCIES

In addition to the liabilities enumerated in the balance, at June 30, 2023, the School System has contractual commitments on uncompleted contracts of \$52,636,656.

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The School System participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 13. TAX ABATEMENTS

For the year ended June 30, 2023, the School System property tax revenues were reduced by \$1,235,192 under agreements entered into by Coweta County, Georgia. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

NOTE 14. EXTRAORDINARY ITEM

On March 26, 2021, an EF-4 tornado caused significant damage in Coweta County to several homes and businesses, including two of the School System's schools. Insurance proceeds are reflected in the School System's financial statements as an extraordinary item.

REQUIRED SUPPLEMENTARY INFORMATION

COWETA 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,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
School System's proportion of the net pension liability	1.055933%	1.028327%	1.018129%
School System's proportionate share of the net pension liability	\$ 342,881,856	\$ 90,948,664	\$ 246,630,693
State of Georgia's proportionate share of the net pension liability associated with the School System	534,813	160,348	462,435
Total	<u>\$ 343,416,669</u>	<u>\$ 91,109,012</u>	<u>\$ 247,093,128</u>
School System's covered payroll	\$ 142,704,755	\$ 133,569,586	\$ 130,723,150
School System's proportionate share of the net pension liability as a percentage of its covered payroll	240.27%	68.09%	188.67%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	92.03%	77.01%

Note:

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.020012%	1.021931%	1.022337%	1.028038%	1.034116%	1.048524%
\$ 219,330,161	\$ 189,692,283	\$ 190,004,480	\$ 212,095,702	\$ 157,433,892	\$ 132,467,177
<u>441,020</u>	<u>417,091</u>	<u>208,527</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 219,771,181</u>	<u>\$ 190,109,374</u>	<u>\$ 190,213,007</u>	<u>\$ 212,095,702</u>	<u>\$ 157,433,892</u>	<u>\$ 132,467,177</u>
\$ 124,657,483	\$ 121,776,841	\$ 117,657,845	\$ 112,787,507	\$ 109,375,399	\$ 107,006,481
175.95%	155.77%	161.49%	188.05%	143.94%	123.79%
78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

COWETA COUNTY BOARD OF EDUCATION

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 29,938,365	\$ 28,269,812	\$ 25,458,363
Contributions in relation to the contractually required contribution	<u>29,938,365</u>	<u>28,269,812</u>	<u>25,458,363</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School System's covered payroll	\$ 149,841,667	\$ 142,704,755	\$ 133,569,586
Contributions as a percentage of covered payroll	19.98%	19.81%	19.06%

Note:

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 27,634,874	\$ 26,053,414	\$ 20,470,687	\$ 16,771,552	\$ 16,094,777	\$ 14,382,865
<u>27,634,874</u>	<u>26,053,414</u>	<u>20,470,687</u>	<u>16,771,552</u>	<u>16,094,777</u>	<u>14,382,865</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 130,723,150	\$ 124,657,483	\$ 121,776,841	\$ 117,657,845	\$ 112,787,507	\$ 109,375,399
21.14%	20.90%	16.81%	14.25%	14.27%	13.15%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION TEACHERS' RETIREMENT SYSTEM OF GEORGIA FOR THE YEAR ENDED JUNE 30, 2023

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%.

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
School System's proportion of the net pension liability	0.00%	0.00%	0.00%
School System's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	4,273,405	437,119	3,185,469
Total	\$ 4,273,405	\$ 437,119	\$ 3,185,469
School System's covered payroll	\$ 9,196,367	\$ 7,380,553	\$ 8,696,331
School System's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.21%	98.00%	84.45%

Note:

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

2020	2019	2018	2017	2016	2015
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,906,146	2,708,156	2,560,850	3,341,464	2,156,886	1,809,179
<u>\$ 2,906,146</u>	<u>\$ 2,708,156</u>	<u>\$ 2,560,850</u>	<u>\$ 3,341,464</u>	<u>\$ 2,156,886</u>	<u>\$ 1,809,179</u>
\$ 8,455,537	\$ 6,602,870	\$ 5,415,336	\$ 5,388,111	\$ 5,067,472	\$ 4,925,591
N/A	N/A	N/A	N/A	N/A	N/A
85.02%	85.26%	85.69%	81.00%	87.00%	88.29%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30, 2023

CHANGES OF ASSUMPTIONS

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

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

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

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30,

	2023	2022	2021
School System's proportion of the net pension liability	0.003303%	0.009211%	0.006293%
School System's proportionate share of the net pension liability	\$ 220,590	\$ 215,436	\$ 265,247
School System's covered payroll	\$ 80,865	\$ 220,799	\$ 161,742
School System's proportionate share of the net pension liability as a percentage of its covered payroll	272.79%	97.57%	163.99%
Plan fiduciary net position as a percentage of the total pension liability	67.44%	87.62%	76.21%

