



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

Catoosa County Board of Education Ringgold, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Catoosa 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
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and fiduciary activities of the Catoosa 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 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 28, 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 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 28, 2025

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

INTRODUCTION

The discussion and analysis of the Catoosa County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2024 and June 30, 2023. 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 financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal years 2024 and 2023 are as follows:

- On the government-wide financial statements, the assets and deferred outflow of resources of the School District exceeded liabilities and deferred inflow of resources by \$54.2 million and \$59.8 million, respectively, for the fiscal years ended June 30, 2024 and 2023.
- The School District had \$171.4 million and \$158.2 million in expenses relating to governmental activities for the fiscal years ended June 30, 2024 and June 30, 2023, respectively. Only \$99.1 million and \$92.5 million of the above mentioned expenses for 2024 and 2023 were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of \$66.7 million and \$62.6 million, respectively, for 2024 and 2023, along with fund balance were adequate to provide for these programs.
- General revenues account for \$66.7 million in revenue or 40% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$99.1 million or 60% of total revenues of \$165.8 million.
- Long-term debt decreased by \$8.9 million for 2024 and decreased by \$10.1 million for 2023. This decrease for 2024 was due primarily to the principal payments on outstanding debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; 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 fund financial statements.

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

The fund financial statements focus on individual parts, 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 statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.

CATOOSA COUNTY BOARD OF EDUCATION
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The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2024 and 2023, the general fund, the capital projects fund, and the debt service fund represent the most significant funds.

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, the capital projects fund, and the debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School 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 relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

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

Fiduciary Funds - The School District is the trustee, or fiduciary, for assets that belong to others. 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

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2024 and 2023.

Table 1
Net Position

	Governmental Activities			
	Fiscal Year 2024	Percent of Total	Fiscal Year 2023	Percent of Total
Assets				
Current and Other Assets	\$ 49,022,656	16%	\$ 72,405,175	23%
Capital Assets, Net	253,506,354	84%	238,379,267	77%
Total Assets	302,529,010	100%	310,784,442	100%
Deferred Outflows of Resources				
Related to OPEB Plan	20,624,115	30%	18,419,793	19%
Related to Defined Benefit Pension Plans	48,144,808	70%	78,682,271	81%
Total Deferred Outflows of Resources	68,768,923	100%	97,102,064	100%
Liabilities				
Current and Other Liabilities	20,765,226	7%	23,340,599	8%
Long-Term Liabilities	260,922,107	93%	280,132,154	92%
Total Liabilities	281,687,333	100%	303,472,753	100%
Deferred Inflows of Resources				
Related to OPEB Plan	32,498,344	92%	42,673,486	96%
Related to Defined Benefit Pension Plans	2,879,771	8%	1,989,133	4%
Total Deferred Inflows of Resources	35,378,115	100%	44,662,619	100%
Net Assets				
Net Investment in Capital Assets	215,031,367	397%	200,707,396	336%
Restricted	25,215,074	46%	28,850,352	48%
Unrestricted (Deficit)	(186,013,956)	(343%)	(169,806,614)	(273%)
Total Net Position	\$ 54,232,485	100%	\$ 59,751,134	100%

Total assets and deferred outflows of resources decreased by \$36.6 million which was primarily due to a decrease in our deferred outflows of resources related to defined benefit pension plans.

Total liabilities and deferred inflows of resources decreased by \$31.1 million. The combination of the decrease in total assets and deferred outflows of resources and the decrease in total liabilities and deferred inflows of resources yielded a decrease in net position of \$5.5 million.

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

Table 2 shows the changes in net position for fiscal years ending June 30, 2024 and June 30, 2023.

Table 2
Change in Net Position

	Governmental Activities			
	Fiscal Year 2024	Percent of Total	Fiscal Year 2023	Percent of Total
Revenues				
Program Revenues:				
Charges for Services	\$ 2,631,272	3%	\$ 3,135,206	3%
Operating Grants and Contributions	95,809,390	96%	89,335,853	97%
Capital Grants and Contributions	712,257	1%	-	0%
Total Program Revenues	99,152,919	100%	92,471,059	100%
General Revenues:				
Property Taxes	39,069,347	59%	33,389,563	53%
Sales Taxes	17,408,021	26%	16,900,268	27%
Grants and Contributions not Restricted to Specific Programs	4,153,606	6%	7,016,086	11%
Investment Earnings	657,445	1%	520,725	1%
Miscellaneous	5,403,044	8%	4,756,913	8%
Total General Revenues	66,691,463	100%	62,583,555	100%
Total Revenues	165,844,382		155,054,614	
Program Expenses				
Instruction	111,240,769	65%	102,344,106	65%
Support Services				
Pupil Services	9,911,894	6%	8,918,192	6%
Improvement of Instructional Services	5,026,931	3%	6,022,047	4%
Educational Media Services	2,153,441	1%	2,024,723	1%
General Administration	2,442,220	1%	2,245,121	1%
School Administration	10,758,595	6%	9,348,766	6%
Business Administration	1,113,470	1%	992,655	1%
Maintenance and Operation of Plant	12,185,979	7%	10,648,715	7%
Student Transportation Services	6,926,881	5%	6,397,544	4%
Central Support Services	570,444	0%	749,918	0%
Other Support Services	1,412,336	1%	1,229,393	1%
Operations of Non-Instructional Services				
Community Services	621,799	0%	615,358	0%
Food Services	6,565,541	4%	5,800,420	4%
Interest on Long-Term Debt	432,731	0%	816,898	0%
Total Expenses	171,363,031	100%	158,153,856	100%
Increase in Net Position	(5,518,649)		(3,099,242)	
Beginning Net Position	59,751,134		62,850,376	
Ending Net Position	\$ 54,232,485		\$ 59,751,134	

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

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$6.7 million for governmental activities. This increase is largely due to an increase in funds earned through the State Quality Basic Education (QBE) Funding Formula.

General revenues increased by \$4.1 million during fiscal year 2024 due to maintaining the millage rate during a time of increased property value growth.

Governmental Activities

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

**Table 3
Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2024	2023	2024	2023
Program Expenses				
Instruction	\$ 111,240,769	\$ 102,344,106	\$ 35,859,774	\$ 32,933,123
Support Services				
Pupil Services	9,911,894	8,918,192	7,311,127	6,756,584
Improvement of Instructional Services	5,026,931	6,022,047	2,455,801	2,874,627
Educational Media Services	2,153,441	2,024,723	683,021	642,492
General Administration	2,442,220	2,245,121	510,893	351,701
School Administration	10,758,595	9,348,766	7,507,393	6,400,719
Business Administration	1,113,470	992,655	1,112,425	992,655
Maintenance and Operation of Plant	12,185,979	10,648,715	8,340,754	7,617,747
Student Transportation Services	6,926,881	6,397,544	5,567,005	4,944,354
Central Support Services	570,444	749,918	569,399	749,918
Other Support Services	1,412,336	1,229,393	1,109,107	900,146
Operations of Non-Instructional Services				
Community Services	621,799	615,358	435,425	396,002
Food Services	6,565,541	5,800,420	315,257	(694,169)
Interest on Long-Term Debt	432,731	816,898	432,731	816,898
Total Expenses	\$ 171,363,031	\$ 158,153,856	\$ 72,210,112	\$ 65,682,797

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2024, 43% of instruction and support activities were supplemented by taxes, other general revenues and net position compared to 41.5% in 2023.

