



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

# Candler County Board of Education Metter, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



**DOAA**  
Georgia Department  
of Audits & Accounts

# Candler County Board of Education

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**Section I**

**Financial**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Fred J. Longgear, Superintendent and Members of the  
Candler County Board of Education

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary activities of the Candler County Board of Education (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary activities of the School District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by

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

### ***Supplementary Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

March 25, 2025



CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**INTRODUCTION**

Our discussion and analysis of the Candler County School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2024 are as follows:

- (1) On the government-wide financial statements, the assets and deferred outflows of the School District exceeded liabilities and deferred inflows by \$29.4 million.
- (2) The School District had \$34.8 million in expenses relating to governmental activities; \$25.8 million of these expenses are offset by program specific charges for services and grants and contributions. General revenues (primarily property and sales taxes) of \$13.9 million, were adequate to provide for these programs.
- (3) On the government-wide financial statements, the School District reported deferred inflows of resources of \$6.5 million and deferred outflows of resources of \$12.3 million related to defined benefit pension plans and OPEB plan.
- (4) The general fund (the primary operating fund) ended the fiscal year with a fund balance of \$12.5 million, a decrease of \$1.1 million from the prior fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of several parts including management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and the fund financial statements. This discussion and analysis of the School District's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2024 and fiscal year 2023.

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

The fund financial statements focus on the individual parts of the School District, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statement provides information about the financial relationships in which the School District acts solely as an agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. In the case of the Candler County Board of Education, the general fund, capital projects fund, and debt service fund are the most significant funds.

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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 financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question about whether the School District is in a better financial position than last year? The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all of the School District's non-fiduciary assets, deferred outflows, liabilities and deferred inflows. They use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The Statement of Net Position and the Statement of Activities reflect the School District's governmental activities.

**FUND FINANCIAL STATEMENTS**

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detail information about only the School District's significant or major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis 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 District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled within the financial statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Fiduciary Funds - Custodial funds are used to report resources held by the School District in a purely custodial capacity. The School District 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 District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Current and other assets increased by \$2.1 million primarily in the restricted investment accounts due to the deposit of current year sales tax revenue and investment earnings as well as an increase in grants and contributions and miscellaneous revenues.

Depreciable capital assets increased \$8.8 million in the current year primarily due to completion of construction and renovation projects. Current year capital asset additions accounted for \$10.5 million of that increase, which was offset by \$1.6 million in depreciation.

In fiscal year 2024, the overall net position increased by \$4.9 million. Assets and deferred outflows increased by \$2.4 million while liabilities and deferred outflows decreased by \$2.5 million. General and program revenues increased by \$2.8 million and expenses increased \$3.6 million during fiscal year 2024.

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Table 1, Statement of Net Position, provides the perspective of the School District as a whole.

**Table 1**  
**Net Position**

	Governmental Activities		
	Fiscal Year 2024	Fiscal Year 2023	Net Change
<b>Assets</b>			
Current and Other Assets	\$ 39,811,529	\$ 37,743,190	\$ 2,068,339
Capital Assets, Net	50,948,058	46,067,709	4,880,349
<b>Total Assets</b>	<u>90,759,587</u>	<u>83,810,899</u>	<u>6,948,688</u>
<b>Deferred Outflows of Resources</b>			
Related to Defined Benefit Pension Plans	8,343,531	13,703,369	(5,359,838)
Related to OPEB Plan	3,912,764	3,098,915	813,849
<b>Total Deferred Outflows of Resources</b>	<u>12,256,295</u>	<u>16,802,284</u>	<u>(4,545,989)</u>
<b>Liabilities</b>			
Current and Other Liabilities	6,116,827	5,127,815	989,012
Long-Term Liabilities	21,941,621	22,486,526	(544,905)
Net Pension Liability	25,339,242	28,294,613	(2,955,371)
Net OPEB Liability	13,803,709	12,175,962	1,627,747
<b>Total Liabilities</b>	<u>67,201,399</u>	<u>68,084,916</u>	<u>(883,517)</u>
<b>Deferred Inflows of Resources</b>			
Related to Defined Benefit Pension Plans	329,736	191,385	138,351
Related to OPEB Plan	6,129,726	7,846,823	(1,717,097)
<b>Total Deferred Inflows of Resources</b>	<u>6,459,462</u>	<u>8,038,208</u>	<u>(1,578,746)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	33,865,230	29,009,719	4,855,511
Restricted	18,323,825	15,624,492	2,699,333
Unrestricted (Deficit)	(22,834,034)	(20,147,152)	(2,686,882)
<b>Total Net Position</b>	<u>\$ 29,355,021</u>	<u>\$ 24,487,059</u>	<u>\$ 4,867,962</u>

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Table 2 shows the Change in net position for the year ending June 30, 2024 and June 30, 2023.

**Table 2**  
**Change in Net Position**

	Governmental Activities		
	Fiscal Year 2024	Fiscal Year 2023	Net Change
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 391,378	\$ 368,112	\$ 23,266
Operating Grants and Contributions	21,969,377	22,664,558	(695,181)
Capital Grants and Contributions	3,413,606	2,072,149	1,341,457
Total Program Revenues	<u>25,774,361</u>	<u>25,104,819</u>	<u>669,542</u>
General Revenues:			
Taxes			
Property Taxes			
For Maintenance and Operations	5,643,987	4,990,627	653,360
Railroad Cars	7,037	6,912	125
Sales Taxes			
Special Purpose Local Option Sales Tax			
For Debt Services	2,068,919	1,916,054	152,865
Other Sales Tax	65,183	49,677	15,506
Grants and Contributions not Restricted to Specific Programs	3,410,151	3,087,239	322,912
Investment Earnings	1,120,064	301,279	818,785
Miscellaneous	1,585,748	1,375,973	209,775
Total General Revenues	<u>13,901,089</u>	<u>11,727,761</u>	<u>2,173,328</u>
<b>Total Revenues</b>	<u>39,675,450</u>	<u>36,832,580</u>	<u>2,842,870</u>
<b>Program Expenses:</b>			
Instruction	20,918,513	18,407,110	2,511,403
Support Services			
Pupil Services	880,050	876,613	3,437
Improvement of Instructional Services	1,080,783	1,032,878	47,905
Educational Media Services	409,674	360,481	49,193
General Administration	1,297,584	1,066,856	230,728
School Administration	1,967,490	1,699,015	268,475
Business Administration	431,147	544,662	(113,515)
Maintenance and Operation of Plant	2,191,202	1,824,374	366,828
Student Transportation Services	1,279,594	1,251,163	28,431
Central Support Services	161,413	203,660	(42,247)
Other Support Services	299,089	125,551	173,538
Operations of Non-Instructional Services			
Enterprise Operations	466,572	508,672	(42,100)
Community Services	151,888	144,923	6,965
Food Services	2,113,025	1,985,894	127,131
Interest on Long-Term Debt	1,159,464	1,154,609	4,855
<b>Total Expenses</b>	<u>34,807,488</u>	<u>31,186,461</u>	<u>3,621,027</u>
<b>Increase in Net Position</b>	<u>\$ 4,867,962</u>	<u>\$ 5,646,119</u>	<u>\$ (778,157)</u>

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**GOVERNMENTAL ACTIVITIES**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. 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	Fiscal Year
	2024	2024
Instruction	\$ 20,918,513	\$ 3,774,042
Support Services:		
Pupil Services	880,050	711,366
Improvement of Instructional Services	1,080,783	453,036
Educational Media Services	409,674	(27,199)
General Administration	1,297,584	226,038
School Administration	1,967,490	1,093,370
Business Administration	431,147	418,965
Maintenance and Operation of Plant	2,191,202	1,288,287
Student Transportation Services	1,279,594	(5,441)
Central Support Services	161,413	156,996
Other Support Services	299,089	299,089
Operations of Non-Instructional Services:		
Enterprise Operations	466,572	274,189
Community Services	151,888	42,502
Food Services	2,113,025	49,728
Interest on Long-Term Debt	1,159,464	278,159
 Total Expenses	 \$ 34,807,488	 \$ 9,033,127

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For fiscal year 2024, 26.0% of expenses were supplemented by taxes and other general revenues.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of \$39.6 million and total expenditures of \$38.6 million. The excess of revenues over expenditures was due to a cognizant fiscal effort to keep expenses in line with state and federal funding, while maintaining an educational environment to meet the needs of our students. The capital expenditures of construction projects at Metter High School were funded by ESSER, state capital outlay funds, ESPLOST transfers from the debt service fund and local revenues from the general fund. SPLOST revenues and the QSCB IRS Subsidy recorded in the debt service fund were adequate to make the required debt payments.

