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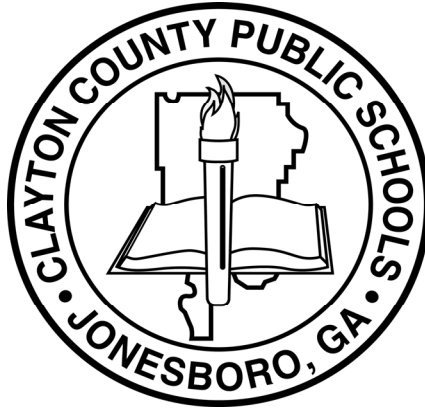
Clayton County Board of Education

Annual Financial Report

Fiscal Year Ended June 30, 2023



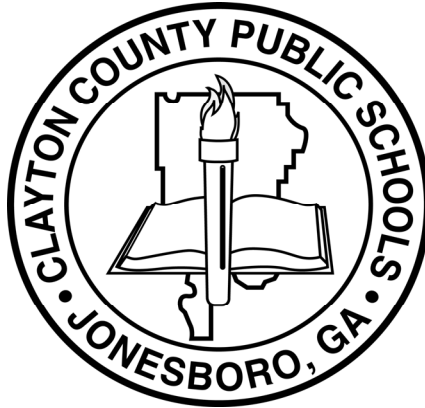
CPAs & ADVISORS



Annual Financial Report

Fiscal Year Ended June 30, 2023

1058 Fifth Avenue · Jonesboro, Georgia 30236



Annual Financial Report

Fiscal Year Ended June 30, 2023

**Prepared by:
Division of Business Services**

1058 Fifth Avenue · Jonesboro, Georgia 30236

CLAYTON COUNTY BOARD OF EDUCATION

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

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CLAYTON COUNTY BOARD OF EDUCATION

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

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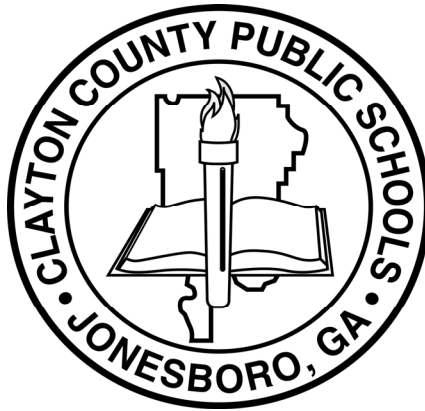
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Financial Section

**Clayton County
Public Schools**



INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Clayton County Board of Education
Jonesboro, Georgia

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Clayton County Board of Education** (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund (a major fund)	Unmodified
ESSER Fund (a major fund)	Unmodified
Capital Projects Fund (a major fund)	Unmodified
School Nutrition Fund (a major fund)	Qualified
Performing Arts Center Fund (a nonmajor fund)	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the School Nutrition Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the School Nutrition Fund, as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions Governmental Activities, Business-Type Activities, the General Fund, the ESSER Fund, the Capital Projects Fund, the Performing Arts Center Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the General Fund, the ESSER Fund, the Capital Projects Fund, the Performing Arts Center Fund, and the aggregate remaining fund information of the Clayton County Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matters Giving Rise to the Qualified Opinion on the School Nutrition Fund

Management of the School District was unable to produce subsidiary ledgers to support the inventory balances reported in the School Nutrition Fund due to the amount of time that elapsed between the School District's fiscal year end and conduct of the audit, and due to inaccurate per unit prices in the inventory system. GAAS requires that an auditor perform a physical observation of inventory and reconcile the items and quantities observed to the subsidiary ledgers supporting the balances in the financial statements and due to the lack of accurate subsidiary ledgers, we were unable to perform all of the auditing procedures required. The amount by which this issue would affect the assets, fund balance, and expenditures of the School Nutrition Fund has not been determined.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - General Fund, the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - School Nutrition Fund, and the Schedule of Revenues, Expenditures and Changes in Fund Balance - ESSER Fund, Schedule of Proportionate Share of the Net Pension Liability – Teachers Retirement System, the Schedule of Contributions – Teachers Retirement System, the Schedule of Proportionate Share of the Net Pension Liability – Public School Employees Retirement System, the Schedule of Proportionate Share of the Net OPEB Liability - School OPEB Fund, and the Schedule of Contributions - School OPEB Fund, on pages 47 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

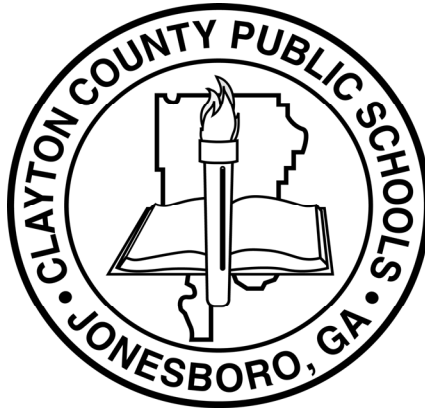
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, 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* (collectively, "the supplementary information") is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 10, 2025



Basic Financial Statements

Clayton County Public Schools

CLAYTON COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 241,121,222	\$ 277,192	\$ 241,398,414
Receivables:			
Accounts	227,514	-	227,514
Intergovernmental	77,227,237	-	77,227,237
Taxes	11,804,491	-	11,804,491
Inventories	1,295,728	-	1,295,728
Capital assets, nondepreciable	134,937,075	-	134,937,075
Capital assets, depreciable (net of accumulated depreciation)	816,938,758	2,411,767	819,350,525
Total assets	1,283,552,025	2,688,959	1,286,240,984
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	377,463,629	-	377,463,629
Other postemployment benefits	79,732,374	-	79,732,374
Total deferred outflows of resources	457,196,003	-	457,196,003
LIABILITIES			
Accounts payable	7,160,866	-	7,160,866
Retainage payable	88,371	-	88,371
Accrued payroll and payroll withholdings	74,887,889	493	74,888,382
Unearned revenue	53,419	-	53,419
Other current liabilities	70	-	70
Claims payable due within one year	782,867	-	782,867
Claims payable due in more than one year	782,868	-	782,868
Compensated absences due within one year	3,229,057	-	3,229,057
Compensated absences due in more than one year	3,229,056	-	3,229,056
Net pension liability, due in more than one year	748,075,404	-	748,075,404
Net other postemployment benefit liability, due in more than one year	283,888,674	-	283,888,674
Total liabilities	1,122,178,541	493	1,122,179,034
DEFERRED INFLOWS OF RESOURCES			
Pensions	10,228,945	-	10,228,945
Other postemployment benefits	179,848,499	-	179,848,499
Total deferred inflows of resources	190,077,444	-	190,077,444
NET POSITION			
Net investment in capital assets	951,274,487	2,411,767	953,686,254
Restricted for student programs	32,262,252	-	32,262,252
Restricted for capital projects	41,478,075	-	41,478,075
Unrestricted (deficit)	(596,522,771)	276,699	(596,246,072)
Total net position	\$ 428,492,043	\$ 2,688,466	\$ 431,180,509

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

CLAYTON COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction	\$ 453,550,530	\$ 9,015,054	\$ 371,955,291	\$ 1,122,042	\$ (71,458,143)	\$ -	\$ (71,458,143)
Pupil services	55,009,367	-	16,168,605	-	(38,840,762)	-	(38,840,762)
Improvement of instructional services	46,683,772	-	22,905,702	-	(23,778,070)	-	(23,778,070)
Educational media services	8,840,732	-	15,167,590	-	6,326,858	-	6,326,858
General administration	34,848,093	-	20,636,543	-	(14,211,550)	-	(14,211,550)
School administration	43,358,763	-	16,081,190	-	(27,277,573)	-	(27,277,573)
Business services	6,729,907	-	241,991	-	(6,487,916)	-	(6,487,916)
Maintenance and operations	55,620,390	-	45,146,089	-	(10,474,301)	-	(10,474,301)
Student transportation	37,845,005	-	5,921,130	-	(31,923,875)	-	(31,923,875)
Central support services	24,866,713	-	2,134,657	-	(22,732,056)	-	(22,732,056)
Other support services	9,296,566	-	581,933	-	(8,714,633)	-	(8,714,633)
Other noninstructional services	44,963,349	1,834,634	41,617,868	215,669	(1,295,178)	-	(1,295,178)
Community services	2,355,250	1,814,795	-	-	(540,455)	-	(540,455)
Total governmental activities	823,968,437	12,664,483	558,558,589	1,337,711	(251,407,654)	-	(251,407,654)
Business-type activities:							
Performing arts center	320,528	239,012	-	-	-	(81,516)	(81,516)
Total business-type activities	320,528	239,012	-	-	-	(81,516)	(81,516)
Total	\$ 824,288,965	\$ 12,903,495	\$ 558,558,589	\$ 1,337,711	(251,407,654)	(81,516)	(251,489,170)
General revenues:							
Property taxes					197,346,990	-	197,346,990
Sales taxes					68,088,208	-	68,088,208
Other taxes					2,832,701	-	2,832,701
Grants and contributions not restricted to specific programs					2,056,021	-	2,056,021
Unrestricted investment earnings					4,401,038	-	4,401,038
Total general revenues					274,724,958	-	274,724,958
Change in net position					23,317,304	(81,516)	23,235,788
Net position, beginning of year					405,174,739	2,769,982	407,944,721
Net position, end of year					\$ 428,492,043	\$ 2,688,466	\$ 431,180,509