Note:

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

2020	2019	2018	2017	2016	2015
0.005046%	0.003603%	0.003676%	0.366000%	0.365200%	0.356000%
\$ 208,225	\$ 148,121	\$ 149,295	\$ 173,133	\$ 147,957	\$ 133,522
\$ 130,463	\$ 90,157	\$ 90,157	\$ 83,913	\$ 83,506	\$ 80,155
159.60%	164.29%	165.59%	206.32%	177.18%	166.58%
76.74%	76.68%	76.33%	72.34%	76.20%	77.99%

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 23,855	\$ 19,917	\$ 54,449
Contributions in relation to the contractually required contribution	<u>23,855</u>	<u>19,917</u>	<u>54,449</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School System's covered payroll	\$ 96,696	\$ 80,865	\$ 220,799
Contributions as a percentage of covered payroll	24.67%	24.63%	24.66%

Note:

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

2020	2019	2018	2017	2016	2015
\$ 39,886	\$ 32,329	\$ 22,368	\$ 22,368	\$ 20,743	\$ 18,338
39,886	32,329	22,368	22,368	20,743	18,338
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 161,742	\$ 130,463	\$ 90,157	\$ 90,157	\$ 83,912	\$ 83,506
24.66%	24.78%	24.81%	24.81%	24.72%	21.96%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30, 2023

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

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% and 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 ended June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. 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.

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.

COWETA COUNTY BOARD OF EDUCATION

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

	2023	2022	2021
School System's proportion of the net OPEB liability	1.268805%	1.249839%	1.243385%
School System's proportionate share of the net OPEB liability	\$ 125,652,068	\$ 135,367,903	\$ 182,624,299
School System's covered employee payroll	\$ 133,806,003	\$ 120,498,350	\$ 116,725,365
School System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	93.91%	112.34%	156.46%
Plan fiduciary net position as a percentage of the total OPEB liability	6.17%	6.14%	3.99%

Note:

The schedule will present 10 years of information once it is accumulated.

			2020	2019	2018
			1.236863%	1.238042%	1.237045%
\$	151,789,626	\$	157,351,339	\$	173,804,325
\$	109,242,402	\$	106,832,606	\$	101,536,207
			138.95%	147.29%	171.17%
			4.63%	2.93%	1.61%

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF OPEB CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 4,957,343	\$ 4,587,682	\$ 4,649,192
Contributions in relation to the contractually required contribution	<u>4,957,343</u>	<u>4,587,682</u>	<u>4,649,192</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
School System's covered employee payroll	\$ 137,739,646	\$ 133,806,003	\$ 120,498,350
Contributions as a percentage of covered employee payroll	3.60%	3.43%	3.86%

Note:

The schedule will present 10 years of information once it is accumulated.

2020	2019	2018
\$ 4,204,838	\$ 6,661,358	\$ 6,416,650
4,204,838	6,661,358	6,416,650
\$ -	\$ -	\$ -
\$ 116,725,365	\$ 109,242,402	\$ 106,832,606
3.60%	6.10%	6.01%

COWETA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2023

CHANGES OF BENEFIT TERMS

There have been no changes in benefit terms.

CHANGES IN ASSUMPTION

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, to 2.22% as of June 30, 2020, and to 3.57% as of June 30, 2022.

SUPPLEMENTARY INFORMATION

COWETA COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2023

	School Activities Fund	Flexible Spending Accounts Fund	Total Custodial Funds
ASSETS			
Cash	\$ 31,075	\$ 500,828	\$ 531,903
Investments	71,627	123,896	195,523
Total assets	<u>102,702</u>	<u>624,724</u>	<u>727,426</u>
LIABILITIES			
Accounts payable	-	500,874	500,874
Total liabilities	<u>-</u>	<u>500,874</u>	<u>500,874</u>
NET POSITION			
Restricted for individuals, organizations and other governments	<u>\$ 102,702</u>	<u>\$ 123,850</u>	<u>\$ 226,552</u>

COWETA COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	School Activities Fund	Flexible Spending Accounts Fund	Total Custodial Funds
ADDITIONS			
Local collections	\$ 69	\$ 130	\$ 199
Total additions	<u>69</u>	<u>130</u>	<u>199</u>
DEDUCTIONS			
Collections disbursed	1,000	15,000	16,000
Total deductions	<u>1,000</u>	<u>15,000</u>	<u>16,000</u>
Change in net position	(931)	(14,870)	(15,801)
NET POSITION			
Beginning of year	<u>103,633</u>	<u>138,720</u>	<u>242,353</u>
End of year	<u>\$ 102,702</u>	<u>\$ 123,850</u>	<u>\$ 226,552</u>