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**GENERAL FUND BUDGETING HIGHLIGHTS**

The School District's budget is prepared in accordance with Georgia law. The most significant budgeted fund is the general fund, which includes local, state and federal funds collected and disbursed for the purpose of operating the School District.

The School District's budget is based on its overall mission and incorporates site-based budgeting into the budget process to control total site budgets but provide flexibility for site management.

For the general fund, the final actual revenues of \$33.7 million exceeded final budgeted amount of \$29.3 million by \$4.4 million. This difference between actual revenues and final budget revenues was due to several reasons. Property Taxes were better than budgeted due to a constant millage rate, an increase in TAVT tax collections, and a successful effort to collect delinquent taxes by the tax commissioner. State Funds were better than budgeted primarily due to increases in the QBE funding formula on the Mid-Term Allotment and an increase in state grants. Charges for Services and Miscellaneous revenues were also higher than budgeted because the School District does not budget for the daycare or afterschool programs, Pre-K program or school activity accounts. Budgeted amounts for Federal Funds exceeded actual amounts received due to grants that span multiple fiscal years. All of the revenues were budgeted for these grants; however, amounts will only be received as they are spent over the grant period.

The actual expenditures of \$33.2 million were more than the final budgeted amount of \$31.2 million by \$1.9 million. This difference was primarily due to expenditures for large, one-time state grants such as the Heavy Equipment grant and bus allotments that were expended but not budgeted for during the fiscal year. Also, the School District did not budget for school activity accounts nor the daycare, afterschool programs and various other special revenue funds.



CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**CAPITAL ASSETS**

At fiscal year ended June 30, 2024, the School District had \$33.9 million invested in capital assets, net of related debt in the governmental funds. In fiscal year 2024, renovation/construction projects at Metter High School were completed and removed from the Construction in Progress category and added to the various asset categories. Also, the new Metter College and Career Academy construction was started and added to the Construction in Progress category during fiscal year 2024. Table 4 reflects a summary of these balances net of accumulated depreciation. The School District's capital assets, net of accumulated depreciation, totaling \$50.9 million are comprised of buildings and building improvements (80.4%), land and land improvements (6.1%), construction in progress (7.8%), and equipment (5.7%). Additional information about the School District's capital assets can be found in the Notes to the Basic Financial Statements.

**Table 4**  
**Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities		
	Fiscal Year	Fiscal Year	Net
	2024	2023	Change
Land	\$ 830,480	\$ 830,480	\$ -
Construction In Progress	3,971,138	7,924,608	(3,953,470)
Building and Improvements	40,986,445	34,660,519	6,325,926
Equipment	2,878,860	1,065,281	1,813,579
Land Improvements	2,281,135	1,586,821	694,314
Total	\$ 50,948,058	\$ 46,067,709	\$ 4,880,349

**LONG-TERM LIABILITIES**

At June 30, 2024, the School District had \$21.9 million in total long-term liabilities with \$597.9 thousand due within one year. Table 5 summarizes long-term liabilities at June 30, 2024 and 2023.

**Table 5**  
**Long-Term Liabilities at June 30**

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2024	2023
General Obligation Bonds	\$ 4,025,000	\$ 4,500,000
Unamortized Bond Premium	291,621	364,526
Qualified School Construction Bonds (Series 2011)	17,625,000	17,625,000
Total	\$ 21,941,621	\$ 22,489,526

CANDLER COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The Candler County School District had long-term liabilities of \$17.6 million related to General Government QSCB Series 2011 Bonds. These bonds are to be paid back by March 2026 with Special Purpose Local Option Sales Tax funds. The School District maintains an A1 underlying rating from Moody's Investors Service, which is the highest public rating that is GO-related.

During the current fiscal year, the School District had long-term liabilities of \$4.3 million related to Series 2022 General Government bonds, which includes an unamortized bond premium of \$292.6 thousand. Amortization expense for the current fiscal year amounted to \$72.9 thousand. These bonds are to be paid back by March 2028 with Special Purpose Local Option Sales Tax Funds.

### **CURRENT ISSUES**

The School District is in very sound financial condition despite the increased energy costs, supply chain issues and high inflation of the current economy. Candler County Board of Education's close monitoring of revenues and expenditures over several years has our fund balance sufficient enough to provide for such issues. The general fund has an unassigned fund balance of \$11.1 million which is an decrease of \$1.1 million from the prior fiscal year.

Approximately 72.3% of general fund expenses, the main operating fund for the School District, were related to salaries and employee benefits for the year ended June 30, 2024. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. Significant increases in the employer cost of group health insurance occurred during fiscal year 2024 and are expected to continue over the next fiscal year. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that Candler County students receive a quality education from effective personnel.

The School District will continue to be a good steward and look for ways to align resources and costs in a way to ensure the best opportunity for student success.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Denise Strickland, CPA, Chief Financial Officer for the Candler County Board of Education, 210 S. College Street, Metter, GA 30439. You may also email your questions to Ms. Strickland at [dstrickland@metter.org](mailto:dstrickland@metter.org).

**Candler County Board of Education**

CANDLER COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "A"

		<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	18,982,134.80
Investments		4,700.49
Accounts Receivable, Net		
Interest		174,720.19
Taxes		862,658.57
State Government		2,623,189.22
Federal Government		1,371,349.85
Other		335,755.74
Inventories		100,513.85
Restricted Assets		
Investments held by Trustee		15,356,506.30
Capital Assets, Non-Depreciable		4,801,618.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)		46,146,440.00
Total Assets		<u>90,759,587.01</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plans		8,343,531.00
Related to OPEB Plan		3,912,764.00
Total Deferred Outflows of Resources		<u>12,256,295.00</u>
 <u>LIABILITIES</u>		
Accounts Payable		728,415.49
Salaries and Benefits Payable		3,506,826.02
Interest Payable		401,099.40
Contracts Payable		1,094,365.90
Retainages Payable		263,562.00
Deposits and Unearned Revenues		122,558.00
Net Pension Liability		25,339,242.00
Net OPEB Liability		13,803,709.00
Long-Term Liabilities		
Due Within One Year		597,905.19
Due in More Than One Year		21,343,715.58
Total Liabilities		<u>67,201,398.58</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plans		329,736.00
Related to OPEB Plan		6,129,726.00
Total Deferred Inflows of Resources		<u>6,459,462.00</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets		33,865,229.83
Restricted for		
Continuation of Federal Programs		1,020,445.67
Debt Service		16,258,931.84
Capital Projects		1,044,447.52
Unrestricted (Deficit)		<u>(22,834,033.43)</u>
Total Net Position	\$	<u>29,355,021.43</u>

CANDLER COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT "B"