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

CLAYTON COUNTY BOARD OF EDUCATION

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	General	School Nutrition	ESSER	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 151,836,854	\$ 45,056,728	\$ -	\$ 35,598,951	\$ 8,628,689	\$ 241,121,222
Receivables:						
Accounts	6,783	168,155	-	-	52,576	227,514
Taxes	5,913,989	-	-	5,890,502	-	11,804,491
Intergovernmental	44,201,143	224,959	17,975,677	-	14,825,458	77,227,237
Due from other funds	39,590,810	-	-	-	-	39,590,810
Inventory	-	1,295,728	-	-	-	1,295,728
Total assets	<u>\$ 241,549,579</u>	<u>\$ 46,745,570</u>	<u>\$ 17,975,677</u>	<u>\$ 41,489,453</u>	<u>\$ 23,506,723</u>	<u>\$ 371,267,002</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 4,457,752	\$ 246,917	\$ 900,558	\$ 512,975	\$ 1,042,664	\$ 7,160,866
Retainage payable	-	-	-	88,371	-	88,371
Due to other funds	-	12,405,416	15,765,982	-	11,419,412	39,590,810
Accrued payroll and payroll withholdings	66,536,704	2,342,483	1,309,137	11,378	4,688,187	74,887,889
Unearned revenue	-	53,419	-	-	-	53,419
Other current liabilities	-	-	-	-	70	70
Total liabilities	<u>70,994,456</u>	<u>15,048,235</u>	<u>17,975,677</u>	<u>612,724</u>	<u>17,150,333</u>	<u>121,781,425</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>2,005,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005,330</u>
Total deferred inflows of resources	<u>2,005,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005,330</u>
FUND BALANCES						
Fund balances:						
Nonspendable - inventory	-	1,295,728	-	-	-	1,295,728
Restricted for capital projects	-	-	-	40,876,729	-	40,876,729
Restricted for student programs	-	30,401,607	-	-	564,917	30,966,524
Assigned for student programs	-	-	-	-	5,792,607	5,792,607
Unassigned (deficit)	<u>168,549,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,134)</u>	<u>168,548,659</u>
Total fund balances	<u>168,549,793</u>	<u>31,697,335</u>	<u>-</u>	<u>40,876,729</u>	<u>6,356,390</u>	<u>247,480,247</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 241,549,579</u>	<u>\$ 46,745,570</u>	<u>\$ 17,975,677</u>	<u>\$ 41,489,453</u>	<u>\$ 23,506,723</u>	<u>\$ 371,267,002</u>

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

CLAYTON COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2023

Total fund balances - governmental funds	\$	247,480,247
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost	\$	1,340,210,441	
Less accumulated depreciation		(388,334,608)	951,875,833

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

Property taxes			2,005,330
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The net pension liability and related deferred inflows and outflows for the Teacher Retirement System (TRS) are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Net pension liability - TRS	\$	(748,075,404)	
Pension related deferred outflows of resources - TRS		377,463,629	
Pension related deferred inflows of resources - TRS		(10,228,945)	(380,840,720)

The net OPEB liability and related deferred inflows and outflows are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Net OPEB liability	\$	(283,888,674)	
OPEB related deferred outflows of resources		79,732,374	
OPEB related deferred inflows of resources		(179,848,499)	(384,004,799)

Long-term liabilities and related items are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Compensated absences	\$	(6,458,113)	
Claims liability		(1,565,735)	(8,023,848)

Net position of governmental activities	\$	428,492,043
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The accompanying notes are an integral part of these financial statements.

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

	General	School Nutrition	ESSER	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 198,849,339	\$ -	\$ -	\$ -	\$ -	\$ 198,849,339
Sales taxes	-	-	-	68,088,208	-	68,088,208
Other taxes	2,832,701	-	-	-	-	2,832,701
State sources	368,027,250	849,068	-	-	6,749,278	375,625,596
Federal sources	17,470,667	38,538,383	56,312,094	1,122,042	70,611,849	184,055,035
Charges for services	431,741	1,540,072	-	-	10,692,670	12,664,483
Interest income	4,401,038	-	-	215,669	-	4,616,707
Miscellaneous	2,038,919	-	-	-	17,102	2,056,021
Total revenues	594,051,655	40,927,523	56,312,094	69,425,919	88,070,899	848,788,090
EXPENDITURES						
Current:						
Instruction	352,911,479	-	17,612,702	-	51,697,030	422,221,211
Pupil services	38,085,857	-	6,533,016	-	9,475,368	54,094,241
Improvement of instructional services	26,865,642	-	2,664,516	-	15,625,005	45,155,163
Educational media services	8,453,196	-	205,405	-	-	8,658,601
General administration	21,123,437	-	8,697,223	-	4,696,878	34,517,538
School administration	39,633,596	-	1,523,711	-	479,165	41,636,472
Business services	6,215,590	-	91,305	-	-	6,306,895
Maintenance and operations	43,730,908	728,524	15,541,185	-	3,521	60,004,138
Student transportation	34,005,389	-	1,367,450	-	350,585	35,723,424
Central support services	20,248,212	-	988,327	-	2,891,720	24,128,259
Other support services	8,710,965	-	-	-	557,702	9,268,667
Other noninstructional services	378,271	41,990,282	1,059,355	-	1,480,367	44,908,275
Community service	-	-	-	-	2,354,507	2,354,507
Capital outlay	1,764,469	-	27,899	31,347,129	-	33,139,497
Total expenditures	602,127,011	42,718,806	56,312,094	31,347,129	89,611,848	822,116,888
Excess of revenues over expenditures	(8,075,356)	(1,791,283)	-	38,078,790	(1,540,949)	26,671,202
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,242,007	2,242,007
Transfers out	(2,242,007)	-	-	-	-	(2,242,007)
Total other financing sources (uses)	(2,242,007)	-	-	-	2,242,007	-
Net change in fund balances	(10,317,363)	(1,791,283)	-	38,078,790	701,058	26,671,202
FUND BALANCES, beginning of year	178,867,156	33,488,618	-	2,797,939	5,655,332	220,809,045
FUND BALANCES, end of year	\$ 168,549,793	\$ 31,697,335	\$ -	\$ 40,876,729	\$ 6,356,390	\$ 247,480,247

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

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

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

Net change in fund balances - total governmental funds	\$	26,671,202
--	----	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$	34,993,798	
Depreciation		(26,173,068)	8,820,730

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(2,471,900)
---	--	-------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes		(1,502,349)
----------------	--	-------------

Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$	(103,253)	
Workers' compensation claims payable		31,202	
Litigation settlement		10,000,000	
Change in net pension liability and deferred outflows and deferred inflows related to TRS pension activity		(42,055,861)	
Change in net OPEB liability and deferred outflows and deferred inflows related to TRS pension activity		23,927,533	(8,200,379)

Change in net position - governmental activities	\$	23,317,304
--	----	------------

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

CLAYTON COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Fund Nonmajor Performing Arts Center
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 277,192
Total current assets	277,192
CAPITAL ASSETS	
Buildings	7,308,375
Furniture and equipment	6,167
Total depreciable assets	7,314,542
Less accumulated depreciation and amortization	(4,902,775)
Total capital assets	2,411,767
Total assets	2,688,959
LIABILITIES	
CURRENT LIABILITIES	
Accrued payroll and payroll withholdings	493
Total current liabilities	493
Total liabilities	493
NET POSITION	
Investment in capital assets	2,411,767
Unrestricted	276,699
Total net position	\$ 2,688,466