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

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 and other financing sources of \$175.2 million and total expenditures and other financing uses of \$196.0 million. There was a decrease in the fund balance totaling \$20.8 million for the governmental funds as a whole. The decrease was caused by three main factors: the payment of principal and interest on outstanding GO bonds, the continued work on a few large construction projects, and general fund expenses exceeding revenues due to rising costs.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, funded primarily through state revenue and local property tax revenue. During the course of fiscal years 2024 and 2023, the School District amended its general fund budget as needed.

During fiscal year 2024 the general fund had final actual revenues totaling \$148.4 million, which represented an increase from the original budgeted amount of \$135.4 million by \$13.5 million. This difference (final actual vs. original budget) was due to a higher than projected amount of miscellaneous revenue and an original budget for Federal revenue that failed to project the actual expenses due to the culmination of ESSER grants.

Final actual expenditures during fiscal year 2024 totaling \$155.9 million represented an increase from the original budgeted amount of \$146.0 million by \$9.9 million. The increase in actual expenditures versus original budget expenditures was due primarily to the continued utilization of ESSER funds, rising costs in operational and transportation costs, and underestimating the impacts of State-mandated costs on Instruction.

CAPITAL ASSETS

At the fiscal years ended June 30, 2024 and June 30, 2023, the School District had \$253.5 million and \$238.4 million, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land; buildings; transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2024	2023
Land	\$ 7,875,748	\$ 7,741,723
Construction in Progress	22,492,099	37,741,191
Buildings and Improvements	202,431,891	174,782,674
Equipment	9,595,323	6,787,708
Land Improvements	11,111,293	11,325,971
Total	\$ 253,506,354	\$ 238,379,267

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

The overall capital assets increased in fiscal year 2024 by \$15.1 million due to the continuation or completion of multiple large construction projects and related equipment costs.

DEBT ADMINISTRATION

At June 30, 2024, the School District had \$38.5 million in total debt outstanding with \$9.3 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2024 and 2023.

Table 5
Debt at June 30

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
General Obligation Bonds	\$ 34,420,000	\$ 42,000,000
Unamortized Bond Premium	3,959,556	5,279,408
Financed Purchases	-	12,009
Compensated Absences	81,197	88,058
Total	\$ 38,460,753	\$ 47,379,475

CURRENT ISSUES

The fiscal year 2024 was an extremely successful year when it comes to Instruction for the Catoosa County Board of Education. The School District recorded its highest graduation rate in district history at 90.81%, all three high schools were recognized as AP honors schools, four secondary schools were recognized as math leaders in Georgia, and all schools equaled or surpassed the state average in 14 of the 19 categories on the Georgia Milestones testing results. To accomplish this, continued investments were made in instructional personnel including training all K-5 teachers in LETRS and all K-9 reading teachers in Reading 2.0 strategies to support literacy instruction across the School District. However, several challenges remain in the near future.

Due to continued rising costs that are being felt in all categories, labor shortages in key classified roles driving up salaries, and legislation passed by the General Assembly that either reduces or restricts vital funding, the Board is currently working with a constrained General Fund balance for the first time in many years. In an effort to maintain the exceptional services provided to the school District's students, which resulted in the instructional success mentioned previously, the Board has attempted to balance the needs of the students, staff, and taxpayers by keeping the millage rate relatively low as well as dipping into those reserves. However, this trend is not sustainable any longer.

During fiscal year 2024, the General Assembly once again increased the employer cost of health benefits through the State Board of Health Plans (SBHP), significantly increasing the already surmounting cost category for the Board. In fiscal year 2024, the Board spent approximately \$44.1 million on benefits alone, a \$3.7 million increase from fiscal year 2023. While the required employer contribution rate for the Teachers Retirement System of Georgia (TRS) did not increase in fiscal year 2024 from 19.98%, it is set to increase over the next two years to 21.91% ultimately. These trends in State-mandated costs show no sign of slowing in the coming years and will likely cause the

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

Board additional financial stress. Additionally, the introduction of legislation by the General Assembly enabling School Vouchers (Senate Bill 233) and a Statewide Homestead Exemption (House Bill 581) will likely reduce and restrict the Board's funding further in the not-too-distant future.

Approximately 84% 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. More than a third of certified personnel in the School District have 21 years or more of experience resulting in salaries at the highest possible state pay level. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that County students receive a quality education from effective personnel.

The School District's millage rate for fiscal year 2024 was 15.040. The net digest grew by roughly \$360 million during fiscal years 2023 and 2024, ending a string of a few years where it had stagnated. The net digest for fiscal year 2024 was \$2.3 billion, which produced approximately \$2.3 million per mill. As shown in Table 3, property tax and sales tax are responsible for covering 43% of the School District's costs. It is anticipated that this pressure to provide local monies to meet mandated educational requirements and operational costs will continue. We expect the tax digest to continue growing for fiscal year 2025 with current economic factors as is but future years will likely slow.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Austin Carter at the Catoosa County Board of Education, 307 Cleveland Street, Ringgold, Georgia 30736. You may also email your questions to acarter@catoosa.k12.ga.us.

Catoosa County Board of Education

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

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 32,907,345
Accounts Receivable, Net	
Interest	37,968
Taxes	2,840,385
State Government	11,064,011
Federal Government	1,356,337
Other	617,450
Inventories	181,790
Prepaid Items	17,370
Capital Assets, Non-Depreciable	30,367,847
Capital Assets, Depreciable (Net of Accumulated Depreciation)	223,138,507
Total Assets	<u>302,529,010</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plan	48,144,808
Related to OPEB Plan	20,624,115
Total Deferred Outflows of Resources	<u>68,768,923</u>
 <u>LIABILITIES</u>	
Accounts Payable	44,146
Salaries and Benefits Payable	17,662,436
Interest Payable	717,083
Claims Incurred but not Reported (IBNR)	686,708
Contracts Payable	1,486,844
Retainages Payable	110,263
Deposits and Unearned Revenues	57,746
Net Pension Liability	145,186,016
Net OPEB Liability	77,275,338
Long-Term Liabilities	
Due Within One Year	9,289,852
Due in More Than One Year	29,170,901
Total Liabilities	<u>281,687,333</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plan	2,879,771
Related to OPEB Plan	32,498,344
Total Deferred Inflows of Resources	<u>35,378,115</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	215,031,367
Restricted for	
Continuation of Federal Programs	3,611,820
Debt Service	8,151,385
Capital Projects	13,451,869
Unrestricted (Deficit)	<u>(186,013,956)</u>
Total Net Position	<u>\$ 54,232,485</u>