COWETA COUNTY BOARD OF EDUCATION

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

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST V Project	\$ 134,000,000	\$ 134,000,000			
(a) acquiring, constructing and equipping new school buildings, administration buildings, athletic buildings/facilities and other buildings,	-	-	\$ 30,627,333	\$ 4,375	\$ 30,631,708
(b) adding to, renovating, repairing, improving and equipping existing school buildings, including, but not limited to, Newnan Crossing Elementary School, Arnall Middle School, Jefferson Parkway Elementary School, Thomas Crossroads Elementary School, and Northgate High School, administration buildings, athletic buildings/facilities and other buildings and facilities useful or desirable therewith, including, without limitation, the Central Education Center and the Nixon Centre for Performing and Visual Arts,	-	-	60,118,371	1,407,636	61,526,007
(c) acquiring, installing and equipping portable classrooms,	-	-	-	-	-
(d) acquiring buses and other vehicles,	-	-	6,828,003	399,500	7,227,503
(e) acquiring technology,	-	-	9,921,944	4,123,184	14,045,128
(f) acquiring land for future facilities (the "Projects")	-	-	-	-	-
(g) issuance of general obligation debt of the School System in the maximum principal amount of \$60,000,000 for the above purposes.	-	-	-	-	-
Totals	<u>\$ 134,000,000</u>	<u>\$ 134,000,000</u>	<u>\$ 107,495,651</u>	<u>\$ 5,934,695</u>	<u>\$ 113,430,346</u>
Reconciliation to total expenditures, Capital Projects Fund					
			SPLOST V	\$ 5,934,695	
			SPLOST VI	157,392	
			Non-SPLOST expenditures	53,167,295	
			Total expenditures, Capital Projects Fund	<u>\$ 59,259,382</u>	

COWETA COUNTY BOARD OF EDUCATION

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

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST VI Project	\$ 160,368,478	\$ 160,368,478			
(a) Acquiring, constructing and equipping new school buildings, administration buildings, athletic buildings/facilities and other buildings, and facilities useful or desirable in connection therewith,	-	-	\$ -	\$ -	\$ -
(b) adding to, renovating, repairing, rebuilding, improving and equipping existing school buildings, including, but not limited to, Abor Springs Elementary, Arnco Sargent Elementary, Atkinson Elementary, Brooks Elementary, Canongate Elementary, Eastside, Elementary, Elm Street Elementary, Glanton Elementary, Jefferson Parkway Elementary, Moreland Elementary, Newnan Crossing Elementary, Northside Elementary, Poplar Road Elementary, Ruth Hill Elementary, Thomas Crossroads Elementary, Welch Elementary, Western Elementary, White Oak Elementary, Willis Road Elementary, Arnall Middle, Blake Bass Middle, East Coweta Middle, Evans Middle, Lee Middle, Madras Middle, Smokey Road Middle, Maggie Brown, East Coweta High, Newnan High, Northgate High, Winston Dowdell Academy, Westside-Burwell, East Newnan, administration buildings, athletic buildings/facilities and other buildings and facilities useful or desirable therewith, including, without limitation, the Central Educational Center and the Nixon Centre for Performing and Visual Arts,	-	-	-	3,040	3,040
c) acquiring, installing and equipping portable classrooms,	-	-	-	-	-
d) acquiring buses, other vehicles, and equipment,	-	-	-	-	-
e) acquiring textbooks, including digital textbooks,	-	-	-	-	-
f) acquiring technology, including computers and software,	-	-	-	-	-
g) acquiring band instruments,	-	-	-	154,352	154,352
h) acquiring School security equipment,	-	-	-	-	-
i) acquiring land for future facilities (the "Projects")	-	-	-	-	-
j) issuance of general obligation debt of the Coweta County School System in the maximum principal amount of \$60,000,000 for the above purposes.	-	-	-	-	-
Totals	\$ 160,368,478	\$ 160,368,478	\$ -	\$ 157,392	\$ 157,392

COMPLIANCE SECTION



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

**To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Coweta County Board of Education** (the "School System"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System'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 disclose no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2023



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

**To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Coweta County Board of Education's** (the "School System's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School System's major federal programs for the year ended June 30, 2023. The School System'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 System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Programs

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

We are required to be independent of the School System 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 programs. Our audit does not provide a legal determination of the School System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School System'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 System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School System's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School System'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 System'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 System's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2023