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

**CLAYTON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

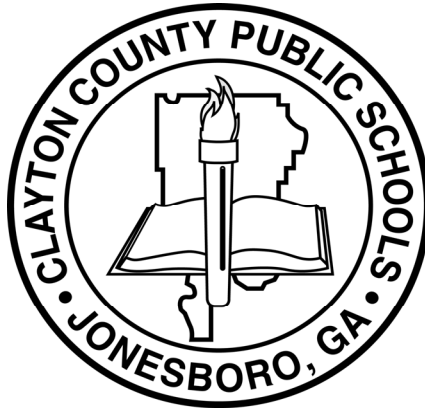
	Business-Type Activities - Enterprise Fund Nonmajor Performing Arts Center
OPERATING REVENUES	
Local sources	\$ 239,012
Total operating revenues	<u>239,012</u>
OPERATING EXPENSES	
Enterprise operation	174,361
Depreciation	<u>146,167</u>
Total operating expenses	<u>320,528</u>
Change in net position	(81,516)
NET POSITION, beginning of year	<u>2,769,982</u>
NET POSITION, end of year	<u><u>\$ 2,688,466</u></u>

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

CLAYTON COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Fund Nonmajor Performing Arts Center
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from local sources	\$ 239,012
Payments to employees	(174,646)
	<u>64,366</u>
Net cash provided by operating activities	64,366
Net increase in cash and cash equivalents	64,366
Cash and cash equivalents, beginning of year	<u>212,826</u>
Cash and cash equivalents, end of year	<u><u>\$ 277,192</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (81,516)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	146,167
Decrease in accrued payroll and other withholdings	(285)
	<u>145,882</u>
Net cash provided by operating activities	<u><u>\$ 64,366</u></u>

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



Notes to Financial Statements

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clayton County Board of Education (the “School System”) operates under a Board/Superintendent form of government. The nine-member Board is elected by the public and the Board appoints the Superintendent. These nine elected members have decision making authority, the power to designate management, and the ability to significantly influence operations. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voter approval.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education ("QBE") Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a 12-month contract period, generally, September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School System over the same 12-month period in which teachers are paid, funding the academic school year expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year is accrued, as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board ("GASB") Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The School System reports the following major governmental funds:

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

The **School Nutrition Fund** is used to account for local, federal, and state receipts provided for the purpose of providing support to students of the School System through various food services.

The **ESSER Fund** is used to account for federal funds from the Elementary and Secondary School Emergency Relief Program provided to the School System to address the COVID-19 pandemic.

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

Additionally, the School System reports the following fund types:

The **Special Revenue Funds** account for federal and state funded programs. These grants are awarded to the School System for the purpose of accomplishing specific educational tasks as defined in the grant agreements. These funds also contain several locally funded programs whose expenditures are limited to specific purposes. School Activity Funds are also reported as special revenue funds. The School Activity Funds are used to account for funds collected primarily through the fundraising efforts of the individual school. Each school's principal is responsible, under the authority of the Board, for collecting, controlling, disbursing, and accounting for his or her school's funds. All resources of the fund, including earnings on invested resources, may be used to support the schools' activities.

The **Enterprise Fund** accounts for the revenues received and expenses of the School System's performing arts center.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the School System's school food service program and the General Fund. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Investments

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

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. On-Behalf Payments

The State of Georgia makes certain pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2023, was \$1,145,085.

G. Inventories and Prepaid Items

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

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting expenditure/expense in the year in which services are consumed.

H. Non-Monetary Transactions

The School System received from the United States Department of Agriculture through the Georgia Department of Education approximately \$2,581,947 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenue and an expense in the financial statements.

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the School System as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Improvements	20 – 50
Buildings	20 – 50
Machinery and equipment	4 – 10

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Other than the pension and the other postemployment benefit (“OPEB”) related items discussed below, the School System did not have any items that qualified for reporting in this category for the year ended June 30, 2023.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Other than the pension and OPEB-related items discussed below, the School System has only one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Certain changes in the net pension liability and net OPEB liability are recognized as pension/OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the plans’ actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability and net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

The difference between projected investment return on pension and OPEB investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the School System to the pension plan or OPEB plan before year end but subsequent to the measurement date of the School System's net pension liability and net OPEB liability are reported as deferred outflows of resources.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS"), and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by each 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. The School System also had deferred inflows and outflows related to the recording of changes in its net pension liability.

L. Other Postemployment Benefits ("OPEB")

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

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Accumulated unpaid sick leave benefits do not vest and therefore are not accrued in any fund but are recognized as expenditures or expenses when incurred. Accumulated unpaid vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

O. Fund Equity

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

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Board of Education is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance-terms are classified as follows:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

The responsibility for designating funds to specific classifications is as follows:

Committed: The Clayton County Board of Education is the School System's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned: The Clayton County Board of Education has authorized the Superintendent and the Chief Financial Officer as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

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

P. Use of Estimates

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

Q. Tax Abatement Agreements

GASB Statement No. 77, *Tax Abatement Disclosures* requires the School System to disclose information for any tax abatement agreements either entered into by the School System, or agreements entered into by other governments that reduce the School System's tax revenues. As of June 30, 2023, the School System did not have any such agreements, either entered into by the School System or by other governments that exceeded the quantitative threshold for disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund and Special Revenue Funds, except that an annual budget is not adopted for the School Discretionary special revenue fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, O.C.G.A. Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The following General Fund functions had excesses of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2023.

General Fund:	
Instruction	\$ 34,943,725
Pupil services	3,018,049
Educational media services	357,260
School administration	1,036,813
Student transportation	758,431
Other support services	1,351,998
Other non-instructional services	135,565
Capital outlay	1,764,469

These over expended departments were funded with revenues and financing arrangements recognized in excess of anticipated levels.

The Vocational Programs Fund had a deficit fund balance as of June 30, 2023 in the amount of \$1,134. This fund balance deficit will be reduced with additional funding and transfers from the General Fund.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool (Georgia Fund 1). The local government investment pool, "Georgia Fund 1," created by O.C.G.A. § 36-83-8, is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year end and the Board of Education's investment in the Georgia Fund 1 is reported at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The Board of Education considers amounts held in Georgia Fund 1 as investments for financial statement presentation. The School System does not have a policy for credit risk beyond the types of investments authorized by Georgia state law.

At June 30, 2023, the School System had the following investments:

Investment	Weighted Average Maturity	Fair Value
Georgia Fund 1	28 days	\$ 158,632,278

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, the financial institutions holding all of the School System's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2023, all School System's bank balances were insured and/or collateralized as defined by GASB and required state statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables at June 30, 2023, for the School System's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	School Nutrition	ESSER	Capital Projects	Nonmajor Governmental Funds	Total
Intergovernmental	\$ 44,201,143	\$ 224,959	\$ 17,975,677	\$ -	\$ 14,825,458	\$ 77,227,237
Taxes	7,919,319	-	-	5,890,502	-	13,809,821
Accounts	6,783	168,155	-	-	52,576	227,514
	<u>52,127,245</u>	<u>393,114</u>	<u>17,975,677</u>	<u>5,890,502</u>	<u>14,878,034</u>	<u>91,264,572</u>
Less allowance for uncollectible	(2,005,330)	-	-	-	-	(2,005,330)
Net total receivable	<u>\$ 50,121,915</u>	<u>\$ 393,114</u>	<u>\$ 17,975,677</u>	<u>\$ 5,890,502</u>	<u>\$ 14,878,034</u>	<u>\$ 89,259,242</u>

Intergovernmental receivables consist of grant reimbursements due primarily from the Georgia Department of Education, sales taxes which are collected by the state on the School System's behalf, and property taxes collected by Clayton County Tax Commissioner on the School System's behalf.

NOTE 5. PROPERTY TAXES

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

Real property taxes were levied on September 16, 2022 and were due November 16, 2022. Clayton County may place liens on property once the related tax payments become delinquent. The property tax receivable allowance is equal to 50% of outstanding property taxes at June 30, 2023, net of amounts collected within 60 days of year end. Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases/ Adjustments	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 34,646,034	\$ 3,869,052	\$ -	\$ -	\$ 38,515,086
Construction in progress	132,065,045	20,381,173	(4,609,472)	(51,414,757)	96,421,989
Total	166,711,079	24,250,225	(4,609,472)	(51,414,757)	134,937,075
Capital assets, being depreciated:					
Buildings	1,041,788,084	-	5,780,675	51,414,757	1,098,983,516
Improvements	30,088,798	45,000	(272,304)	-	29,861,494
Machinery and equipment	65,715,129	10,698,573	14,654	-	76,428,356
Intangibles	25,840	-	(25,840)	-	-
Total	1,137,617,851	10,743,573	5,497,185	51,414,757	1,205,273,366
Less accumulated depreciation for:					
Buildings	(301,129,705)	(21,092,336)	(2,176,505)	-	(324,398,546)
Improvements	(7,292,123)	(1,296,614)	(441,773)	-	(9,030,510)
Machinery and equipment	(50,363,449)	(3,784,118)	(757,985)	-	(54,905,552)
Intangibles	(16,650)	-	16,650	-	-
Total	(358,801,927)	(26,173,068)	(3,359,613)	-	(388,334,608)
Total capital assets, being depreciated, net	778,815,924	(15,429,495)	2,137,572	51,414,757	816,938,758
Governmental activities capital assets, net	<u>\$ 945,527,003</u>	<u>\$ 8,820,730</u>	<u>\$ (2,471,900)</u>	<u>\$ -</u>	<u>\$ 951,875,833</u>
Business-type activities:					
Capital assets, being depreciated:					
Buildings	\$ 7,308,375	\$ -	\$ -	\$ -	\$ 7,308,375
Machinery and equipment	6,167	-	-	-	6,167
Total	7,314,542	-	-	-	7,314,542
Less accumulated depreciation for:					
Buildings	(4,750,441)	(146,167)	-	-	(4,896,608)
Machinery and equipment	(6,167)	-	-	-	(6,167)
Total	(4,756,608)	(146,167)	-	-	(4,902,775)
Business-type activities capital assets, net	<u>\$ 2,557,934</u>	<u>\$ (146,167)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,411,767</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
Instruction	\$ 22,231,079
Pupil services	2,752
Improvement of instructional services	68,647
General administration	143,375
School administration	136,358
Business administration	238,259
Maintenance and operations	604,465
Student transportation	2,200,074
Central support services	374,567
Other non-instructional services	<u>173,492</u>
Total depreciation expense - governmental activities	<u>\$ 26,173,068</u>