CATOOSA 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	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 111,240,769	\$ 280,120	\$ 74,608,569	\$ 492,306	\$ (35,859,774)
Support Services					
Pupil Services	9,911,894	389,716	2,208,499	2,552	(7,311,127)
Improvement of Instructional Services	5,026,931	-	2,571,130	-	(2,455,801)
Educational Media Services	2,153,441	29,695	1,440,725	-	(683,021)
General Administration	2,442,220	-	1,905,939	25,388	(510,893)
School Administration	10,758,595	60,869	3,190,333	-	(7,507,393)
Business Administration	1,113,470	-	1,045	-	(1,112,425)
Maintenance and Operation of Plant	12,185,979	51,431	3,691,988	101,806	(8,340,754)
Student Transportation Services	6,926,881	-	1,276,993	82,883	(5,567,005)
Central Support Services	570,444	-	1,045	-	(569,399)
Other Support Services	1,412,336	296,662	6,567	-	(1,109,107)
Operations of Non-Instructional Services					
Community Services	621,799	185,404	-	970	(435,425)
Food Services	6,565,541	1,337,375	4,906,557	6,352	(315,257)
Interest on Long-Term Debt	432,731	-	-	-	(432,731)
Total Governmental Activities	\$ 171,363,031	\$ 2,631,272	\$ 95,809,390	\$ 712,257	(72,210,112)
General Revenues					
Taxes					
Property Taxes					
					38,242,938
					826,409
Sales Taxes					
					16,582,099
					825,922
Grants and Contributions not Restricted to Specific Programs					
					4,153,606
Investment Earnings					
					657,445
Miscellaneous					
					5,403,044
					66,691,463
					(5,518,649)
					59,751,134
					\$ 54,232,485

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

EXHIBIT "C"

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 11,740,064	\$ 12,336,781	\$ 8,830,500	\$ 32,907,345
Accounts Receivable, Net				
Interest	-	-	37,968	37,968
Taxes	1,398,233	1,442,152	-	2,840,385
State Government	11,064,011	-	-	11,064,011
Federal Government	1,356,337	-	-	1,356,337
Other	617,450	-	-	617,450
Due from Other Funds	327,064	-	-	327,064
Inventories	181,790	-	-	181,790
Prepaid Items	17,370	-	-	17,370
	<u>17,370</u>	<u>-</u>	<u>-</u>	<u>17,370</u>
Total Assets	<u>\$ 26,702,319</u>	<u>\$ 13,778,933</u>	<u>\$ 8,868,468</u>	<u>\$ 49,349,720</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 44,146	\$ -	\$ -	\$ 44,146
Salaries and Benefits Payable	17,662,436	-	-	17,662,436
Due to Other Funds	-	327,064	-	327,064
Contracts Payable	-	1,486,844	-	1,486,844
Retainages Payable	-	110,263	-	110,263
Deposits and Unearned Revenue	57,746	-	-	57,746
Total Liabilities	<u>17,764,328</u>	<u>1,924,171</u>	<u>-</u>	<u>19,688,499</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	762,538	-	-	762,538
	<u>762,538</u>	<u>-</u>	<u>-</u>	<u>762,538</u>
<u>FUND BALANCES</u>				
Nonspendable	199,160	-	-	199,160
Restricted	3,430,092	11,854,762	8,868,468	24,153,322
Assigned	3,614,482	-	-	3,614,482
Unassigned	931,719	-	-	931,719
Total Fund Balances	<u>8,175,453</u>	<u>11,854,762</u>	<u>8,868,468</u>	<u>28,898,683</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,702,319</u>	<u>\$ 13,778,933</u>	<u>\$ 8,868,468</u>	<u>\$ 49,349,720</u>

CATOOSA 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")	\$	28,898,683
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	\$ 7,875,748	
Construction in progress	22,492,099	
Buildings and improvements	271,960,016	
Equipment	23,235,717	
Land improvements	15,748,564	
Accumulated depreciation	<u>(87,805,790)</u>	253,506,354
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (145,186,016)	
Net OPEB liability	<u>(77,275,338)</u>	(222,461,354)
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	\$ 45,265,037	
Related to OPEB	<u>(11,874,229)</u>	33,390,808
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		762,538
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	\$ (34,420,000)	
Accrued interest payable	(717,083)	
Compensated absences payable	(81,197)	
Unamortized bond premiums	(3,959,556)	
Claims and judgments payable	<u>(686,708)</u>	<u>(39,864,544)</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>54,232,485</u></u>

CATOOSA 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
REVENUES				
Property Taxes	\$ 38,966,690	\$ -	\$ -	\$ 38,966,690
Sales Taxes	825,922	16,582,099	-	17,408,021
State Funds	84,894,681	184,257	-	85,078,938
Federal Funds	15,544,641	-	-	15,544,641
Charges for Services	2,631,272	-	-	2,631,272
Investment Earnings	337,319	4,073	316,053	657,445
Miscellaneous	5,165,696	237,348	-	5,403,044
Total Revenues	<u>148,366,221</u>	<u>17,007,777</u>	<u>316,053</u>	<u>165,690,051</u>
EXPENDITURES				
Current				
Instruction	99,332,773	602,298	-	99,935,071
Support Services				
Pupil Services	9,387,072	-	-	9,387,072
Improvement of Instructional Services	4,668,742	-	-	4,668,742
Educational Media Services	2,021,049	-	-	2,021,049
General Administration	2,034,043	242,638	-	2,276,681
School Administration	9,973,583	-	-	9,973,583
Business Administration	1,040,212	-	-	1,040,212
Maintenance and Operation of Plant	11,571,358	72,006	-	11,643,364
Student Transportation Services	6,744,888	-	-	6,744,888
Central Support Services	518,610	-	-	518,610
Other Support Services	1,293,080	76,312	-	1,369,392
Community Services	624,853	-	-	624,853
Food Services Operation	6,666,531	-	-	6,666,531
Capital Outlay	-	20,120,820	-	20,120,820
Debt Services				
Principal	12,009	-	7,580,000	7,592,009
Interest	3,058	-	1,910,500	1,913,558
Total Expenditures	<u>155,891,861</u>	<u>21,114,074</u>	<u>9,490,500</u>	<u>186,496,435</u>
Revenues over (under) Expenditures	<u>(7,525,640)</u>	<u>(4,106,297)</u>	<u>(9,174,447)</u>	<u>(20,806,384)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	120,000	9,377,486	9,497,486
Transfers Out	(120,000)	(9,377,486)	-	(9,497,486)
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>(9,257,486)</u>	<u>9,377,486</u>	<u>-</u>
Net Change in Fund Balances	(7,645,640)	(13,363,783)	203,039	(20,806,384)
Fund Balances - Beginning	<u>15,821,093</u>	<u>25,218,545</u>	<u>8,665,429</u>	<u>49,705,067</u>
Fund Balances - Ending	<u>\$ 8,175,453</u>	<u>\$ 11,854,762</u>	<u>\$ 8,868,468</u>	<u>\$ 28,898,683</u>

CATOOSA 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") \$ (20,806,384)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 22,188,837	
Depreciation expense	<u>(7,058,632)</u>	15,130,205

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position. (3,118)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 102,657

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.