	PROGRAM REVENUES			NET (EXPENSES)	
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION	
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 20,918,512.77	\$ -	\$ 15,828,524.71	\$ 1,315,945.69	\$ (3,774,042.37)
Support Services					
Pupil Services	880,050.08	-	168,684.03	-	(711,366.05)
Improvement of Instructional Services	1,080,782.54	-	627,746.39	-	(453,036.15)
Educational Media Services	409,673.97	-	312,907.28	123,965.90	27,199.21
General Administration	1,297,584.01	-	871,293.64	200,252.61	(226,037.76)
School Administration	1,967,489.80	-	783,528.91	90,590.47	(1,093,370.42)
Business Administration	431,147.24	-	12,182.67	-	(418,964.57)
Maintenance and Operation of Plant	2,191,201.82	4,250.00	846,217.85	52,447.09	(1,288,286.88)
Student Transportation Services	1,279,594.26	33,234.85	635,030.83	616,770.00	5,441.42
Central Support Services	161,413.16	-	4,416.66	-	(156,996.50)
Other Support Services	299,088.99	-	-	-	(299,088.99)
Operations of Non-Instructional Services					
Enterprise Operations	466,572.30	192,383.33	-	-	(274,188.97)
Community Services	151,888.44	109,386.23	-	-	(42,502.21)
Food Services	2,113,025.35	52,123.83	1,878,844.38	132,329.45	(49,727.69)
Interest on Long-Term Debt	1,159,463.63	-	-	881,304.60	(278,159.03)
<b>Total Governmental Activities</b>	<b>\$ 34,807,488.36</b>	<b>\$ 391,378.24</b>	<b>\$ 21,969,377.35</b>	<b>\$ 3,413,605.81</b>	<b>(9,033,126.96)</b>
<b>General Revenues</b>					
Taxes					
Property Taxes					
For Maintenance and Operations					5,643,986.97
Railroad Cars					7,036.86
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Debt Services					2,068,919.38
Other Sales Tax					65,182.77
Grants and Contributions not Restricted to Specific Programs					3,410,151.00
Investment Earnings					1,120,063.96
Miscellaneous					1,585,748.39
Total General Revenues					<u>13,901,089.33</u>
Change in Net Position					4,867,962.37
Net Position - Beginning of Year					<u>24,487,059.06</u>
Net Position - End of Year					<u>\$ 29,355,021.43</u>

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

EXHIBIT "C"

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,315,081.23	\$ 5,202,703.33	\$ 464,350.24	\$ 18,982,134.80
Investments	-	-	4,700.49	4,700.49
Accounts Receivable, Net				
Taxes	509,169.89	-	353,488.68	862,658.57
State Government	2,058,864.76	564,324.46	-	2,623,189.22
Federal Government	1,371,349.85	-	-	1,371,349.85
Other	29,490.40	-	-	29,490.40
Inventories	100,513.85	-	-	100,513.85
Restricted Assets				
Investments with Fiscal Agent or Trustee	-	-	15,356,506.30	15,356,506.30
	<u>-</u>	<u>-</u>	<u>15,356,506.30</u>	<u>15,356,506.30</u>
Total Assets	<u>\$ 17,384,469.98</u>	<u>\$ 5,767,027.79</u>	<u>\$ 16,179,045.71</u>	<u>\$ 39,330,543.48</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 727,691.74	\$ 723.75	\$ -	\$ 728,415.49
Salaries and Benefits Payable	3,506,826.02	-	-	3,506,826.02
Contracts Payable	299,545.24	794,820.66	-	1,094,365.90
Retainages Payable	-	263,562.00	-	263,562.00
Deposits and Unearned Revenues	30,000.00	92,558.00	-	122,558.00
Total Liabilities	<u>4,564,063.00</u>	<u>1,151,664.41</u>	<u>-</u>	<u>5,715,727.41</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	279,867.88	-	-	279,867.88
	<u>279,867.88</u>	<u>-</u>	<u>-</u>	<u>279,867.88</u>
<u>FUND BALANCES</u>				
Nonspendable	100,513.85	-	-	100,513.85
Restricted	919,931.82	4,615,363.38	16,179,045.71	21,714,340.91
Committed	422,186.92	-	-	422,186.92
Unassigned	11,097,906.51	-	-	11,097,906.51
Total Fund Balances	<u>12,540,539.10</u>	<u>4,615,363.38</u>	<u>16,179,045.71</u>	<u>33,334,948.19</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,384,469.98</u>	<u>\$ 5,767,027.79</u>	<u>\$ 16,179,045.71</u>	<u>\$ 39,330,543.48</u>

CANDLER COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	33,334,948.19
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 830,480.00	
Construction in progress	3,971,138.00	
Buildings and improvements	55,197,959.00	
Equipment	6,194,463.00	
Land improvements	4,654,014.00	
Accumulated depreciation	<u>(19,899,996.00)</u>	50,948,058.00
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (25,339,242.00)	
Net OPEB liability	<u>(13,803,709.00)</u>	(39,142,951.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$ 8,013,795.00	
Related to OPEB	<u>(2,216,962.00)</u>	5,796,833.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		279,867.88
Accrued interest revenue on repurchase agreement not earned in the current period and therefore not reported as a receivable on the fund level.		
		174,720.19
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (21,650,000.00)	
Accrued interest payable	(401,099.40)	
Unamortized bond premiums	<u>(291,620.77)</u>	(22,342,720.17)
Qualified School Construction Bond interest subsidy was not earned in the current period and therefore not reported as receivables on the governmental fund statements.		
		<u>306,265.34</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>29,355,021.43</u></u>



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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 5,612,738.59	\$ -	\$ -	\$ 5,612,738.59
Sales Taxes	65,182.77	-	2,068,919.38	2,134,102.15
State Funds	20,058,338.25	1,915,531.22	-	21,973,869.47
Federal Funds	5,889,996.09	-	-	5,889,996.09
Charges for Services	391,378.24	-	-	391,378.24
Investment Earnings	99,883.83	220,719.75	770,216.97	1,090,820.55
Miscellaneous	1,585,748.39	-	881,304.60	2,467,052.99
Total Revenues	<u>33,703,266.16</u>	<u>2,136,250.97</u>	<u>3,720,440.95</u>	<u>39,559,958.08</u>
<u>EXPENDITURES</u>				
Current				
Instruction	19,321,792.75	-	-	19,321,792.75
Support Services				
Pupil Services	834,826.98	-	-	834,826.98
Improvement of Instructional Services	989,270.88	-	-	989,270.88
Educational Media Services	311,326.26	-	-	311,326.26
General Administration	1,077,455.16	56.00	-	1,077,511.16
School Administration	1,788,392.51	-	-	1,788,392.51
Business Administration	390,797.06	-	8,617.50	399,414.56
Maintenance and Operation of Plant	2,232,007.93	-	-	2,232,007.93
Student Transportation Services	2,177,589.97	-	-	2,177,589.97
Central Support Services	150,498.91	-	-	150,498.91
Other Support Services	298,258.80	-	-	298,258.80
Enterprise Operations	466,572.30	-	-	466,572.30
Community Services	181,585.52	-	-	181,585.52
Food Services Operation	2,280,634.10	-	-	2,280,634.10
Capital Outlay	672,455.12	3,658,652.98	-	4,331,108.10
Debt Services				
Principal	-	-	475,000.00	475,000.00
Interest	-	-	1,240,200.00	1,240,200.00
Total Expenditures	<u>33,173,464.25</u>	<u>3,658,708.98</u>	<u>1,723,817.50</u>	<u>38,555,990.73</u>
Revenues over (under) Expenditures	<u>529,801.91</u>	<u>(1,522,458.01)</u>	<u>1,996,623.45</u>	<u>1,003,967.35</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	1,816,261.05	-	1,816,261.05
Transfers Out	(1,597,413.34)	-	(218,847.71)	(1,816,261.05)
Total Other Financing Sources (Uses)	<u>(1,597,413.34)</u>	<u>1,816,261.05</u>	<u>(218,847.71)</u>	<u>-</u>
Net Change in Fund Balances	(1,067,611.43)	293,803.04	1,777,775.74	1,003,967.35
Fund Balances - Beginning	<u>13,608,150.53</u>	<u>4,321,560.34</u>	<u>14,401,269.97</u>	<u>32,330,980.84</u>
Fund Balances - Ending	<u>\$ 12,540,539.10</u>	<u>\$ 4,615,363.38</u>	<u>\$ 16,179,045.71</u>	<u>\$ 33,334,948.19</u>

CANDLER COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2024

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	1,003,967.35
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	\$ 6,521,144.00	
Depreciation expense	<u>(1,633,631.00)</u>	4,887,513.00
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.</p>		
		(7,164.00)
<p>Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		38,285.24
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.</p>		
Bond principal retirements	\$ 475,000.00	
Amortization of bond premium	<u>72,905.19</u>	547,905.19
<p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension expense	\$ (2,542,818.00)	
OPEB expense	<u>903,199.00</u>	(1,639,619.00)
<p>Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued Interest on Issuance of Bonds	\$ 7,831.18	
Increase in interest receivable on repurchase agreement	<u>29,243.41</u>	<u>37,074.59</u>
Change in net position of governmental activities (Exhibit "B")	\$	<u><u>4,867,962.37</u></u>