NOTE 7. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Claims payable	\$ 1,596,937	\$ 1,617,985	\$ (1,649,187)	\$ 1,565,735	\$ 782,867
Compensated absences	6,354,860	1,138,355	(1,035,102)	6,458,113	3,229,057
Net pension liability	199,088,854	631,022,936	(82,036,386)	748,075,404	-
Net OPEB liability	<u>309,711,297</u>	<u>46,639,495</u>	<u>(72,462,118)</u>	<u>283,888,674</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 516,751,948</u>	<u>\$ 680,418,771</u>	<u>\$ (157,182,793)</u>	<u>\$ 1,039,987,926</u>	<u>\$ 4,011,924</u>

The balance of claims payable is related to workers' compensation claims. For governmental activities, compensated absences, claims payable, net pension liability, and net OPEB liability are liquidated primarily by the General Fund. For business-type activities, compensated absences, net pension liability, and net OPEB liability are liquidated primarily by the School Food Service Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Nutrition Fund	\$ 12,405,416
General Fund	ESSER Fund	15,765,982
General Fund	Nonmajor Governmental Fund	11,419,412
		<u>\$ 39,590,810</u>

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor Governmental	General Fund	\$ 2,242,007

Transfers are used to: (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS

The School System participates in three defined benefit pension plans: the Teachers Retirement System of Georgia ("TRS") and the Public School Employees Retirement System ("PSERS"). The net pension liability, and related deferred outflows of resources, inflows of resources and deferred inflows of resources for the plans are summarized below.

Teachers Retirement System (TRS)

Plan Description

All teachers of the School System as defined in §47-3-60 of the Official Code of Georgia Annotated (OCGA) and certain other support personnel as defined by §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 OCGA assigns the authority to establish and amend the benefit provisions to the state legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits Provided

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

Contributions

Per Title 47 of the OCGA, contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to OCGA §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% of their annual covered payroll during fiscal year 2023. The School System's contractually required contribution rate for the year ended June 30, 2023, was 19.98% of the covered payroll. School System contributions to TRS were \$70,364,738 for the year ended June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Teachers Retirement System TRS (Continued)

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

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

School System's proportionate share of the net pension liability	\$ 748,075,404
State of Georgia's proportionate share of the net pension liability associated with the School System	476,039
Total	<u>\$ 748,551,443</u>

The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022. At June 30, 2022, the School System's proportion was 2.30376%, which was an increase of 0.052727% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School System recognized pension expense of \$112,420,599 and revenue of \$5,159 for support provided by the State of Georgia for certain support personnel. At June 30, 2023, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,052,796	\$ 3,893,907
Changes of assumptions	112,609,217	-
Net difference between projected and actual earnings on pension plan investments	146,975,534	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	16,461,344	6,335,038
School System contributions subsequent to the measurement date	70,364,738	-
Total	<u>\$ 377,463,629</u>	<u>\$ 10,228,945</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Teachers Retirement System TRS (Continued)

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

School System contributions, subsequent to the measurement date, of \$70,364,738 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2024	\$ 77,028,741
2025	64,154,913
2026	47,408,895
2027	108,277,397
	<u>\$ 296,869,946</u>

Actuarial Assumptions

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

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

Postretirement mortality rates for service retirement 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. Postretirement 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Teachers Retirement System TRS (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate), which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation, was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

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

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

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

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Teachers Retirement System TRS (Continued)

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

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

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability	\$ 1,128,598,040	\$ 748,075,404	\$ 437,328,336

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 OCGA. assigns the authority to establish and amend the benefit provisions to the state legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits Provided

A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service. Upon retirement, the member will receive a monthly benefit of \$15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System (PSERS) (Continued)

Funding Policy

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 OCGA §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.

Plan members 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 School System does not make an annual contribution to PSERS.

Pension Liabilities and Pension Expense

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

State of Georgia's proportionate share of the net pension liability associated with the School System	<u>\$ 7,651,855</u>
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The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022, was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School System was based on actuarially determined contributions paid by the state during the fiscal year ended June 30, 2022.

For the year ended June 30, 2023, the School System recognized pension expense of \$1,922,908 and revenue of \$1,922,908 for support provided by the State of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System (PSERS) (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00% net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semiannually

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 postretirement 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, with the exception of the assumed investment rate of return.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLANS (CONTINUED)

Public School Employees Retirement System (PSERS) (Continued)

Actuarial Assumptions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	0.20 %
U.S. large stocks	46.40	9.40
U.S. small stocks	1.20	13.40
International developed market stocks	12.30	9.40
International emerging market stocks	5.20	11.40
Alternatives	5.00	10.50
Total	100.10 %	

*Rates shown are net of inflation.

Discount Rate

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

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employee Postemployment Health Benefit Fund

Plan Description

The School System participates in the State of Georgia School Employees Postemployment Benefit Fund (the "School OPEB Fund") which is an other postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and noncertified employees of the Board as defined in §20-2-875 of the Official Code of Georgia Annotated (OCGA) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Georgia School Personnel Employee Postemployment Health Benefit Fund (Continued)

Plan Description (Continued)

administered by a Board of Community Health (DCH Board). Title 20 of the OCGA assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Comprehensive Annual Financial Report which is publicly available and can be obtained at <https://sao.georgia.gov/comprehensive-annual-financial-reports>.

Benefits

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

Contributions

As established by the Board of Community Health, 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 required and made to the School OPEB Fund from the School System were \$11,091,265 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2023, the School System reported a liability of \$283,888,674 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022, was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2022. At June 30, 2022, the School System's proportion was 2.866641%, which was an increase of 0.007106% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School System recognized OPEB expense of \$12,836,268. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,331,586	\$ 111,576,847
Changes of assumptions	43,236,826	57,416,879
Net difference between projected and actual earnings on OPEB plan investments	1,731,641	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	12,341,056	10,854,773
School System contributions subsequent to the measurement date	11,091,265	-
Total	<u>\$ 79,732,374</u>	<u>\$ 179,848,499</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

School System contributions subsequent to the measurement date of \$10,365,056 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	<u>School OPEB Plan</u>
2024	\$ (31,211,172)
2025	(26,234,999)
2026	(19,931,172)
2027	(21,681,273)
2028	(10,917,880)
2029	(1,230,894)
	<u>\$ (111,207,390)</u>

Actuarial Assumptions

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the period ended July 1, 2013 - June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial assumptions (Continued)

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

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

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

* Net of inflation

Discount rate

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current rate:

	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
School System's proportionate share of the net OPEB liability	\$ 321,112,176	\$ 283,888,674	\$ 252,340,119

Sensitivity of the proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the School System's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School System's proportionate share of the net OPEB liability	\$ 244,604,029	\$ 283,888,674	\$ 332,169,337

NOTE 11. RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Workers' Compensation

The School System is partially self-insured for Workers' Compensation claims of its employees. Claims exceeding \$250,000, but less than \$2,000,000 per occurrence are covered through a private insurance carrier. The School System is liable for any other claims filed. The School System has entered into a contract with a third party to administer the program. Activity is accounted for in the General Fund.