Financed purchase arrangement payments	\$ 12,009	
Bond principal retirements	<u>7,580,000</u>	7,592,009

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension expense	\$ (13,813,158)	
OPEB expense	<u>5,055,846</u>	(8,757,312)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net decrease in accrued interest	157,917	
Amortization of bond premium	1,319,852	
Compensated absences	6,861	
Claims and judgements	<u>(261,336)</u>	<u>1,223,294</u>

Change in net position of governmental activities (Exhibit "B") \$ (5,518,649)

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

EXHIBIT "G"

		<u>CUSTODIAL FUNDS</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	1,484,607
Receivables, Net		
Other		124,763
Prepaid Expenditures		375
Total Assets		<u>1,609,745</u>
 <u>LIABILITIES</u>		
Salaries and Benefits Payable		34,455
Unearned Revenue		50,000
Total Liabilities		<u>84,455</u>
 <u>NET POSITION</u>		
Restricted		
Individuals, Organizations, and Other Governments	\$	<u>1,525,290</u>

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

EXHIBIT "H"

	<u>CUSTODIAL FUNDS</u>
<u>ADDITIONS</u>	
Contributions	
Donors	\$ 219,058
Miscellaneous	784,395
Total Additions	<u>1,003,453</u>
 <u>DEDUCTIONS</u>	
Other Deductions	<u>823,510</u>
Change in Net Position	179,943
Net Position - Beginning	<u>1,345,347</u>
Net Position - Ending	<u>\$ 1,525,290</u>

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Catoosa 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.

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

EXHIBIT "I"

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund type:

- 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 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.

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

EXHIBIT "I"

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, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities 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.

Receivables

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

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

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

EXHIBIT "I"

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	\$ 10,000	20 to 80 years
Buildings and Improvements	\$ 10,000	20 to 80 years
Equipment	\$ 10,000	5 to 15 years
Intangible Assets	\$ 100,000	10 to 20 years

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.

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

EXHIBIT "I"

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

Compensated Absences

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

Vacation leave of 5 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 5 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Employees who transfer to a position that is not eligible for vacation may utilize any unused earned vacation leave days as terminal leave. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Catoosa County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on August 31, 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

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days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Catoosa County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$33,874,268.

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>15.040</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$4,266,013 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 \$16,582,099 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 fund. 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, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

The Superintendent is authorized by the Board to approve adjustments of no more than 5% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 5% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS

Collateralization of Deposits

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

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (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 \$34,391,952, and a bank balance of \$39,583,772. The bank balances insured by Federal depository insurance were \$1,250,000.

At June 30, 2024, \$38,333,772 of the School District's bank balances was exposed to custodial credit risk. Of this balance, \$26,761,784 was in the State's Secure Deposit Program (SDP) and the remaining balance of \$11,571,988 was held by the pledging financial institution's trust department or agent but not in the School District's name.

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

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levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

NOTE 5: 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	\$ 7,741,723	\$ 134,025	\$ -	\$ 7,875,748
Construction in Progress	37,741,191	14,508,077	29,757,169	22,492,099
 Total Capital Assets				
Not Being Depreciated	45,482,914	14,642,102	29,757,169	30,367,847
 Capital Assets,				
Being Depreciated:				
Buildings and Improvements	239,036,828	32,923,188	-	271,960,016
Equipment	20,177,767	4,026,012	968,062	23,235,717
Land Improvements	15,393,860	354,704	-	15,748,564
 Less Accumulated				
Depreciation:				
Buildings and Improvements	64,254,154	5,273,971	-	69,528,125
Equipment	13,390,059	1,215,279	964,944	13,640,394
Land Improvements	4,067,889	569,382	-	4,637,271
 Total Capital Assets				
Being Depreciated, Net	192,896,353	30,245,272	3,118	223,138,507
 Governmental Activities				
Capital Assets - Net	\$ 238,379,267	\$ 44,887,374	\$ 29,760,287	\$ 253,506,354

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Current year depreciation expense by function is as follows:

Instruction	\$	4,878,625
Support Services		
Pupil Services	\$	25,294
General Administration		251,616
Maintenance and Operation of Plant		1,008,959
Student Transportation Services		821,563
Community Services		9,613
Food Services		62,962
		2,117,045
		62,962
	\$	7,058,632

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Assets and Liabilities

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2024, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 327,064	\$ -
Capital Projects Fund	-	327,064
	\$ 327,064	\$ 327,064

Interfund receivables and payables are used to track expenditures reclassified from the general fund to the capital projects fund for which the general fund has not received reimbursement.

Interfund Transfers

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

	Transfers From		
Transfers to	General Fund	Capital Projects Fund	Total
Capital Projects Fund	\$ 120,000	\$ -	\$ 120,000
Debt Service Fund	-	9,377,486	9,377,486
	\$ 120,000	\$ 9,377,486	\$ 9,497,486

Transfers are used to move sales tax revenues collected by the capital projects fund to the debt service fund to pay principal and interest for the general obligation bonds as required in the bond resolution and to move funds from the general fund to the capital projects fund for capital outlay.

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NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation (G.O.) Bonds	\$ 42,000,000	-	\$ 7,580,000	\$ 34,420,000	\$ 7,970,000
Unamortized Bond Premiums	5,279,408	-	1,319,852	3,959,556	1,319,852
Financed Purchases	12,009	-	12,009	-	-
Compensated Absences(1)	88,058	-	6,861	81,197	-
	<u>\$ 47,379,475</u>	<u>-</u>	<u>\$ 8,918,722</u>	<u>\$ 38,460,753</u>	<u>\$ 9,289,852</u>

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

General Obligation Bonds

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

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 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 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.

Of the total amount originally authorized, \$7,000,000 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2021	5.00%	7/13/2021	8/1/2027	\$ 42,000,000	\$ 34,420,000

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

<u>Fiscal Year Ended June 30:</u>	<u>General Obligation Debt</u>		<u>Unamortized Bond Premium</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 7,970,000	\$ 1,521,750	\$ 1,319,852
2026	8,380,000	1,113,000	1,319,852
2027	8,810,000	683,250	1,319,852
2028	9,260,000	231,500	-
Total Principal and Interest	<u>\$ 34,420,000</u>	<u>\$ 3,549,500</u>	<u>\$ 3,959,556</u>

Compensated Absences

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

NOTE 8: RISK MANAGEMENT

Insurance

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.