CANDLER COUNTY BOARD OF EDUCATION  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2024

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	CUSTODIAL FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 892.41	\$ 417.18
Investments	97,617.22	-
Total Assets	\$ 98,509.63	\$ 417.18
<u>NET POSITION</u>		
Restricted		
Individuals, Organizations, and Other Governments		\$ 417.18
Held in Trust for Private Purposes	\$ 98,509.63	

CANDLER COUNTY BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2024

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS	CUSTODIAL FUNDS
<u>ADDITIONS</u>		
Contributions		
Donors	\$ 15,000.00	\$ -
Investment Earnings		
Interest	4,892.04	-
Total Additions	19,892.04	-
<u>DEDUCTIONS</u>		
Scholarships	10,000.00	-
Other Deductions	10,000.00	-
Total Deductions	20,000.00	-
Change in Net Position	(107.96)	-
Net Position - Beginning	98,617.59	417.18
Net Position - Ending	\$ 98,509.63	\$ 417.18

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**NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**Reporting Entity**

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

***Government-Wide Statements:***

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

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

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

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

CANDLER COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "I"

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

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

### ***Fund Financial Statements***

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund types:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.
- Custodial funds are used to report resources held by the School District in a purely custodial capacity.

### **Basis of Accounting**

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



CANDLER COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "I"

levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

### **New Accounting Pronouncements**

In fiscal year 2024, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoption of this statement did not have a material impact on the School District's financial statements. This statement will be applied prospectively.

### **Cash and Cash Equivalents**

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

### **Investments**

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

CANDLER COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "I"

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

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

### Receivables

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

### Inventories

#### ***Food Inventories***

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

### Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of net position because their use is limited by applicable debt statutes, e.g. Qualified School Construction Bond sinking funds.

### Capital Assets

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

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

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

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Land Improvements	\$ 5,000.00	15 years
Buildings and Improvements	\$ 5,000.00	10 to 50 years
Equipment	\$ 5,000.00	5 to 15 years
Intangible Assets		
Software	\$ 150,000.00	Determined at purchase
Easements	\$ 100,000.00	Determined at purchase
Land Use Rights	\$ 100,000.00	Determined at purchase
Patents, Trademarks and Copyrights	\$ 100,000.00	Determined at purchase

**Deferred Outflows/Inflows of Resources**

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

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

**Long-Term Liabilities and Bond Discounts/Premiums**

In the School District’s government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

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

**Pensions**

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

### Post-Employment Benefits Other Than Pensions (OPEB)

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

### Fund Balances

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

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

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

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

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

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

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

### Use of Estimates

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

CANDLER COUNTY BOARD OF EDUCATION  
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**Property Taxes**

The Candler Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on October 10, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on December 20, 2023 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Candler County Tax Commissioner bills and collects the property taxes for the School District, withholds 0.1% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$4,767,587.46.

The tax millage rate levied for the 2023 tax digest year (calendar year) for the School District was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>14.00</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$838,114.27 during fiscal year ended June 30, 2024.

**Sales Taxes**

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$2,068,919.38 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

**NOTE 3: BUDGETARY DATA**

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

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

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

**NOTE 4: DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS**

**Collateralization of Deposits**

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

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

**Categorization of Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024, the School District had deposits with a carrying amount of \$9,823,898.10, and a bank balance of \$10,015,377.29. The bank balances insured by Federal depository insurance were \$500,000.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$160,469.22.

At June 30, 2024, \$9,354,908.07 of the School District's bank balances was exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).



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

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

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Cash and cash equivalents	
Statement of Net Position	
Cash and cash equivalents	\$ 18,982,134.80
Statement of Fiduciary Net Position	<u>1,309.59</u>
 Total cash and cash equivalents	 18,983,444.39
 Less:	
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	<u>9,159,546.29</u>
 Total carrying value of deposits - June 30, 2024	 \$ <u><u>9,823,898.10</u></u>

**Categorization of Cash Equivalents**

The School District reported cash equivalents of \$9,159,546.29 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.



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**Categorization of Investments**

At June 30, 2024, the School District had the following investments:

Investment Type	Cost-Based	Fair Value	Investment Maturity	
			Less Than 1 Year	1 - 5 Years
Debt Securities				
Repurchase Agreements	\$ 14,909,420.90	\$ -	\$ -	\$ 14,909,420.90
Money Market Treasury Funds	-	451,785.89	451,785.89	-
Mutual Funds	-	-	-	-
Money Market Funds	-	97,617.22	97,617.22	-
	<u>14,909,420.90</u>	<u>549,403.11</u>	<u>549,403.11</u>	<u>14,909,420.90</u>
Total Investments	<u>\$ 14,909,420.90</u>	<u>\$ 549,403.11</u>	<u>\$ 549,403.11</u>	<u>\$ 14,909,420.90</u>

**Fair Value of Investments**

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

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

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

Debt Securities – Money Market Treasury Funds of \$451,785.89 and Mutual Funds – Money Market Funds of \$97,617.22 are valued using observable inputs other than quoted market prices. (Level 2 inputs)

**Interest Rate Risk**

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

**Custodial Credit Risk**

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

At June 30, 2024, \$14,909,420.90 of the School District's applicable investments were held by the investment's counterparty, not in the School District's name.

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**Credit Quality Risk**

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

The investments subject to credit quality risk are reflected below:

Rated Debt Investments	Cost-Based	Fair Value	Quality Ratings		
			BBB	AAA	Unrated
Debt Securities					
Repurchase Agreements	\$ 14,909,420.90	\$ -	\$ 14,909,420.90	\$ -	\$ -
Money Market Treasury Funds	-	451,785.89	-	451,785.89	-
Mutual Funds					
Money Market Funds	-	97,617.22	-	-	97,617.22
Totals by Quality Ratings	\$ 14,909,420.90	\$ 549,403.11	\$ 14,909,420.90	\$ 451,785.89	\$ 97,617.22

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk. More than 5% of the School District's investments are in repurchase agreements. This investment is 96.45% of the School District's total investments.

**NOTE 5: RESTRICTED ASSETS**

The restricted assets represent the investment balance, totaling \$15,356,506.30 for the QSCB Bond Sinking Fund.

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**EXHIBIT "I"**

**NOTE 6: CAPITAL ASSETS**

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

	Balances July 1, 2023	Increases	Decreases	Balances June 30, 2024
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 830,480.00	\$ -	\$ -	\$ 830,480.00
Construction in Progress	7,924,608.00	3,490,811.00	7,444,281.00	3,971,138.00
Total Capital Assets				
Not Being Depreciated:	8,755,088.00	3,490,811.00	7,444,281.00	4,801,618.00
Capital Assets,				
Being Depreciated:				
Buildings and Improvements	47,781,653.00	7,416,306.00	-	55,197,959.00
Equipment	4,846,022.00	2,189,308.00	840,867.00	6,194,463.00
Land Improvements	3,785,014.00	869,000.00	-	4,654,014.00
Less Accumulated				
Depreciation:				
Buildings and Improvements	13,121,134.00	1,090,380.00	-	14,211,514.00
Equipment	3,780,741.00	368,565.00	833,703.00	3,315,603.00
Land Improvements	2,198,193.00	174,686.00	-	2,372,879.00
Total Capital Assets				
Being Depreciated, Net	37,312,621.00	8,840,983.00	7,164.00	46,146,440.00
Governmental Activities				
Capital Assets - Net	\$ 46,067,709.00	\$ 12,331,794.00	\$ 7,451,445.00	\$ 50,948,058.00

Current year depreciation expense by function is as follows:

Instruction		\$ 980,178.60
Support Services		
Educational Media Services	\$ 81,681.55	
General Administration	147,026.79	
School Administration	65,345.24	
Maintenance and Operation of Plant	32,672.62	
Student Transportation Services	245,044.65	571,770.85
Food Services		81,681.55
		\$ 1,633,631.00

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**NOTE 7: INTERFUND TRANSFERS**

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

Transfers to	Transfer From		
	General Fund	Debt Service Fund	Total
Capital Projects Fund	\$ 1,597,413.34	\$ 218,847.71	\$ 1,816,261.05

Transfers are used to move property tax revenues collected by the general fund and ESPLOST revenues collected by the debt service fund to capital projects fund as required match or supplemental funding source for capital construction projects.