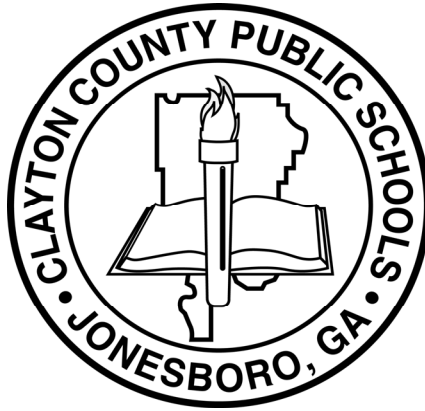
Changes in the balances of workers' compensation claims liabilities for the past two fiscal years for which the School System is self-insured are as follows:

	June 30, 2023	June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 1,596,937	\$ 1,461,926
Incurred claims (including IBNR)	1,617,985	1,969,966
Claim payments and changes in estimates	<u>(1,649,187)</u>	<u>(1,834,955)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,565,735</u>	<u>\$ 1,596,937</u>

NOTE 12. COMMITMENTS AND CONTINGENCIES

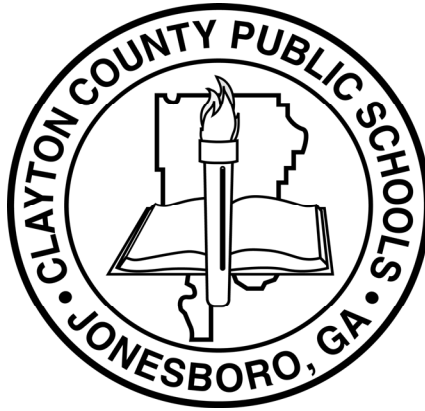
The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect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

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



Supplemental Information

**Clayton County
Public Schools**



Required Supplementary Information

**Clayton County
Public Schools**

**CLAYTON COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 190,473,351	\$ 197,347,894	\$ 198,849,339	\$ 1,501,445
Other taxes	2,306,000	2,306,000	2,832,701	526,701
State sources	349,381,296	366,604,669	368,027,250	1,422,581
Federal sources	690,000	527,904	17,470,667	16,942,763
Charges for services	-	-	431,741	431,741
Interest income	-	5,480,935	4,401,038	(1,079,897)
Miscellaneous	5,500,000	5,500,000	2,038,919	(3,461,081)
Total revenues	548,350,647	577,767,402	594,051,655	16,284,253
EXPENDITURES				
Current:				
Instruction	329,606,551	317,967,754	352,911,479	(34,943,725)
Pupil services	32,976,430	35,067,808	38,085,857	(3,018,049)
Improvement of instructional services	19,652,243	29,541,050	26,865,642	2,675,408
Educational media services	7,499,268	8,095,936	8,453,196	(357,260)
General administration	7,765,483	22,573,764	21,123,437	1,450,327
School administration	40,840,348	38,596,783	39,633,596	(1,036,813)
Business services	5,634,028	8,561,582	6,215,590	2,345,992
Maintenance and operations	55,618,381	50,393,267	43,730,908	6,662,359
Student transportation	25,576,120	33,246,958	34,005,389	(758,431)
Central support services	17,769,181	24,910,827	20,248,212	4,662,615
Other support services	4,056,800	7,358,967	8,710,965	(1,351,998)
Other non-instructional services	-	242,706	378,271	(135,565)
Capital outlay	-	-	1,764,469	(1,764,469)
Total expenditures	546,994,833	576,557,402	602,127,011	(25,569,609)
Excess (deficiency) of revenues over (under) expenditures	1,355,814	1,210,000	(8,075,356)	(9,285,356)
OTHER FINANCING USES				
Transfers out	(1,210,000)	(1,210,000)	(2,242,007)	(1,032,007)
Total other financing uses	(1,210,000)	(1,210,000)	(2,242,007)	(1,032,007)
Net change in fund balances	\$ 145,814	\$ -	\$ (10,317,363)	\$ (10,317,363)

**CLAYTON COUNTY BOARD OF EDUCATION
SCHOOL NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	\$ 1,019,342	\$ 1,019,342	\$ 849,068	\$ (170,274)
Federal sources	37,171,416	37,171,420	38,538,383	1,366,963
Charges for services	1,207,120	1,212,120	1,540,072	327,952
Total revenues	39,397,878	39,402,882	40,927,523	1,524,641
EXPENDITURES				
Current:				
Maintenance and operations	1,093,269	1,093,269	728,524	364,745
Other non-instructional services	59,719,779	79,809,750	41,990,282	37,819,468
Total expenditures	60,813,048	80,903,019	42,718,806	38,184,213
Net change in fund balances	\$ (21,415,170)	\$ (41,500,137)	\$ (1,791,283)	\$ 39,708,854

CLAYTON COUNTY BOARD OF EDUCATION
ESSER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Federal sources	\$ 161,528,374	\$ 161,528,374	\$ 56,312,094	\$ (105,216,280)
Total revenues	161,528,374	161,528,374	56,312,094	(105,216,280)
EXPENDITURES				
Current:				
Instruction	82,933,468	82,933,468	17,612,702	65,320,766
Pupil services	12,809,418	12,809,418	6,533,016	6,276,402
Improvement of instructional services	23,671,189	23,671,189	2,664,516	21,006,673
Educational media services	239,908	239,908	205,405	34,503
General administration	14,551,092	14,551,092	8,697,223	5,853,869
School administration	2,010,296	2,010,296	1,523,711	486,585
Business services	109,588	109,588	91,305	18,283
Maintenance and operations	21,230,558	21,230,558	15,541,185	5,689,373
Student transportation	1,463,173	1,463,173	1,367,450	95,723
Central support services	1,148,673	1,148,673	988,327	160,346
Other support services	17,018	17,018	-	17,018
Other non-instructional services	1,315,899	1,315,899	1,059,355	256,544
Capital outlay	28,094	28,094	27,899	195
Total expenditures	161,528,374	161,528,374	56,312,094	105,216,280
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

**CLAYTON COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	2.303760%	2.251033%	2.179089%	2.173679%	2.353662%
District's proportionate share of the net pension liability	\$ 748,075,404	\$ 199,088,854	\$ 527,860,645	\$ 467,399,761	\$ 436,890,083
State of Georgia's proportionate share of the net pension liability associated with the District	<u>476,039</u>	<u>200,855</u>	<u>610,927</u>	<u>415,432</u>	<u>500,250</u>
Total	<u>\$ 748,551,443</u>	<u>\$ 199,289,709</u>	<u>\$ 528,471,572</u>	<u>\$ 467,815,193</u>	<u>\$ 437,390,333</u>
District's covered payroll	\$ 311,389,934	\$ 293,257,365	\$ 283,996,736	\$ 261,673,799	\$ 275,752,588
District's proportionate share of the net pension liability as a percentage of its covered payroll	240.39%	67.96%	186.08%	178.78%	158.44%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	92.03%	77.01%	78.56%	80.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
District's proportion of the net pension liability	2.243868%	2.152851%	2.197081%	2.196357%	
District's proportionate share of the net pension liability	\$ 417,029,779	\$ 444,157,166	\$ 334,483,765	\$ 277,480,737	
State of Georgia's proportionate share of the net pension liability associated with the District	<u>638,963</u>	<u>920,560</u>	<u>683,558</u>	<u>572,053</u>	
Total	<u>\$ 417,668,742</u>	<u>\$ 445,077,726</u>	<u>\$ 335,167,323</u>	<u>\$ 278,052,790</u>	
District's covered payroll	\$ 257,711,710	\$ 254,456,566	\$ 235,884,198	\$ 224,071,946	
District's proportionate share of the net pension liability as a percentage of its covered payroll	161.82%	174.55%	141.80%	123.84%	
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%	

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

**CLAYTON COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30**

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 70,364,738	\$ 61,686,346	\$ 58,822,707	\$ 60,036,910	\$ 54,689,824
Contributions in relation to the contractually required contributions	70,364,738	61,686,346	58,822,707	60,036,910	54,689,824
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	352,175,866	311,389,934	\$ 293,257,365	\$ 283,996,736	\$ 261,673,799
Contributions as a percentage of covered payroll	19.98%	19.81%	20.06%	21.14%	20.90%
	2018	2017	2016	2015	
Contractually required contributions	\$ 46,354,010	\$ 36,775,461	\$ 36,310,952	\$ 31,018,772	
Contributions in relation to the contractually required contributions	46,354,010	36,775,461	36,310,952	31,018,772	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 275,752,588	\$ 257,711,710	\$ 254,456,566	\$ 235,884,198	
Contributions as a percentage of covered payroll	16.81%	14.27%	14.27%	13.15%	