Workers' Compensation

The School District has established a limited risk management program for workers' compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$450,000 loss per occurrence, up to the statutory limit.

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2023	\$ 1,177,873	\$ (473,000)	\$ 280,401	\$ 424,472
2024	\$ 424,472	\$ 544,195	\$ 281,957	\$ 686,710

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Unemployment Compensation

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

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2023	\$ -	\$ 11,155	\$ 11,155	\$ -
2024	\$ -	\$ -	\$ -	\$ -

Surety Bond

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 25,000

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories	\$ 181,790	
Prepaid Assets	17,370	199,160
Restricted		
Continuation of Federal Programs	\$ 3,430,092	
Capital Projects	11,854,762	
Debt Service	8,868,468	24,153,322
Assigned		
School Activity Accounts	\$ 2,112,673	
Local Capital Outlay Projects	1,500,000	
Other - Battlefield	1,809	3,614,482
		931,719
Unassigned		
		931,719
Fund Balance, June 30, 2024	\$	28,898,683

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.

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NOTE 10: 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)
Boynton Elementary Phase 1	\$ 6,552,147	\$ 2,710,702	\$ -
LFO High Theater Project	204,099	19,710,515	171,208
	\$ 6,756,246	\$ 22,421,217	\$ 171,208

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

NOTE 11: 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 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial

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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 \$2,821,914 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 \$77,275,338 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 0.705491%, which was a decrease of 0.000865% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$2,233,932). 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	\$ 2,252,448	\$ 22,194,385
Changes of assumptions	14,039,410	9,650,517
Net difference between projected and actual earnings on OPEB plan investments	46,361	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,463,982	653,442
School District contributions subsequent to the measurement date	2,821,914	-
Total	\$ 20,624,115	\$ 32,498,344

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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	\$ (5,291,710)
2026	\$ (3,808,342)
2027	\$ (4,604,187)
2028	\$ (1,729,707)
2029	\$ 615,629
2030	\$ 122,174

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

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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.

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 with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

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used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

Sensitivity of the School 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	\$ 87,595,161	\$	77,275,338	\$	68,583,866

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	\$ 66,562,458	\$	77,275,338	\$	90,482,009

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 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

CATOOSA COUNTY BOARD OF EDUCATION
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EXHIBIT "I"

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 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 19.94% of payroll was required from the School District and 0.04% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$14,939,590 and \$26,466 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

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

CATOOSA COUNTY BOARD OF EDUCATION
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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 \$285,239.

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 \$145,186,016 for its proportionate share of the net pension liability for TRS.

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	\$	145,186,016
State of Georgia's proportionate share of the net pension liability associated with the School District		261,880
Total	\$	145,447,896

The net pension liability for TRS 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 during the fiscal year ended June 30, 2023.

At June 30, 2023, the School District's TRS proportion was 0.491751%, which was a decrease of 0.009608% 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 \$1,590,218.

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 \$28,802,648 for TRS and \$287,011 for PSERS and revenue of \$49,900 for TRS and \$287,011 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.

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

EXHIBIT "I"

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,372,351	\$ 600,295
Changes of assumptions	14,936,524	-
Net difference between projected and actual earnings on pension plan investments	10,211,323	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	685,020	2,279,476
School District contributions subsequent to the measurement date	14,939,590	-
Total	\$ 48,144,808	\$ 2,879,771

The School District contributions subsequent to the measurement date for TRS 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
2025	\$ 9,194,134
2026	\$ 5,724,070
2027	\$ 19,192,376
2028	\$ (3,785,133)

CATOOSA COUNTY BOARD OF EDUCATION
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JUNE 30, 2024

EXHIBIT "I"

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.

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

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

EXHIBIT "I"

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.

The long-term expected rate of return on TRS 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/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 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 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.

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

EXHIBIT "I"

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%, 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%) or 1-percentage-point higher (7.90%) than the current rate:

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 229,555,981	\$ 145,186,016	\$ 76,286,582

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

Defined Contribution Plan

On July 1, 2006, the School District began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School District selected Lincoln Financial Group as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to 3% of the employee's base pay.

The employee becomes vested in the plan with 5 years of experience. Employees who had already achieved 5 years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 5 years of service to Catoosa County Board of Education. If an employee terminates employment prior to achieving 5 years of service, funds paid on behalf of the non-vested employee are credited back to the School District.

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

Fiscal Year	Percentage Contributed	Required Contribution
2024	3%	\$ 160,046
2023	3%	\$ 159,688
2022	3%	\$ 139,987

NOTE 14: TAX ABATEMENTS

Catoosa County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Catoosa County.

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

EXHIBIT "I"

For the fiscal year ended June 30, 2024, Catoosa County abated property taxes due to the School District that were levied on August 31, 2023 and due on December 20, 2023 totaling \$62,413. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to Shaw Industries Project LVT for continued investment in operations and local employment. The abatement amounted to \$33,087.
- A property tax abatement to Shaw Industries Project LVT (2) 2017 Expansion Project for continued investment in operations and local employment. The abatement amounted to \$17,564.
- A property tax abatement to Shaw Industries Project LVT (2) 2017 Expansion Project Office Renovation for continued investment in operations and local employment. The abatement amounted to \$11,495.

NOTE 15: SUBSEQUENT EVENTS

In the subsequent fiscal year, the School District authorized a tax anticipation note to provide cash for operations until property tax collections were received by the School District. The School District borrowed \$8,000,000 during the remainder of calendar year 2024 which was fully repaid in December 2024.

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CATOOSA 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	0.491751%	\$ 145,186,016	\$ 261,880	\$ 145,447,896	\$ 71,901,096	201.92%	76.29%
2023	0.501359%	\$ 162,800,959	\$ 288,675	\$ 163,089,634	\$ 67,919,071	239.70%	72.85%
2022	0.509073%	\$ 45,024,111	\$ 81,456	\$ 45,105,567	\$ 66,376,347	67.83%	92.03%
2021	0.499710%	\$ 121,049,321	\$ 220,922	\$ 121,270,243	\$ 64,552,736	187.52%	77.01%
2020	0.499544%	\$ 107,415,468	\$ 203,201	\$ 107,618,669	\$ 61,087,120	175.84%	78.56%
2019	0.500762%	\$ 92,952,154	\$ 177,268	\$ 93,129,422	\$ 59,773,765	155.51%	80.27%
2018	0.504993%	\$ 93,854,504	\$ 177,490	\$ 94,031,994	\$ 58,135,486	161.44%	79.33%
2017	0.511997%	\$ 105,630,690	\$ 194,964	\$ 105,825,654	\$ 56,276,693	187.71%	76.06%
2016	0.519443%	\$ 79,080,039	\$ 146,607	\$ 79,226,646	\$ 54,931,930	143.96%	81.44%
2015	0.528899%	\$ 66,819,412	\$ 125,073	\$ 66,944,485	\$ 54,125,004	123.45%	84.03%