**NOTE 8: LONG-TERM LIABILITIES**

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

	Governmental Activities				
	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
	General Obligation (G.O.) Bonds	\$ 4,500,000.00	\$ -	\$ 475,000.00	\$ 4,025,000.00
Unamortized Bond Premiums	364,525.96	-	72,905.19	291,620.77	72,905.19
Qualified School Construction Bonds	17,625,000.00	-	-	17,625,000.00	-
	\$ 22,489,525.96	\$ -	\$ 547,905.19	\$ 21,941,620.77	\$ 597,905.19

**General Obligation Bonds**

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

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2024. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from the general fund or a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

**CANDLER COUNTY BOARD OF EDUCATION  
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General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2022	5.00%	7/20/2022	3/1/2028	\$ <u>4,500,000.00</u>	\$ <u>4,025,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2025	\$ 525,000.00	\$ 201,250.00	\$ 72,905.19
2026	570,000.00	175,000.00	72,905.19
2027	1,450,000.00	146,500.00	72,905.19
2028	<u>1,480,000.00</u>	<u>74,000.00</u>	<u>72,905.20</u>
Total Principal and Interest	\$ <u>4,025,000.00</u>	\$ <u>596,750.00</u>	\$ <u>291,620.77</u>

**Qualified School Construction Bonds (QSCB)**

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by School Districts in connection with the construction, rehabilitation or repair of a public-school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows School Districts to borrow without incurring interest costs.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the School District may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. To qualify for this subsidy the School District is required to periodically file appropriate documents with the Internal Revenue Service. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. The interest subsidy earned by the School District in fiscal year 2024 was \$881,304.60, which funded all but \$133,895.40 of interest expense due on the QSCB.

The School District's outstanding Qualified School Construction Bonds of \$17,625,000.00 contain a provision that in an event the entity is unable to make the principal and interest payments using proceeds from the Educational Special Purpose Local Option Sales Tax (ESPLOST) and subsidy payments, the debt will be satisfied by a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

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Debt currently outstanding under Qualified School Construction Bonds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government-QSCB Series 2011	5.76%	3/10/2011	3/1/2026	\$ 17,625,000.00	\$ 17,625,000.00

The following is a schedule of total Qualified School Construction Bond payments:

Fiscal Year Ended June 30:	Principal	Interest
2025	\$ -	\$ 1,015,200.00
2026	17,625,000.00	1,015,200.00
Total Principal and Interest	\$ 17,625,000.00	\$ 2,030,400.00

**NOTE 9: RISK MANAGEMENT**

**Insurance**

***Commercial Insurance***

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceed commercial insurance coverage in any of the past three fiscal years.

The School District has elected to self-insure for losses related to natural disasters. The School District has not experienced any losses related to these risks in the past three years.

**Unemployment Compensation**

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the general fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims 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.

The School District has not incurred any liabilities for unemployment compensation during the past two years.

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**Surety Bond**

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

Position Covered	Amount
Superintendent	\$ 50,000.00
Finance Director	\$ 10,000.00
Curriculum Director	\$ 10,000.00
Each Principal (4)	\$ 10,000.00
Each School Bookkeeper (2)	\$ 10,000.00

**NOTE 10: FUND BALANCE CLASSIFICATION DETAILS**

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2024:

Nonspendable		
Inventories		\$ 100,513.85
Restricted		
Continuation of Federal Programs	\$ 919,931.82	
Capital Projects	4,615,363.38	
Debt Service	16,179,045.71	21,714,340.91
Committed		
School Activity Accounts		422,186.92
Unassigned		11,097,906.51
Fund Balance, June 30, 2024		\$ 33,334,948.19

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

CANDLER COUNTY BOARD OF EDUCATION  
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**NOTE 11 : SIGNIFICANT COMMITMENTS**

**Commitments under Construction Contracts**

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2024, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)	Funding Available From State (1)
Metter High Outdoor Classroom	\$ 41,147.30	\$ 814,081.90	\$ -
Metter High School Roof	266,027.80	2,012,972.20	79,513.70
Metter College and Career Academy	8,744,389.92	1,125,065.80	1,930,242.78
	<u>\$ 9,051,565.02</u>	<u>\$ 3,952,119.90</u>	<u>\$ 2,009,756.48</u>

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

**NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES**

**Federal Grants**

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

**Litigation**

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

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

**Georgia School Personnel Post-Employment Health Benefit Fund**

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



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

**Contributions:** As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$510,837.00 for the year ended June 30, 2024. 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, 2024, the School District reported a liability of \$13,803,709.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.126022%, which was an increase of 0.003072% from its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the School District recognized OPEB expense of (\$392,362.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 402,355.00	\$ 3,964,587.00
Changes of assumptions	2,507,863.00	1,723,874.00
Net difference between projected and actual earnings on OPEB plan investments	8,282.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	483,427.00	441,265.00
School District contributions subsequent to the measurement date	510,837.00	-
<b>Total</b>	<b>\$ 3,912,764.00</b>	<b>\$ 6,129,726.00</b>

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

Year Ended June 30:	OPEB
2025	\$ (977,315.00)
2026	\$ (700,339.00)
2027	\$ (911,456.00)
2028	\$ (338,911.00)
2029	\$ 168,220.00
Thereafter	\$ 32,002.00

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**Actuarial Assumptions:** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

**OPEB:**

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	7.00%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

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

- For TRS members: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projections scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

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The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the 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%	1.50%
Equities	70.00%	9.40%
Total	100.00%	

\* Net of inflation

**Discount Rate:** In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. 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 (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the 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.

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**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.68%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.68%) or 1-percentage-point higher (4.68%) than the current discount rate:

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the Net OPEB liability	\$ 15,647,141.00	\$ 13,803,709.00	\$ 12,251,150.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 11,890,065.00	\$ 13,803,709.00	\$ 16,162,820.00

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

**NOTE 14: RETIREMENT PLANS**

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

**Teachers Retirement System of Georgia (TRS)**

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

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

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

**Contributions:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.85% of payroll was required from the School District and 0.13% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$2,559,030.00 and \$17,458.84 from the School District and the State, respectively.

### Employees' Retirement System

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

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

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

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

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

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computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$30,575.00 for the current fiscal year.

### **Public School Employees Retirement System (PSERS)**

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

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

Upon retirement, the member will receive a monthly benefit of \$16.00, 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 \$37,970.00.

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

At June 30, 2024, the School District reported a liability of \$25,339,242.00 for its proportionate share of the net pension liability for TRS (\$25,117,203.00) and ERS (\$222,039.00).

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

School District's proportionate share of the net pension liability	\$	25,117,203.00
State of Georgia's proportionate share of the net pension liability associated with the School District		294,652.00
Total	\$	25,411,855.00

The net pension liability for TRS and ERS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2023.

At June 30, 2023, the School District's TRS proportion was 0.085073%, which was a decrease of 0.001221% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.003722%, which was a decrease of 0.000370% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$227,174.00.

The PSERS net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$5,145,729.00 for TRS, \$49,085.00 for ERS and \$41,002.00 for PSERS and revenue of \$62,391.00 for TRS and \$41,002.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.