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

**CLAYTON COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30**

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Georgia's proportionate share of the net pension liability associated with the District	7,651,855	843,071	6,055,946	5,731,166	5,845,819
Total	<u>\$ 7,651,855</u>	<u>\$ 843,071</u>	<u>\$ 6,055,946</u>	<u>\$ 5,731,166</u>	<u>\$ 5,845,819</u>
District's covered payroll	\$ 9,148,171	\$ 9,467,825	\$ 7,598,036	\$ 21,145,143	\$ 23,425,764
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	81.21%	98.00%	84.45%	85.02%	80.27%
	2018	2017	2016	2015	
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	
State of Georgia's proportionate share of the net pension liability associated with the District	5,379,011	7,227,689	4,487,155	3,516,516	
Total	<u>\$ 5,379,011</u>	<u>\$ 7,227,689</u>	<u>\$ 4,487,155</u>	<u>\$ 3,516,516</u>	
District's covered payroll	\$ 23,425,764	\$ 23,090,120	\$ 21,459,053	\$ 19,768,819	
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	
Plan fiduciary net position as a percentage of the total pension liability	79.33%	76.06%	81.44%	84.03%	

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

**CLAYTON COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30**

	2023	2022	2021	2020
District's proportion of the net OPEB liability	2.866641%	2.859535%	2.790408%	2.833037%
District's proportionate share of the net OPEB liability	<u>\$ 283,888,674</u>	<u>\$ 309,711,297</u>	<u>\$ 409,845,950</u>	<u>\$ 347,674,422</u>
District's employee payroll	\$ 297,396,705	\$ 266,232,476	\$ 277,666,732	\$ 333,958,749
District's proportionate share of the net OPEB liability as a percentage of its employee payroll	95.46%	116.33%	147.60%	104.11%
Plan fiduciary net position as a percentage of the total OPEB liability	6.17%	6.14%	3.99%	4.63%
District's proportion of the net OPEB liability			2019 2.963058%	2018 2.860218%
District's proportionate share of the net OPEB liability			<u>\$ 376,595,578</u>	<u>\$ 401,859,478</u>
District's employee payroll			\$ 333,958,749	\$ 328,386,384
District's proportionate share of the net OPEB liability as a percentage of its employee payroll			112.77%	122.37%
Plan fiduciary net position as a percentage of the total OPEB liability			2.93%	1.61%

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

**CLAYTON COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30**

	2023	2022	2021	2020
Contractually required contributions	\$ 11,091,265	\$ 10,365,056	\$ 10,636,991	\$ 9,436,509
Contributions in relation to the contractually required contributions	11,091,265	10,365,056	10,636,991	9,436,509
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 318,580,310	\$ 297,396,705	\$ 266,232,476	\$ 277,666,732
Contributions as a percentage of covered-employee payroll	3.481%	3.485%	3.995%	3.399%
		2019	2018	2017
Contractually required contributions		\$ 15,257,864	\$ 15,357,241	\$ 14,913,404
Contributions in relation to the contractually required contributions		15,257,864	15,357,241	14,913,404
Contribution deficiency (excess)		\$ -	\$ -	\$ -
District's covered payroll		\$ 333,958,749	\$ 333,958,749	\$ 328,386,384
Contributions as a percentage of covered-employee payroll		4.569%	4.599%	4.541%

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

CLAYTON COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Teachers Retirement System of Georgia:

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 7.25% to 6.90%, and the assumed annual rate of inflation was unchanged at 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers 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.

Public School Employees Retirement System of Georgia:

Changes in 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 the Society of Actuaries Projection Scale BB (set forward 3 years for males and 2 years for females).

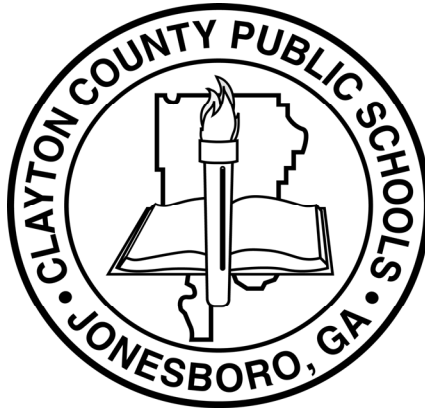
On March 15, 2018, the Clayton County Board of Education adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

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

School OPEB Fund:

Changes in assumptions: In the June 30, 2020 valuation, the 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. In the June 30, 2019 valuation, decremental assumptions were changed to reflect the Teacher Retirement System experience study. In the June 30, 2018 valuation, the inflation assumption was lowered from 2.75% to 2.50%. The June 30, 2017 actuarial valuation was revised, for participation assumption, tobacco use assumption, and morbidity factors. In the June 30, 2015 valuation the decremental and underlying inflation assumptions were changed to reflect Retirement Systems' experience studies. In the 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, back to 2.22% as of June 30, 2020 and to 3.57% as of June 30, 2021.



Combining Fund Schedules

**Clayton County
Public Schools**

CLAYTON COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The **Adult Education Fund** is used to account for federal grant funds passed through the Georgia Department of Technical and Adult Education for the purpose of providing a vocational curriculum program for adults.

The **After School Program Fund** is used to account for the after school program in place at all Clayton County elementary schools. Revenues consist of fees paid for the after school care of students.

The **Athletics Fund** is used to account for athletic events held on behalf of Clayton County's schools. Revenues consist primarily of ticket and concession sales.

The **Lottery Fund** is used to account for state grant funds flowing through the State of Georgia Department of Education for various programs as established by the state.

The **South Metro Fund** is used to account for the development center for children with physical and mental handicaps.

The **Title I Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System to provide remedial education in the areas of reading and math and to provide a special education program for children who are physically handicapped.

The **Title II Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of training teachers in math, science, foreign language, and computer science programs.

The **Title III Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of helping English learners attain English language proficiency.

The **Title IV Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing support and academic enrichment to students of the School System.

The **Title VI-B Preschool Fund** is used to account for federal funds authorized by the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children with disabilities ages three to five.

The **Title VI-B Fund** is used to account for federal funds in connection with the Individuals with Disabilities Education Act that are passed through the State of Georgia Department of Education to the School System for the purpose of providing special education programs for children in pre-kindergarten through 12th grade.

CLAYTON COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued)

The **Vocational Programs Fund** is used to account for federal grant funds passed through the State of Georgia Department of Education to the School System for the purpose of providing a vocational curriculum program.

The **CARES Act Fund** is used to account for federal funds provided to the School System to address COVID-19.

The **All Other Special Revenue Funds** is used to account for the activities of various other programs funded by local, state, and federal funds.

The **School Discretionary Fund** is used to account for the portion of the school activity resources used for general governmental expenditures.

**CLAYTON COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

Special Revenue Funds					
ASSETS	Adult Education	After School Program	Athletics	Lottery	South Metro
Cash	\$ -	\$ -	\$ 1,166,749	\$ 821,331	\$ 4,885
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	271,412	-	-	-	674,298
Total assets	<u>\$ 271,412</u>	<u>\$ -</u>	<u>\$ 1,166,749</u>	<u>\$ 821,331</u>	<u>\$ 679,183</u>
LIABILITIES					
Accounts payable	\$ 124,923	\$ -	\$ 50,026	\$ 12,438	\$ 59,856
Accrued payroll and payroll withholdings	4,913	-	-	808,893	310,605
Other current liabilities	-	-	70	-	-
Due to other funds	141,576	-	929,345	-	308,722
Total liabilities	<u>\$ 271,412</u>	<u>\$ -</u>	<u>\$ 979,441</u>	<u>\$ 821,331</u>	<u>\$ 679,183</u>
FUND BALANCES					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed for student programs	-	-	187,308	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>187,308</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 271,412</u>	<u>\$ -</u>	<u>\$ 1,166,749</u>	<u>\$ 821,331</u>	<u>\$ 679,183</u>

Special Revenue Funds					
Title I	Title II	Title III	Title IV	Title VI-B Preschool	Title VI-B
\$ 36,983	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,805,865	305,052	109,468	1,022,075	186,249	3,839,624
<u>\$ 5,842,848</u>	<u>\$ 305,052</u>	<u>\$ 109,468</u>	<u>\$ 1,022,075</u>	<u>\$ 186,249</u>	<u>\$ 3,839,624</u>
\$ 238,826	\$ 11,275	\$ 13,237	-	\$ 61,256	\$ 258,136
2,039,374	-	21,634	75,358	31,924	916,939
-	-	-	-	-	-
3,564,648	293,777	74,597	946,717	93,069	2,664,549
<u>\$ 5,842,848</u>	<u>\$ 305,052</u>	<u>\$ 109,468</u>	<u>\$ 1,022,075</u>	<u>\$ 186,249</u>	<u>\$ 3,839,624</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,842,848</u>	<u>\$ 305,052</u>	<u>\$ 109,468</u>	<u>\$ 1,022,075</u>	<u>\$ 186,249</u>	<u>\$ 3,839,624</u>

(Continued)