CATOOSA 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	\$ 14,939,590	\$ 14,939,590	\$ -	\$ 74,905,185	19.94%
2023	\$ 14,339,999	\$ 14,339,999	\$ -	\$ 71,901,096	19.94%
2022	\$ 13,430,979	\$ 13,430,979	\$ -	\$ 67,919,071	19.77%
2021	\$ 12,628,503	\$ 12,628,503	\$ -	\$ 66,376,347	19.03%
2020	\$ 13,621,593	\$ 13,621,593	\$ -	\$ 64,552,736	21.10%
2019	\$ 12,743,116	\$ 12,743,116	\$ -	\$ 61,087,120	20.86%
2018	\$ 10,028,866	\$ 10,028,866	\$ -	\$ 59,773,765	16.78%
2017	\$ 8,280,396	\$ 8,280,396	\$ -	\$ 58,135,486	14.24%
2016	\$ 8,015,839	\$ 8,015,839	\$ -	\$ 56,276,693	14.24%
2015	\$ 7,210,177	\$ 7,210,177	\$ -	\$ 54,931,930	13.13%

CATOOSA COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC SCHOOL 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	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%	\$ -	\$ 1,590,218	\$ 1,590,218	\$ 3,267,180	N/A	85.67%
2023	0.00%	\$ -	\$ 2,095,683	\$ 2,095,683	\$ 3,001,342	N/A	81.21%
2022	0.00%	\$ -	\$ 228,062	\$ 228,062	\$ 2,888,997	N/A	98.00%
2021	0.00%	\$ -	\$ 1,564,792	\$ 1,564,792	\$ 2,742,028	N/A	84.45%
2020	0.00%	\$ -	\$ 1,412,511	\$ 1,412,511	\$ 2,566,076	N/A	85.02%
2019	0.00%	\$ -	\$ 1,378,944	\$ 1,378,944	\$ 2,409,737	N/A	85.26%
2018	0.00%	\$ -	\$ 1,184,443	\$ 1,184,443	\$ 2,181,359	N/A	85.69%
2017	0.00%	\$ -	\$ 1,643,699	\$ 1,643,699	\$ 2,231,706	N/A	81.00%
2016	0.00%	\$ -	\$ 1,061,104	\$ 1,061,104	\$ 2,160,106	N/A	87.00%
2015	0.00%	\$ -	\$ 958,505	\$ 958,505	\$ 2,125,207	N/A	88.29%

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

SCHEDULE "4"

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	0.705491%	\$ 77,275,338	\$ -	\$ 77,275,338	\$ 40,251,430	191.98%	6.05%
2023	0.706356%	\$ 69,951,720	\$ -	\$ 69,951,720	\$ 38,459,710	181.88%	6.17%
2022	0.694924%	\$ 75,266,018	\$ -	\$ 75,266,018	\$ 36,864,048	204.17%	6.14%
2021	0.690786%	\$ 101,460,376	\$ -	\$ 101,460,376	\$ 34,715,953	292.26%	3.99%
2020	0.700614%	\$ 85,980,370	\$ -	\$ 85,980,370	\$ 30,026,520	286.35%	4.63%
2019	0.070102%	\$ 89,097,491	\$ -	\$ 89,097,491	\$ 30,011,938	296.87%	2.93%
2018	0.701443%	\$ 98,552,459	\$ -	\$ 98,552,459	\$ 29,213,712	337.35%	1.61%

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

SCHEDULE "5"

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	\$ 2,821,914	\$ 2,821,914	\$ -	\$ 41,730,944	6.76%
2023	\$ 2,712,217	\$ 2,712,217	\$ -	\$ 40,251,430	6.74%
2022	\$ 2,554,007	\$ 2,554,007	\$ -	\$ 38,459,710	6.64%
2021	\$ 2,585,000	\$ 2,585,000	\$ -	\$ 36,864,048	7.01%
2020	\$ 2,336,078	\$ 2,336,078	\$ -	\$ 34,715,953	6.73%
2019	\$ 3,773,293	\$ 3,773,293	\$ -	\$ 30,026,520	12.57%
2018	\$ 3,633,316	\$ 3,633,316	\$ -	\$ 30,011,398	12.11%
2017	\$ 3,657,379	\$ 3,657,379	\$ -	\$ 29,213,712	12.52%

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%.

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

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.

CATOOSA COUNTY BOARD OF EDUCATION
GENERAL FUND

SCHEDULE "7"

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)		
REVENUES				
Property Taxes	\$ 38,588,128	\$ 38,588,128	\$ 38,966,690	\$ 378,562
Sales Taxes	1,000,000	1,000,000	825,922	(174,078)
State Funds	82,108,544	83,446,841	84,894,681	1,447,840
Federal Funds	12,218,314	10,419,174	15,544,641	5,125,467
Charges for Services	-	-	2,631,272	2,631,272
Investment Earnings	253,278	253,278	337,319	84,042
Miscellaneous	740,000	740,000	5,165,696	4,425,696
Total Revenues	<u>134,908,264</u>	<u>134,447,421</u>	<u>148,366,221</u>	<u>13,918,800</u>
EXPENDITURES				
Current				
Instruction	95,996,528	102,114,391	99,332,773	2,781,618
Support Services				
Pupil Services	6,414,287	8,076,103	9,387,072	(1,310,969)
Improvement of Instructional Services	4,410,928	5,001,563	4,668,742	332,821
Educational Media Services	1,748,166	1,748,166	2,021,049	(272,883)
General Administration	1,419,336	1,515,295	2,034,043	(518,748)
School Administration	9,089,454	9,422,503	9,973,583	(551,080)
Business Administration	1,061,745	1,062,245	1,040,212	22,033
Maintenance and Operation of Plant	10,152,262	11,512,048	11,571,358	(59,310)
Student Transportation Services	6,209,717	6,910,501	6,744,888	165,613
Central Support Services	1,040,642	1,040,942	518,610	522,332
Other Support Services	287,320	321,320	1,293,080	(971,760)
Community Services	372,220	372,220	624,853	(252,633)
Food Services Operation	7,845,986	7,845,986	6,666,531	1,179,455
Capital Outlay	-	-	15,067	(15,067)
Total Expenditures	<u>146,048,591</u>	<u>156,943,283</u>	<u>155,891,861</u>	<u>1,051,422</u>
Excess of Revenues over (under) Expenditures	<u>(11,140,327)</u>	<u>(22,495,862)</u>	<u>(7,525,640)</u>	<u>14,970,222</u>
OTHER FINANCING SOURCES(USES)				
Other Sources	448,855	448,855	-	(448,855)
Other Uses	(519,973)	(519,973)	(120,000)	399,973
Total Other Financing Sources (Uses)	<u>(71,118)</u>	<u>(71,118)</u>	<u>(120,000)</u>	<u>(48,882)</u>
Net Change in Fund Balances	(11,211,445)	(22,566,980)	(7,645,640)	14,921,340
Fund Balances - Beginning	<u>15,821,093</u>	<u>15,821,093</u>	<u>15,821,093</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,609,648</u>	<u>\$ (6,745,887)</u>	<u>\$ 8,175,453</u>	<u>\$ 14,921,340</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.