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At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,275,418.00	\$ 103,851.00	\$ 3,373.00	\$ 520.00
Changes of assumptions	2,584,021.00	-	8,544.00	-
Net difference between projected and actual earnings on pension plan investments	1,766,560.00	-	9,045.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	106,965.00	215,651.00	-	9,714.00
School District contributions subsequent to the measurement date	<u>2,559,030.00</u>	<u>-</u>	<u>30,575.00</u>	<u>-</u>
<b>Total</b>	<u>\$ 8,291,994.00</u>	<u>\$ 319,502.00</u>	<u>\$ 51,537.00</u>	<u>\$ 10,234.00</u>

The School District contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2025	\$ 1,671,911.00	\$ 1,243.00
2026	\$ 1,021,266.00	\$ (4,455.00)
2027	\$ 3,365,298.00	\$ 18,075.00
2028	\$ (645,013.00)	\$ (4,135.00)

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

**Teachers Retirement System:**

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

**Employees' Retirement System:**

Inflation	2.50%
Salary increases	3.00% – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.05%, annually

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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 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

***Public School Employees Retirement System:***

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

Mortality rates are as follows:

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

<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	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

<u>Asset Class</u>	<u>TRS/ERS/PSERS Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.90%
Domestic large stocks	46.30%	9.40%
Domestic small stocks	1.20%	13.40%
International developed market stocks	12.30%	9.40%
International emerging market stocks	5.20%	11.40%
Alternative	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 TRS pension liability was 6.90%. The discount rate used to measure the total ERS and PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:*** The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

<b>Teachers Retirement System:</b>	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 39,713,221.00	\$ 25,117,203.00	\$ 13,197,591.00
<b>Employees' Retirement System:</b>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 304,684.00	\$ 222,039.00	\$ 152,491.00

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

**NOTE 15: RELATED PARTY TRANSACTIONS**

The School District made various purchases from Growers Supply, Inc. The company is locally co-owned and operated by the Board Chairman. Current year payments to Growers Supply, Inc. totaled \$1,163.80. In addition, the School District contracted with Strickland's Electrical LLC for maintenance services totaling \$84,999.78. This company is locally owned and operated by the family of the CFO. The School District also made various purchases totaling \$11,264.25 from Trapnell-Tomlinson Ace Hardware. This company is locally owned and operated by the family of the Payroll Clerk at the Candler County Board of Education.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.085073%	\$ 25,117,203.00	\$ 294,652.00	\$ 25,411,855.00	\$ 12,545,657.37	200.21%	76.29%
2023	0.086294%	\$ 28,021,330.00	\$ 358,490.00	\$ 28,379,820.00	\$ 11,817,836.40	237.11%	72.85%
2022	0.086545%	\$ 7,654,328.00	\$ 94,104.00	\$ 7,748,432.00	\$ 11,402,636.84	67.13%	92.03%
2021	0.085959%	\$ 20,822,634.00	\$ 263,798.00	\$ 21,086,432.00	\$ 11,230,238.73	185.42%	77.01%
2020	0.083653%	\$ 17,987,657.00	\$ 178,257.00	\$ 18,165,914.00	\$ 10,310,315.89	174.46%	78.56%
2019	0.083620%	\$ 15,521,663.00	\$ 170,215.00	\$ 15,691,878.00	\$ 10,066,833.33	154.19%	80.27%
2018	0.085733%	\$ 15,933,742.00	\$ 155,931.00	\$ 16,089,673.00	\$ 9,932,846.93	160.41%	79.33%
2017	0.089003%	\$ 18,362,311.00	\$ 170,207.00	\$ 18,532,518.00	\$ 9,853,285.62	186.36%	76.06%
2016	0.090740%	\$ 13,814,264.00	\$ 154,067.00	\$ 13,968,331.00	\$ 9,685,537.74	142.63%	81.44%
2015	0.093557%	\$ 11,819,693.00	\$ 138,718.00	\$ 11,958,411.00	\$ 9,656,444.95	122.40%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 2,559,030.00	\$ 2,559,030.00	\$ -	\$ 12,890,758.88	19.85%
2023	\$ 2,477,568.00	\$ 2,477,568.00	\$ -	\$ 12,545,657.37	19.75%
2022	\$ 2,311,555.00	\$ 2,311,555.00	\$ -	\$ 11,817,836.40	19.56%
2021	\$ 2,146,948.00	\$ 2,146,948.00	\$ -	\$ 11,402,636.84	18.83%
2020	\$ 2,344,390.00	\$ 2,344,390.00	\$ -	\$ 11,230,238.73	20.88%
2019	\$ 2,133,713.59	\$ 2,133,713.59	\$ -	\$ 10,310,315.89	20.69%
2018	\$ 1,674,347.00	\$ 1,674,347.00	\$ -	\$ 10,066,833.33	16.63%
2017	\$ 1,403,217.00	\$ 1,403,217.00	\$ -	\$ 9,932,846.93	14.13%
2016	\$ 1,393,144.94	\$ 1,393,144.94	\$ -	\$ 9,853,285.62	14.14%
2015	\$ 1,259,601.33	\$ 1,259,601.33	\$ -	\$ 9,685,537.74	13.00%



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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2024	0.003722%	\$ 222,039.00	\$ 102,172.08	217.32%	71.20%
2023	0.004092%	\$ 273,283.00	\$ 100,172.04	272.81%	67.44%
2022	0.004113%	\$ 96,199.00	\$ 98,600.04	97.56%	87.62%
2021	0.003911%	\$ 164,847.00	\$ 98,600.04	167.19%	76.21%
2020	0.003482%	\$ 143,686.00	\$ 87,782.90	163.68%	76.74%
2019	0.003417%	\$ 140,474.00	\$ 87,148.62	161.19%	76.68%
2018	0.003914%	\$ 158,961.00	\$ 96,468.00	164.78%	76.33%
2017	0.003097%	\$ 146,501.00	\$ 72,000.00	203.47%	72.34%
2016	0.001299%	\$ 52,628.00	\$ 29,700.00	177.20%	76.20%

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

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 30,575.00	\$ 30,575.00	\$ -	\$ 104,172.12	29.35%
2023	\$ 31,684.00	\$ 31,684.00	\$ -	\$ 102,172.08	31.01%
2022	\$ 24,672.00	\$ 24,672.00	\$ -	\$ 100,172.04	24.63%
2021	\$ 24,315.00	\$ 24,315.00	\$ -	\$ 98,600.04	24.66%
2020	\$ 24,315.00	\$ 24,315.00	\$ -	\$ 98,600.04	24.66%
2019	\$ 21,752.62	\$ 21,752.62	\$ -	\$ 87,782.90	24.78%
2018	\$ 21,622.00	\$ 21,622.00	\$ -	\$ 87,148.62	24.81%
2017	\$ 23,818.00	\$ 23,818.00	\$ -	\$ 96,468.00	24.69%
2016	\$ 17,798.40	\$ 17,798.40	\$ -	\$ 72,000.00	24.72%
2015	\$ 6,522.10	\$ 6,522.10	\$ -	\$ 29,700.00	21.96%

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

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00%	\$ -	\$ 227,174.00	\$ 227,174.00	\$ 630,011.88	N/A	85.67%
2023	0.00%	\$ -	\$ 290,860.00	\$ 290,860.00	\$ 558,715.46	N/A	81.21%
2022	0.00%	\$ -	\$ 27,368.00	\$ 27,368.00	\$ 530,959.86	N/A	98.00%
2021	0.00%	\$ -	\$ 208,300.00	\$ 208,300.00	\$ 612,976.17	N/A	84.45%
2020	0.00%	\$ -	\$ 190,880.00	\$ 190,880.00	\$ 500,069.33	N/A	85.02%
2019	0.00%	\$ -	\$ 203,450.00	\$ 203,450.00	\$ 512,528.36	N/A	85.26%
2018	0.00%	\$ -	\$ 204,214.00	\$ 204,214.00	\$ 522,258.76	N/A	85.69%
2017	0.00%	\$ -	\$ 270,345.00	\$ 270,345.00	\$ 532,169.89	N/A	81.00%
2016	0.00%	\$ -	\$ 166,447.00	\$ 166,447.00	\$ 519,486.35	N/A	87.00%
2015	0.00%	\$ -	\$ 158,752.00	\$ 158,752.00	\$ 544,721.63	N/A	88.29%

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

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.126022%	\$ 13,803,709.00	\$ -	\$ 13,803,709.00	\$ 11,338,225.26	121.74%	6.05%
2023	0.122950%	\$ 12,175,962.00	\$ -	\$ 12,175,962.00	\$ 11,004,586.85	110.64%	6.17%
2022	0.123956%	\$ 13,425,460.00	\$ -	\$ 13,425,460.00	\$ 10,400,237.73	129.09%	6.14%
2021	0.128053%	\$ 18,808,003.00	\$ -	\$ 18,808,003.00	\$ 10,245,741.99	183.57%	3.99%
2020	0.125940%	\$ 15,455,540.00	\$ -	\$ 15,455,540.00	\$ 9,405,243.30	164.33%	4.63%
2019	0.125569%	\$ 15,959,434.00	\$ -	\$ 15,959,434.00	\$ 9,182,487.78	173.80%	2.93%
2018	0.127062%	\$ 17,852,160.00	\$ -	\$ 17,852,160.00	\$ 9,152,244.51	195.06%	1.61%