**CLAYTON COUNTY BOARD OF EDUCATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

ASSETS	Special Revenue Funds				Total Nonmajor Governmental Funds
	Vocational Programs	CARES Act	All Other Special Revenue	School Discretionary	
Cash	\$ -	\$ -	\$ 922,407	\$ 5,676,334	\$ 8,628,689
Receivables:					
Accounts	-	2,195	50,381	-	52,576
Intergovernmental	131,835	85,676	2,393,904	-	14,825,458
Total assets	\$ 131,835	\$ 87,871	\$ 3,366,692	\$ 5,676,334	\$ 23,506,723
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 141,656	\$ 71,035	\$ 1,042,664
Accrued payroll and payroll withholdings	-	-	478,547	-	4,688,187
Other current liabilities	-	-	-	-	70
Due to other funds	132,969	87,871	2,181,572	-	11,419,412
Total liabilities	\$ 132,969	\$ 87,871	\$ 2,801,775	\$ 71,035	\$ 17,150,333
FUND BALANCES					
Restricted	\$ -	\$ -	\$ 564,917	\$ -	\$ 564,917
Committed for student programs	-	-	-	5,605,299	5,792,607
Unassigned (deficit)	(1,134)	-	-	-	(1,134)
Total fund balances (deficits)	(1,134)	-	564,917	5,605,299	6,356,390
Total liabilities, deferred inflows, and fund balances	\$ 131,835	\$ 87,871	\$ 3,366,692	\$ 5,676,334	\$ 23,506,723

**CLAYTON COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

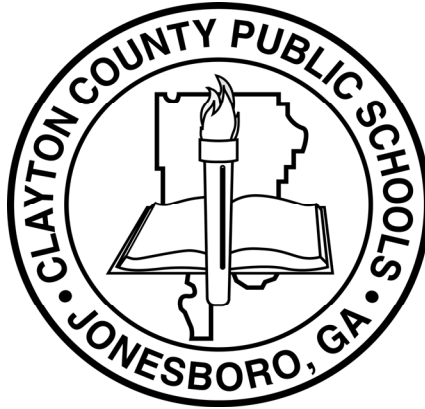
	Special Revenue Funds				
	Adult Education	After School Program	Athletics	Lottery	South Metro
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ 4,075,027	\$ 2,511,174
Federal sources	734,845	-	-	-	402,380
Charges for services	-	1,814,795	277,460	-	-
Miscellaneous	-	-	17,102	-	-
Total revenues	<u>734,845</u>	<u>1,814,795</u>	<u>294,562</u>	<u>4,075,027</u>	<u>2,913,554</u>
EXPENDITURES					
Current:					
Instruction	506,329	-	-	4,512,029	1,424,073
Pupil services	-	-	-	-	985,444
Improvement of instructional services	228,516	156,421	-	412,726	-
General administration	-	-	-	-	24,872
School administration	-	-	-	-	479,165
Maintenance and operations	-	-	-	-	-
Student transportation	-	-	-	-	-
Central support services	-	-	-	-	-
Other support services	-	-	-	-	-
Other non-instructional services	-	-	972,068	-	-
Community service	-	2,354,507	-	-	-
Total expenditures	<u>734,845</u>	<u>2,510,928</u>	<u>972,068</u>	<u>4,924,755</u>	<u>2,913,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(696,133)</u>	<u>(677,506)</u>	<u>(849,728)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers in	-	696,370	-	849,728	-
Total other financing sources	<u>-</u>	<u>696,370</u>	<u>-</u>	<u>849,728</u>	<u>-</u>
Net change in fund balances	-	237	(677,506)	-	-
FUND BALANCES, (DEFICITS) beginning of year	<u>-</u>	<u>(237)</u>	<u>864,814</u>	<u>-</u>	<u>-</u>
FUND BALANCES, (DEFICITS) end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,308</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
Title I	Title II	Title III	Title IV	Title VI-B Preschool	Title VI-B
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,722,554	2,375,672	824,340	2,225,416	585,663	13,018,846
-	-	-	-	-	-
-	-	-	-	-	-
27,722,554	2,375,672	824,340	2,225,416	585,663	13,018,846
12,743,747	-	457,123	1,392,811	423,742	8,537,259
3,291,691	-	-	627,720	138,562	3,744,007
8,555,684	2,299,500	367,217	168,650	4,750	600,609
639,127	76,172	-	36,235	18,609	136,971
-	-	-	-	-	-
-	-	-	-	-	-
350,585	-	-	-	-	-
2,141,720	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,722,554	2,375,672	824,340	2,225,416	585,663	13,018,846
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**CLAYTON COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Vocational Programs	CARES Act	All Other Special Revenue	School Discretionary	
REVENUES					
State sources	\$ -	\$ -	\$ 163,077	\$ -	\$ 6,749,278
Federal sources	714,928	16,666,663	5,340,542	-	70,611,849
Charges for services	-	-	-	8,600,415	10,692,670
Miscellaneous	-	-	-	-	17,102
Total revenues	714,928	16,666,663	5,503,619	8,600,415	88,070,899
EXPENDITURES					
Current:					
Instruction	714,928	11,755,704	1,195,271	8,034,014	51,697,030
Pupil services	-	128,948	558,996	-	9,475,368
Improvement of instructional services	-	289,951	2,540,981	-	15,625,005
General administration	-	3,738,539	26,353	-	4,696,878
School administration	-	-	-	-	479,165
Maintenance and operations	-	3,521	-	-	3,521
Student transportation	-	-	-	-	350,585
Central support services	-	750,000	-	-	2,891,720
Other support services	-	-	557,702	-	557,702
Other non-instructional services	-	-	508,299	-	1,480,367
Community service	-	-	-	-	2,354,507
Total expenditures	714,928	16,666,663	5,387,602	8,034,014	89,611,848
Excess (deficiency) of revenues over (under) expenditures	-	-	116,017	566,401	(1,540,949)
OTHER FINANCING SOURCES					
Transfers in	-	695,909	-	-	2,242,007
Total other financing sources	-	695,909	-	-	2,242,007
Net change in fund balances	-	695,909	116,017	566,401	701,058
FUND BALANCES, (DEFICITS)					
beginning of year	(1,134)	(695,909)	448,900	5,038,898	5,655,332
FUND BALANCES, (DEFICITS) end of year	\$ (1,134)	\$ -	\$ 564,917	\$ 5,605,299	\$ 6,356,390



Single Audit Section

**Clayton County
Public Schools**



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

**To the Superintendent and Members of the
Clayton County Board of Education
Jonesboro, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clayton County Board of Education as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clayton County Board of Education's basic financial statements and have issued our report thereon dated February 10, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as Items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, 2023.006 and 2023-007 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clayton County Board of Education'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Item 2023-008.

Clayton County Board of Education's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Clayton County Board of Education's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Clayton County Board of Education's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

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 Clayton County Board of Education'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 10, 2025



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

To the Superintendent and Members of the
Clayton County Board of Education
Jonesboro, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Clayton County Board of Education'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 Clayton County Board of Education'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 Clayton County Board of Education'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 10, 2025

CLAYTON COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	195GA324N1099	\$ 8,483,461
USDA Commodities	10.555	24GA32AN1099	2,581,947
National School Lunch Program	10.555	195GA324N1099	26,023,609
COVID-19 Emergency Operational Costs Reimbursement Grant	10.555	24GA32AN1099	1,449,365
Fresh Fruits and Vegetables	10.582	195GA324L1603	499,868
Total Child Nutrition Cluster			39,038,250
Total U.S. Department of Agriculture			39,038,250
U.S. DEPARTMENT OF EDUCATION			
Direct Award:			
Professional Development for Arts Educators	84.351C	N/A	520,210
Passed Through Technical College System of Georgia			
Adult Education	84.002	V002A210010	734,845
Passed Through Georgia Department of Education:			
Title I-A Programs - Improving Academic Achievement	84.010	S010A200010	26,242,428
Title I-A Programs - School Improvement Grant	84.010	S010A200010-20A	1,480,127
			27,722,555
Title IV-B, Special Education Cluster			
IDEA 611 Special Education - Flowthrough	84.027	H027A200073	13,018,846
IDEA High Cost Fund Pool	84.027	H027A180073	479,138
Special Education - Preschool Grants	84.173	H173A200081	106,525
GNETS Federal VIB Project	84.027	H027A220073	402,380
Total Title IV-B, Special Education Cluster			14,006,889
Title II-A - Improving Teacher Quality	84.367	S367A200001	1,897,753
Title II-A - Advanced Placement	84.367	S367A200001	9,700
Total Title II			1,907,453
Title III-A - Language Instruction for English Learners (EL)	84.365	S365A200010	824,340

(Continued)

CLAYTON COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (CONTINUED)			
Passed Through Georgia Department of Education (Continued):			
Title IV-A - Student Support and Academic Enrichment	84.424	S424A220011	\$ 2,225,416
Education for Homeless Children and Youth	84.196	S196A200011	85,295
Education Stabilization Fund			
COVID-19 - ESSER CARES ACT	84.425D	S425D200012	16,666,663
COVID-19 - ESSER III ARP - LEA	84.425U	S425U200012	56,312,094
COVID-19 - ESSER ARP - Homeless Children and Youth	84.425W	S425W200012	145,345
Total Education Stabilization Fund			73,124,102
Comprehensive Literacy Development - Striving Readers	84.371	S371C190016-19A	3,414,390
Charter Schools Program	84.282	2022	557,702
Vocational Education - Basic Grants to States	84.048	V048A220010	714,928
			714,928
Subtotal - Passed Through Georgia Department of Education			124,583,070
Total U.S. Department of Education			125,838,125
U.S. DEPARTMENT OF DEFENSE			
Direct Award:			
ROTC	12.unknown	N/A	527,904
Total Expenditures of Federal Awards			\$ 165,404,279

CLAYTON COUNTY BOARD OF EDUCATION

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

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clayton County Board of Education and is presented on the accrual basis of accounting.