COWETA COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through ID Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through from Georgia Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	235GA324N1199	\$ 1,342,675
National School Lunch Program	10.555	235GA324N1199	6,316,859
COVID-19 Supply Chain Assistance Grant	10.555	235GA324N1199	637,701
Total Child Nutrition Cluster			<u>8,297,235</u>
Other Programs:			
State Administrative Expenses	10.560	235GA904N2533	18,093
Total Other Programs			<u>18,093</u>
Total U.S. Department of Agriculture			<u>8,315,328</u>
U.S. DEPARTMENT OF DEFENSE			
Direct Federal Award:			
Junior ROTC	12.unknown	N/A	<u>129,895</u>
Total U.S. Department of Defense			<u>129,895</u>
U.S. Department of Homeland Security			
Passed through from Georgia Department of Homeland Security:			
Disaster Grant	97.036	N/A	<u>106,651</u>
Total U.S. Department of Homeland Security			<u>106,651</u>
U.S. DEPARTMENT OF EDUCATION			
Passed through from Georgia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A210010-21A	112,972
Title I Grants to Local Educational Agencies	84.010	S010A220010	3,758,739
Total Title I Grants to Local Educational Agencies			<u>3,871,711</u>
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A210011	27,979
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A220011	277,243
Total Title IV - Part A Student Support and Academic Enrichment			<u>305,222</u>
Career and Technical Education - Basic Grants to States	84.048	V048A210010	12,010
Career and Technical Education - Basic Grants to States	84.048	V048A220010	175,311
Total Career and Technical Education - Basic Grants to States			<u>187,321</u>
English Language Acquisition Grants	84.365	S365A210010	15,630
English Language Acquisition Grants	84.365	S365A210010	29,020
English Language Acquisition Grants	84.365	S365A220010	79,864
Total English Language Acquisition Grants			<u>124,514</u>

(Continued)

COWETA COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through ID Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (CONTINUED)			
Passed through from Georgia Department of Education (Continued)			
Supporting Effective Instruction State Grants	84.367	S367A210001	164,531
Supporting Effective Instruction State Grants	84.367	S367A220001	525,130
Supporting Effective Instruction State Grants	84.367	S367A220001	1,400
Total Supporting Effective Instruction State Grants			<u>691,061</u>
Special Education Cluster:			
Grants to States	84.027	H027A210073	3,648,098
Grants to States	84.027	H027A220073	1,096,492
COVID-19 - Grants to State and LEAs	84.027X	H027X210073	339,157
COVID-19 - Age 3-5 Grants	84.173X	H173X210081	2,208
Preschool Grants	84.173	H173A210081	118,864
Preschool Grants	84.173	H173A220081	60,460
Total Special Education Cluster			<u>5,265,279</u>
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	60,079
COVID-19 - American Rescue Plan Act Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	14,989
COVID-19 - American Rescue Plan Act Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	10,753,873
COVID-19 - Homeless Children and Youth	84.425W	S425W210011	2,997
COVID-19 - Homeless Children and Youth	84.425W	S425W210011	33,181
			<u>10,865,119</u>
Total U.S. Department of Education			<u>21,310,227</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from Georgia Department of Early Care and Learning:			
CCDF Cluster:			
COVID-19 - Child Care and Development Block Grant	93.575	N/A	133,878
Total U.S. Department of Health and Human Services			<u>133,878</u>
Total Expenditures of Federal Awards			<u><u>\$ 29,995,979</u></u>

N/A - Not available/applicable

COWETA COUNTY BOARD OF EDUCATION

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

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Coweta County Board of Education (the "School System") and is presented on the accrual basis of accounting.

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

NOTE 2. DONATED COMMODITIES

The Child Nutrition Cluster includes \$883,701 of non-cash expenditures in the form of donated food commodities.

NOTE 3. DE MINIMIS COST RATE

The School System elected not to use the 10% de minimis cost rate for the year ended June 30, 2023.

NOTE 4. SUBRECIPIENTS

The School System did not pass through any funds to subrecipients for the year ended June 30, 2023.

COWETA COUNTY BOARD OF EDUCATION

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

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal Control over major programs:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

___ Yes X None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Identification of major program:

Assistance Listing Number

84.425D/84.425U/84.425W

10.553

10.555

Name of Federal Program or Cluster

U.S. Department of Education:

Education Stabilization Fund:

COVID-19 – Elementary and Secondary School
Emergency Relief Funds/ COVID-19 – American
Rescue Plan Elementary and Secondary School
Emergency Relief Funds / COVID-19 Homeless
Children and Youth

U.S. Department of Agriculture

Child Nutrition Cluster

School Breakfast Program

National School Lunch Program

COWETA COUNTY BOARD OF EDUCATION

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

SECTION I SUMMARY OF AUDIT RESULTS (CONTINUED)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$899,879

Auditee qualified as low-risk auditee?

 X Yes No

SECTION II FINANCIAL STATEMENTS FINDINGS

None reported.

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

COWETA COUNTY BOARD OF EDUCATION

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

None reported.