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2024	\$ 510,837.00	\$ 510,837.00	\$ -	\$ 12,056,964.47	4.24%
2023	\$ 484,483.00	\$ 484,483.00	\$ -	\$ 11,338,225.26	4.27%
2022	\$ 444,556.00	\$ 444,556.00	\$ -	\$ 11,004,586.85	4.04%
2021	\$ 461,094.00	\$ 461,094.00	\$ -	\$ 10,400,237.73	4.43%
2020	\$ 433,045.00	\$ 433,045.00	\$ -	\$ 10,245,741.99	4.23%
2019	\$ 678,273.00	\$ 678,273.00	\$ -	\$ 9,405,243.30	7.21%
2018	\$ 650,812.00	\$ 650,812.00	\$ -	\$ 9,182,487.78	7.09%
2017	\$ 662,509.00	\$ 662,509.00	\$ -	\$ 9,152,244.51	7.24%

**Teachers Retirement System**

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

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

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

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

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

**Employees' Retirement System**

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

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

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

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

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

**Public School Employees Retirement System**

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

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

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

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

CANDLER COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE "8"

**School OPEB Fund**

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

**Changes in assumptions:** June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

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, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, and to 3.68% as of June 30, 2023.

CANDLER COUNTY BOARD OF EDUCATION

SCHEDULE "9"

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
<b>REVENUES</b>				
Property Taxes	\$ 4,050,000.00	\$ 4,050,000.00	\$ 5,612,738.59	\$ 1,562,738.59
Sales Taxes	30,000.00	30,000.00	65,182.77	35,182.77
State Funds	17,743,566.00	18,180,378.00	20,058,338.25	1,877,960.25
Federal Funds	4,474,816.00	6,519,486.45	5,889,996.09	(629,490.36)
Charges for Services	54,406.00	54,406.00	391,378.24	336,972.24
Investment Earnings	10,480.00	10,480.00	99,883.83	89,403.83
Miscellaneous	440,100.00	440,100.00	1,585,748.39	1,145,648.39
Total Revenues	<u>26,803,368.00</u>	<u>29,284,850.45</u>	<u>33,703,266.16</u>	<u>4,418,415.71</u>
<b>EXPENDITURES</b>				
Current				
Instruction	17,602,393.00	18,402,918.00	19,321,792.75	(918,874.75)
Support Services				
Pupil Services	1,010,282.00	835,647.00	834,826.98	820.02
Improvement of Instructional Services	914,301.00	1,158,451.00	989,270.88	169,180.12
Educational Media Services	316,576.00	316,576.00	311,326.26	5,249.74
General Administration	891,908.00	1,102,372.00	1,077,455.16	24,916.84
School Administration	1,668,917.00	1,668,917.00	1,788,392.51	(119,475.51)
Business Administration	380,942.00	380,942.00	390,797.06	(9,855.06)
Maintenance and Operation of Plant	2,089,354.17	2,095,813.17	2,232,007.93	(136,194.76)
Student Transportation Services	2,217,331.00	2,187,029.00	2,177,589.97	9,439.03
Central Support Services	204,295.00	203,465.00	150,498.91	52,966.09
Other Support Services	90,568.00	90,568.00	298,258.80	(207,690.80)
Enterprise Operation	-	-	466,572.30	(466,572.30)
Community Services	-	-	181,585.52	(181,585.52)
Food Services Operation	1,854,073.87	1,853,956.91	2,280,634.10	(426,677.19)
Capital Outlay	-	952,090.00	672,455.12	279,634.88
Total Expenditures	<u>29,240,941.04</u>	<u>31,248,745.08</u>	<u>33,173,464.25</u>	<u>(1,924,719.17)</u>
Excess of Revenues over (under) Expenditures	<u>(2,437,573.04)</u>	<u>(1,963,894.63)</u>	<u>529,801.91</u>	<u>2,493,696.54</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Other Sources	-	207,633.00	-	(207,633.00)
Other Uses	<u>(2,400,000.00)</u>	<u>(2,607,633.00)</u>	<u>(1,597,413.34)</u>	<u>1,010,219.66</u>
Total Other Financing Sources (Uses)	<u>(2,400,000.00)</u>	<u>(2,400,000.00)</u>	<u>(1,597,413.34)</u>	<u>802,586.66</u>
Net Change in Fund Balances	(4,837,573.04)	(4,363,894.63)	(1,067,611.43)	3,296,283.20
Fund Balances - Beginning	13,520,650.53	13,520,650.53	13,608,150.53	87,500.00
Adjustments	<u>(32,983.59)</u>	<u>11,220.03</u>	<u>-</u>	<u>(11,220.03)</u>
Fund Balances - Ending	<u>\$ 8,650,093.90</u>	<u>\$ 9,167,975.93</u>	<u>\$ 12,540,539.10</u>	<u>\$ 3,372,563.17</u>



CANDLER COUNTY BOARD OF EDUCATION  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "9"

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the following funds.  
 The actual revenues and expenditures of these funds are as follows:

	Revenues		Expenditures
Principal Accounts	\$ 917,430.03	\$	821,506.59
Afterschool Program	32,746.00		29,503.89
Daycare Program	122,081.63		122,081.63
Various Other Funds	298,257.93		243,220.35
	\$ 1,370,515.59	\$	1,216,312.46

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

CANDLER COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	245GA324N1199	\$ 510,261.49
National School Lunch Program	10.555	245GA324N1199	1,617,467.76
COVID-19 - National School Lunch Program	10.555	225GA324N1099	59,676.59
Total Child Nutrition Cluster			<u>2,187,405.84</u>
Other Programs			
Pass-Through From Bright From the Start:			
Georgia Department of Early Care and Learning			
Child and Adult Care Food Program	10.558	235GA368N1099	14,203.13
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	12,148.91
Total Other Programs			<u>26,352.04</u>
Total U.S. Department of Agriculture			<u>2,213,757.88</u>
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund	84.425U	S425U210012	1,734,208.56
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	9,075.88
Total Education Stabilization Fund			<u>1,743,284.44</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
COVID-19 - American Rescue Plan - Grants to States	84.027A	H027A230073	516,920.33
Grants to States	84.027A	H027A210073	72,079.09
Preschool Grants	84.173A	H173A220081	14,492.00
Total Special Education Cluster			<u>603,491.42</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	39,641.00
English Language Acquisition State Grants	84.365A	S365A230010	7,010.46
Migrant Education State Grant Program	84.011A	S011A230011	92,674.15
Rural and Low-Income School Program	84.358B	S358F230010	66,809.76
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,177,232.60
Total Other Programs			<u>1,383,367.97</u>
Total U.S. Department of Education			<u>3,730,143.83</u>
Defense, U.S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12. UNKNOWN		78,384.30
Total Expenditures of Federal Awards			<u>\$ 6,022,286.01</u>

CANDLER COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

SCHEDULE "10"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Candler County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling \$207,633.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and the Supporting Effective Instruction State Grants program (ALN 84.367A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010) during Fiscal Year 2024.