The actual revenues and expenditures of the various principal accounts are \$4,639,855 and \$4,467,014 respectively.

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

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

SCHEDULE "8"

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	\$ 1,145,711
National School Lunch Program	10.555	245GA324N1199	4,769,864
COVID-19 - National School Lunch Program	10.555	225GA324N1099	264,000
Total Child Nutrition Cluster			<u>6,179,575</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	42,350
Child Nutrition Discretionary Grants Limited Availability	10.579	2023211500345	83,375
			<u>125,725</u>
Total U.S. Department of Agriculture			<u>6,305,300</u>
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200049	8,461
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	151,970
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	92,579
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	5,182,150
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	25,566
Total Education Stabilization Fund			<u>5,460,726</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A210073	210,833
Grants to States	84.027A	H027A220073	1,988,858
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	71,800
Total Special Education Cluster			<u>2,271,491</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	120,392
Education for Homeless Children and Youth	84.196A	S196A220011	5,186
Education for Homeless Children and Youth	84.196A	S196A230011	81,732
English Language Acquisition State Grants	84.365A	S365A220010	562
English Language Acquisition State Grants	84.365A	S365A230010	22,431
Student Support and Academic Enrichment Program	84.424A	S424A220011	6,309
Student Support and Academic Enrichment Program	84.424A	S424A230011	167,671
Supporting Effective Instruction State Grants	84.367A	S367A220001	90,339

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

SCHEDULE "8"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Supporting Effective Instruction State Grants	84.367A	S367A230001	293,148
Title I Grants to Local Educational Agencies	84.010A	S010A220010	133,299
Title I Grants to Local Educational Agencies	84.010A	S010A230010	2,203,748
Total Other Programs			3,124,817
Total U.S. Department of Education			10,857,034
Defense, U.S. Department of Direct Department of the Air Force R.O.T.C. Program	12. UNKNOWN		137,063
Total Expenditures of Federal Awards			\$ 17,299,397

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 Catoosa 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.

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

SCHEDULE "9"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 1,599,370	\$ -	\$ 1,599,370
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	3,076,576	-	3,076,576
Kindergarten Program - Early Intervention Program	1,133,568	-	1,133,568
Primary Grades (1-3) Program	7,020,319	-	7,020,319
Primary Grades - Early Intervention (1-3) Program	3,509,656	-	3,509,656
Upper Elementary Grades (4-5) Program	3,675,324	-	3,675,324
Upper Elementary Grades - Early Intervention (4-5) Program	1,897,830	-	1,897,830
Middle School (6-8) Program	7,724,451	-	7,724,451
High School General Education (9-12) Program	7,183,524	-	7,183,524
Vocational Laboratory (9-12) Program	3,170,905	-	3,170,905
Students with Disabilities	17,130,594	-	17,130,594
Gifted Student - Category VI	4,885,547	-	4,885,547
Remedial Education Program	1,352,579	-	1,352,579
Alternative Education Program	611,258	-	611,258
English Speakers of Other Languages (ESOL)	413,185	-	413,185
Media Center Program	1,440,725	-	1,440,725
20 Days Additional Instruction	432,814	-	432,814
Staff and Professional Development	256,548	-	256,548
Principal Staff and Professional Development	5,038	-	5,038
Indirect Cost			
Central Administration	1,816,296	-	1,816,296
School Administration	3,139,596	-	3,139,596
Facility Maintenance and Operations	2,535,960	-	2,535,960
Mid-Term Adjustment Hold-Harmless	709,186	-	709,186
Charter System Adjustment	1,160,357	-	1,160,357
Categorical Grants			
Pupil Transportation			
Regular	994,885	-	994,885
Nursing Services	233,119	-	233,119
Education Equalization Funding Grant	4,153,606	-	4,153,606
Other State Programs			
Character Education Programming	96,723	-	96,723
Dyslexia Services Grant	19,889	-	19,889
Food Services	182,288	-	182,288
Hygiene Products	8,512	-	8,512
Math and Science Supplements	54,216	-	54,216
One Time QBE Adjustment	1,179,435	-	1,179,435
Preschool Disability Services	244,073	-	244,073
School Security Grant	800,000	-	800,000
Teachers Retirement	26,466	-	26,466
Vocational Construction Related Equipment - State Bonds	528,000	-	528,000
Vocational Education	179,067	-	179,067
Vocational Supervisors	27,957	-	27,957
Office of the State Treasurer			
Public School Employees Retirement	285,239	-	285,239
Technical College System of Georgia			
Vocational-Technology School	-	184,257	184,257
	\$ 84,894,681	\$ 184,257	\$ 85,078,938

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

SCHEDULE "10"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
ESPLOST V			
(1) Acquiring safety and security materials and devices in the attempt to secure the safety of students, employees and property;	\$ 5,514,000	\$ 3,050,651	June 2025
(2) Acquiring or purchasing of motor vehicles, buses, vans, or other transportation apparatus;	3,520,000	3,500,000	June 2025
(3) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	47,666,000	32,745,985	June 2025
(4) Acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks and student learning and response devices;	10,400,000	10,500,000	June 2025
(5) Acquiring land and buildings for schools, school campuses, maintenance facilities, training, and sports facilities;	2,000,000	1,776,223	June 2025
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures; and	7,000,000	13,904,184	June 2025
(7) Purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic systems, and other educationally related personalty.	2,900,000	283,687	June 2025
Subtotal ESPLOST V Projects	79,000,000	65,760,730	

ESPLOST VI

(1) Construction of a new Catoosa College and Career Academy; construction of a new Lakeview-Fort Oglethorpe High School theatre and band building, including a performance theatre, stage, auditorium, and art classroom; additions and improvements to Boynton Elementary School; other building improvements and property acquisitions at the three above-mentioned projects and other school system properties and schools including acquiring land and buildings and construction of buildings for schools, school campuses, maintenance facilities, training, and sports fields and facilities, including necessary demolition, acquiring, constructing and installing, erecting, lighting, paving, signage, fencing, grading, clearing, dozing, or otherwise improvements of real property by new interior and new exterior construction at new and existing school premises or structures operated by the School District;	69,000,000	69,000,000	July 2027
(2) Adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, elevators, loading areas, stages, specialty rooms, windows, restrooms, gyms, sporting fields and complexes, playground equipment, parking lots, sidewalks, water and sewage systems and components, HVAC systems and components, piping and ductwork, acquiring tools, machines and heavy equipment, as well as apparatus for the purpose of installing, repairing, refurbishing or manufacturing capital improvements funded from this and prior capital expenditures;	1,000,000	1,000,000	July 2027

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

SCHEDULE "10"