CANDLER COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE REVENUE  
YEAR ENDED JUNE 30, 2024

SCHEDULE "11"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
<b>GRANTS</b>			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 527,131.50	\$ -	\$ 527,131.50
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	661,921.00	-	661,921.00
Kindergarten Program - Early Intervention Program	113,009.00	-	113,009.00
Primary Grades (1-3) Program	1,671,884.00	-	1,671,884.00
Primary Grades - Early Intervention (1-3) Program	375,931.00	-	375,931.00
Upper Elementary Grades (4-5) Program	921,077.00	-	921,077.00
Upper Elementary Grades - Early Intervention (4-5) Program	161,956.00	-	161,956.00
Middle School (6-8) Program	1,724,429.00	-	1,724,429.00
High School General Education (9-12) Program	1,575,827.00	-	1,575,827.00
Vocational Laboratory (9-12) Program	574,991.00	-	574,991.00
Students with Disabilities	2,665,574.00	-	2,665,574.00
Gifted Student - Category VI	281,144.00	-	281,144.00
Remedial Education Program	212,897.00	-	212,897.00
Alternative Education Program	126,792.00	-	126,792.00
English Speakers of Other Languages (ESOL)	132,431.00	-	132,431.00
Media Center Program	282,135.00	-	282,135.00
20 Days Additional Instruction	90,202.00	-	90,202.00
Staff and Professional Development	51,626.00	-	51,626.00
Principal Staff and Professional Development	1,334.00	-	1,334.00
Indirect Cost			
Central Administration	507,206.00	-	507,206.00
School Administration	679,178.00	-	679,178.00
Facility Maintenance and Operations	554,066.00	-	554,066.00
Mid-Term Adjustment Hold-Harmless	299,398.00	-	299,398.00
Charter System Adjustment	241,155.00	-	241,155.00
Categorical Grants			
Pupil Transportation			
Regular	309,648.00	-	309,648.00
Nursing Services	49,039.00	-	49,039.00
Sparsity	18,113.00	-	18,113.00
Education Equalization Funding Grant	3,410,151.00	-	3,410,151.00
Other State Programs			
Bus Purchases - State Allotment	528,660.00	-	528,660.00
CTAE Heavy Equipment Grant - State Funds	417,000.00	-	417,000.00
Dyslexia Services Grant	4,249.00	-	4,249.00
Food Services	50,878.00	-	50,878.00
Hygiene Products	1,647.00	-	1,647.00
Math and Science Supplements	28,404.91	-	28,404.91
One Time QBE Adjustment	219,806.00	-	219,806.00
Preschool Disability Services	76,143.00	-	76,143.00
Pupil Transportation - State Bonds	88,110.00	-	88,110.00
School Security Grant	200,000.00	-	200,000.00
Teachers Retirement	17,458.84	-	17,458.84
Vocational Education	110,547.00	-	110,547.00
Vocational Supervisors	7,219.00	-	7,219.00
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	845,774.00	845,774.00
Office of the State Treasurer			
Public School Employees Retirement	37,970.00	-	37,970.00
Technical College System of Georgia			
Vocational - Technology School	-	1,069,757.22	1,069,757.22
<b>CONTRACT</b>			
Georgia Chamber of Commerce Foundation			
Rural Workforce Development Grant	50,000.00	-	50,000.00
	<u>\$ 20,058,338.25</u>	<u>\$ 1,915,531.22</u>	<u>\$ 21,973,869.47</u>

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CANDLER COUNTY BOARD OF EDUCATION  
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

<b>PROJECT</b>	<b>ORIGINAL ESTIMATED COST (1)</b>	<b>CURRENT ESTIMATED COSTS (2)</b>	<b>ESTIMATED COMPLETION DATE</b>
<b>2018 ESPLOST</b>			
To be used for retirement of previously incurred general obligation debt in constructing the PreK-8 school facilities.	\$ 8,500,000.00	\$ 5,583,600.00	Complete
To pay the costs of acquiring, constructing, furnishing and equipping the following capital outlay projects at schools and educational facilities throughout Candler County:			
a) Renovation, improvements, and constructions of roads, streets, bridges, and sidewalks including paving and other improvements to real property now owned or to be acquired by the School District;	-	-	Complete
b) The acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, together with school buses, maintenance vehicles and equipment, administrative and instructional technology additions and improvements, including, but not limited to, technology wiring, energy management systems, heating and air systems, lighting and similar equipment; and	-	-	Complete
c) Renovating, improving, constructing, and equipping new and existing School District and athletic facilities, including, but not limited to, softball fields, paving, parking lots, storage buildings, fencing, land, improvements, and any other building and facilities useful or desirable in connection therewith.	-	3,990,950.29	Complete
Subtotal 2018 Projects	<u>8,500,000.00</u>	<u>9,574,550.29</u>	
<b>2023 ESPLOST</b>			
To be used for:			
(a) retiring general obligation debt of the Candler County School District previously incurred with respect to capital outlay projects in the estimated amount of \$3,000,000 and;	3,000,000.00	3,045,600.00	3/1/2026
(b) (i) acquiring, constructing, and equipping the new College and Career Academy;	4,500,000.00	4,500,000.00	1/31/2028
(ii) renovations and improvements to Metter High School and the Board of Education Central Office Facility;	1,000,000.00	1,000,000.00	1/31/2028
(iii) acquiring, constructing, and equipping athletic improvements;	400,000.00	400,000.00	1/31/2028
(iv) acquisition of new buses; and	400,000.00	400,000.00	1/31/2028
(v) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefor; instructional and administrative technology improvements, and safety and security upgrades.	500,000.00	500,000.00	1/31/2028
Subtotal 2023 ESPLOST	<u>9,800,000.00</u>	<u>9,845,600.00</u>	
<b>Total</b>	<u>\$ 18,300,000.00</u>	<u>\$ 19,420,150.29</u>	

CANDLER COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
<b>PROJECT</b>				
<b>2018 ESPLOST</b>				
To be used for retirement of previously incurred general obligation debt in constructing the PreK-8 school facilities.	\$ -	\$ 5,583,600.00	\$ 5,583,600.00	\$ -
To pay the costs of acquiring, constructing, furnishing and equipping the following capital outlay projects at schools and educational facilities throughout Candler County:				
a) Renovation, improvements, and constructions of roads, streets, bridges, and sidewalks including paving and other improvements to real property now owned or to be acquired by the School District;	-	-	-	-
b) The acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, together with school buses, maintenance vehicles and equipment, administrative and instructional technology additions and improvements, including, but not limited to, technology wiring, energy management systems, heating and air systems, lighting and similar equipment; and	-	-	-	-
c) Renovating, improving, constructing, and equipping new and existing School District and athletic facilities, including, but not limited to, softball fields, paving, parking lots, storage buildings, fencing, land, improvements, and any other building and facilities useful or desirable in connection therewith.	501,651.56	3,489,298.73	3,990,950.29	-
Subtotal 2018 Projects	501,651.56	9,072,898.73	9,574,550.29	-
<b>2023 ESPLOST</b>				
To be used for:				
(a) retiring general obligation debt of the Candler County School District previously incurred with respect to capital outlay projects in the estimated amount of \$3,000,000 and;	1,015,200.00	-	-	-
(b) (i) acquiring, constructing, and equipping the new College and Career Academy;	-	-	-	-
(ii) renovations and improvements to Metter High School and the Board of Education Central Office Facility;	-	-	-	-
(iii) acquiring, constructing, and equipping athletic improvements;	-	-	-	-
(iv) acquisition of new buses; and	-	-	-	-
(v) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefor; instructional and administrative technology improvements, and safety and security upgrades.	-	-	-	-
Subtotal 2023 ESPLOST	1,015,200.00	-	-	-
<b>Total</b>	\$ 1,516,851.56	\$ 9,072,898.73	\$ 9,574,550.29	\$ -

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Candler County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.
- (4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

Prior Years	\$ 138,124.99
Current Year	225,000.00
Total	\$ 363,124.99

## **Section II**

### **Compliance and Internal Control Reports**





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

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Fred J. Longgrear, Superintendent and Members of the  
Candler County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Candler County Board of Education (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 25, 2025. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

A handwritten signature in black ink that reads "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

March 25, 2025



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

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Education  
and  
Dr. Fred J. Longgear, Superintendent and Members of the  
Candler County Board of Education

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Candler County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

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

***Basis for Opinion on Each Major Federal Program***

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

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control over Compliance**

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

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

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive, flowing style.

Greg S. Griffin  
State Auditor

March 25, 2025

### **Section III**

#### **Auditee's Response to Prior Year Findings and Questioned Costs**

**CANDLER COUNTY BOARD OF EDUCATION  
AUDITEE'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

## Section IV

### Findings and Questioned Costs



CANDLER COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

**I SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

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

Noncompliance material to financial statements noted: No

**Federal Awards**

Internal control over major programs:  
▪ Material weakness(es) identified? No  
▪ Significant deficiency(ies) identified? None Reported

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

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

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Assistance Listing Program or Cluster Title</u>
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

**II FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.