<u>PROJECT</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3) (4)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3) (4)</u>	<u>TOTAL COMPLETION COST</u>	<u>EXCESS PROCEEDS NOT EXPENDED</u>
ESPLOST V				
(1) Acquiring safety and security materials and devices in the attempt to secure the safety of students, employees and property;	\$ 2,970	\$ 2,567,153	\$ -	\$ -
(2) Acquiring or purchasing of motor vehicles, buses, vans, or other transportation apparatus;	-	2,835,847	-	-
(3) Acquiring, adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, gyms, sporting fields and complexes, playground equipment, and parking lots;	4,448,786	28,297,199	-	-
(4) Acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks and student learning and response devices;	3,874	10,027,282	-	-
(5) Acquiring land and buildings for schools, school campuses, maintenance facilities, training, and sports facilities;	134,025	880,047	-	-
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, accessory buildings, and other energy-efficient or weather-protective structures; and	47,300	11,567,208	-	-
(7) Purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic systems, and other educationally related personalty.	38,028	245,659	-	-
Subtotal ESPLOST V Projects	<u>4,674,983</u>	<u>56,420,395</u>	<u>-</u>	<u>-</u>

ESPLOST VI

(1) Construction of a new Catoosa College and Career Academy; construction of a new Lakeview-Fort Oglethorpe High School theatre and band building, including a performance theatre, stage, auditorium, and art classroom; additions and improvements to Boynton Elementary School; other building improvements and property acquisitions at the three above-mentioned projects and other school system properties and schools including acquiring land and buildings and construction of buildings for schools, school campuses, maintenance facilities, training, and sports fields and facilities, including necessary demolition, acquiring, constructing and installing, erecting, lighting, paving, signage, fencing, grading, clearing, dozing, or otherwise improvements of real property by new interior and new exterior construction at new and existing school premises or structures operated by the School District;	15,634,803	36,252,008	-	-
(2) Adding-on, constructing, installing, painting, refurbishing and replacing existing buildings, classrooms, ceilings, flooring, walls, hallways, roofs, lunchrooms, media centers, elevators, loading areas, stages, specialty rooms, windows, restrooms, gyms, sporting fields and complexes, playground equipment, parking lots, sidewalks, water and sewage systems and components, HVAC systems and components, piping and ductwork, acquiring tools, machines and heavy equipment, as well as apparatus for the purpose of installing, repairing, refurbishing or manufacturing capital improvements funded from this and prior capital expenditures;	28,529	-	-	-

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

SCHEDULE "10"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
ESPLOST VI			
(3) Repairing, refurbishing, remodeling or renovating existing schools, structures and properties owned or operated by the School District;	1,000,000	1,000,000	July 2027
(4) Technology and instruction equipment, including acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks, student learning and student response devices, smartboards, scanners, projector/projection devices, e-books, chromebooks, electronic pads, I-pads, printers, screens, teaching devices and systems, wired and wireless electronic devices, internet books, charging stations or carts, software and licenses, desktop computers, laptop and tablet computers, intercoms, phones systems, servers, fiber-optics, wireless access points, networks, speakers, amplifiers, special education devices, ear pieces, musical instruments, as well as component or non-component infrastructure or accessories reasonable or necessary to accommodate the use of such materials and devices;	450,000	987,688	July 2027
(5) Acquiring safety, security and physical educational materials and devices to secure the safety and health of students, employees, and property, including locks, still and video cameras, alarms, door jamb security devices, door replacements, security doors, sprinklers, sensors, re-keying of locks, and medically-related devices or items; acquiring or purchasing of motor vehicles, busses, vans, or other transportation apparatus, as well as equipment to enhance, improve or repair such apparatus; purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic equipment or communication devices, electronic systems, and other educationally-related or construction-related personalty; and	1,000,000	1,000,000	July 2027
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, and accessory buildings, drive-under canopies for all purposes and other energy-efficient or weather-protective structures or improvements to install or store instructional materials, instructional machines or devices, construction tools, construction machinery, or other sporting personalty.	6,550,000	5,000,000	July 2027
Subtotal ESPLOST VI Projects	<u>79,000.00</u>	<u>77,987,688.00</u>	
Total	<u>\$ 158,000,000</u>	<u>\$ 143,748,418</u>	

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

SCHEDULE "10"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
ESPLOST VI				
(3) Repairing, refurbishing, remodeling or renovating existing schools, structures and properties owned or operated by the School District;	-	-	-	-
(4) Technology and instruction equipment, including acquiring, replacing and/or refreshing instructional and technological materials and devices, including but not limited to textbooks, student learning and student response devices, smartboards, scanners, projector/projection devices, e-books, chromebooks, electronic pads, I-pads, printers, screens, teaching devices and systems, wired and wireless electronic devices, internet books, charging stations or carts, software and licenses, desktop computers, laptop and tablet computers, intercoms, phones systems, servers, fiber-optics, wireless access points, networks, speakers, amplifiers, special education devices, ear pieces, musical instruments, as well as component or non-component infrastructure or accessories reasonable or necessary to accommodate the use of such materials and devices;	678,611	309,077	-	-
(5) Acquiring safety, security and physical educational materials and devices to secure the safety and health of students, employees, and property, including locks, still and video cameras, alarms, door jamb security devices, door replacements, security doors, sprinklers, sensors, re-keying of locks, and medically-related devices or items; acquiring or purchasing of motor vehicles, busses, vans, or other transportation apparatus, as well as equipment to enhance, improve or repair such apparatus; purchasing and replacing furniture, kitchen equipment and machines, sinks, lab equipment, cabinetry, electronic equipment or communication devices, electronic systems, and other educationally-related or construction-related personalty; and	40,129	-	-	-
(6) Acquiring, constructing or improving covers, bleachers, tracks, sports fields and courts, facilities which will be jointly used for instructional sports and physical education, and accessory buildings, drive-under canopies for all purposes and other energy-efficient or weather-protective structures or improvements to install or store instructional materials, instructional machines or devices, construction tools, construction machinery, or other sporting personalty.	57,019	315,625	-	-
Subtotal ESPLOST VI Projects	<u>16,439,091</u>	<u>36,876,710</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 21,114,074</u>	<u>\$ 93,297,105</u>	<u>\$ -</u>	<u>\$ -</u>

(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 Catoosa 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:

	ESPLOST V	ESPLOST VI	TOTAL
Prior Years	\$ 8,072,222	\$ 3,255,000	\$ 11,327,222
Current Year	<u>-</u>	<u>1,910,500</u>	<u>1,910,500</u>
Total	<u>\$ 8,072,222</u>	<u>\$ 5,165,500</u>	<u>\$ 13,237,722</u>

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
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Catoosa 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 28, 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, 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 28, 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
Mr. Chance Nix, Superintendent and Members of the
Catoosa County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Catoosa 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 28, 2025

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

**CATOOSA 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

CATOOSA 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>
10.553, 10.555	Child Nutrition Cluster

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.