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

NOTE 2. DE MINIMIS COST RATE

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

NOTE 3. SUBRECIPIENTS

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

CLAYTON COUNTY BOARD OF EDUCATION

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

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified, Except Qualified Opinion on
the School Nutrition Fund

Internal control over financial reporting:
Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☒ Yes ☐ No

Federal Awards

Internal Control over major programs:
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None Reported

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

Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the 2CFR
Section 200 516(a)

☐ Yes ☒ No

Identification of major program:

Assistance Listing Number

10.553, 10.555, 10.582

84.425D, 84.425U

84.371

Name of Federal Program or Cluster:

Child Nutrition Cluster

Elementary and Secondary School

Emergency Relief Fund

Striving Readers Program

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

\$3,000,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT

2023-001. Reconciliation of Fund Balance and Recording of Prior Year Audit Entries

Criteria: All adjusting audit entries from the prior year should be posted to the School System general ledger and equity reconciled to the balances reported in the prior year financial statements. Entries should not be posted directly to fund balance unless of a material amount that would be reported as a prior period adjustment.

Condition: Internal controls were not sufficient to detect misstatements in the School System's reconciliation of fund balance.

Context/Cause: The School System did not record prior year audit entries nor reconcile beginning equity balances to the prior year financial statements.

Effect: Adjustments were recorded as follows:

- In the General Fund, entries totaling \$4,107,648 were required to reverse entries posted by the School System directly to fund balance;
- In the School Nutrition Fund, entries totaling \$6,267,977 were required to properly state beginning fund balance;
- In the All Other Special Revenue Fund, an entry of \$505,617 was required to properly state beginning fund balance;
- In the Title VI-B Preschool Fund, an entry of \$187,532 was required to properly state beginning fund balance;
- In the Title VI-B Fund, an entry of \$1,177,661 was required to properly state beginning fund balance;
- In the Title II Fund, an entry of \$494,860 was required to properly state fund balance;

Recommendation: We recommend the School System strengthen internal controls to ensure that all prior year entries are posted after the audit is completed, as well as to reconcile beginning fund balance to the prior year financial statements.

Auditee's Response: We concur with the finding and will work to strengthen internal controls to ensure all audit entries are posted and equity reconciles to the prior year financial statements.

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-002. Reconciliation of Pooled Cash

Criteria: Good, sound internal controls require the reconciliation of the pooled cash bank account to the general ledger on at least a monthly basis.

Condition: Internal controls were not sufficient to detect misstatements in the School Systems cash accounts.

Context/Cause: Several issues were noted during our audit of the School System's cash accounts:

- The School System currently maintains a pooled cash fund whereby the account balances of five bank accounts are pooled together and allocated over the School System's General Fund, Capital Project Fund, and all special revenue funds, except the School Nutrition Fund. During our audit of pooled cash, we noted that the bank reconciliation prepared agreed to the pooled cash subsidiary ledger, but did not agree to the total of the bank accounts encompassing pooled cash on the trial balances of the individual School System funds.
- A trial balance is not maintained for the School Discretionary accounts. A summary report of beginning of the year cash balances, receipts, disbursements, and ending cash balances for each of the individual schools was provided to us. However, the beginning cash balances of a number of the school accounts did not agree to the prior year ending cash balances per the prior year audit, and current year ending cash balances of a number of school accounts did not agree to the bank reconciliations provided by the individual schools. We were subsequently provided a schedule that reconciled to the individual school bank accounts.

Effect: Adjustments were recorded as follows to correct the cash accounts:

- The General Fund required entries of \$3,667,290 to increase its pooled cash account;
- The All Other Special Revenue Funds required entries of \$515,279 to increase its pooled cash account;
- The Title I Fund required entries of \$772,001 to increase its pooled cash account;
- The Title VI-B Fund required entries of \$1,595,332 to decrease its pooled cash account;
- The Title II Fund required an entry of \$408,063 to decrease its pooled cash account;
- The Title III Fund required an entry of \$43,236 to decrease its pooled cash account;
- The Title IV Fund required an entry of \$78,633 to increase its pooled cash account;
- The School Nutrition Fund required an entry of \$5,441,472 to eliminate its pooled cash balance as the School Nutrition Fund does not participate in pooled cash;
- The South Metro Fund required an entry of \$15,671 to decrease its pooled cash account;

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-002. Reconciliation of Cash (Continued)

Recommendation: We recommend all cash accounts be reconciled on at least a monthly basis and all differences between general ledger and bank balances be investigated on a timely basis by the appropriate accounting personnel so that errors and adjustments can be quickly identified and corrected and to reduce the risk of misappropriation. The reconciliation of pooled cash should reconcile to the individual pooled cash account balances in each of the funds, and not just to the Pooled Cash Fund (Fund 999). Additionally, the School System should consider removing the Capital Project Fund bank account and the two (2) SPLOST related accounts from the pooling of cash. These accounts should be used strictly for capital project related expenditures and therefore not commingled with operating funds. Finally, a general ledger/trial balance should be maintained for the School Discretionary accounts and all bank accounts reconciled to the general ledger on a timely basis with any discrepancies investigated immediately.

Auditee's Response: We concur with the finding and all cash accounts will be reconciled on a monthly basis to the general ledgers. A trial balance will be created for the School Discretionary Fund.

2023-003. Revenue Recognition

Criteria: Generally accepted accounting principles require revenues be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The School System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for amounts related to reimbursement-based grants, which are considered available when all eligibility criteria has been met.

Condition: Internal controls were not in place to ensure that all revenues and receivables were properly recorded as of and for the fiscal year ended June 30, 2023.

Context/Cause: During our testing of revenues and the related balance sheet accounts, the following audit adjustments were required:

- An audit adjustment was required in the General Fund to correct the receivable, unavailable revenue, allowance, and revenue for property taxes. This adjustment increased taxes receivable by \$651,840, increased the allowance for uncollectible taxes by \$502,980; increased deferred tax revenue by \$4,010,659; and decreased property tax revenue by \$4,161,699.
- An audit adjustment of \$218,214 was required in the General Fund to accounts receivable for grant funding already received.

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-003. Revenue Recognition (Continued)

- An audit adjustment of \$433,221 was required in the Capital Projects Fund to record a receivable for June 2023 SPLOST tax revenues.
- An adjustment of \$505,617 was recorded in the All Other Special Revenue Fund to reduce unearned revenue and increase grant revenue for amounts earned during the current fiscal year.
- An adjustment of \$219,459 was recorded in the Title VI Preschool Fund to reduce unearned revenue and increase grant revenue for amounts earned during the current fiscal year.

Effect: Audit adjustments as detailed above were required to correctly report revenues and the related balance sheet accounts as of year end.

Recommendation: We recommend the City carefully review all revenue and related receivable accounts to ensure all necessary transactions are reported in the proper period and in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding and will review all revenue and related receivable accounts to ensure all necessary transactions are reported in the proper period and in accordance with generally accepted accounting principles.

2023-004. Recording of Payroll-Related Liabilities

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: At June 30, 2023, accrued payroll-related liabilities balances per the general ledger did not agree to the detail calculations provided by the School System.

Context/Cause: During our testing of payroll-related liabilities, we noted that the School System did not properly adjust the general ledger to accurately reflect these liabilities. This caused payroll-related liabilities and expenditures to be understated in the General Fund by \$4,772,205.

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-004. Recording of Payroll-Related Liabilities (Continued)

Effect: An audit adjustment of \$4,772,205 was required to correctly report payroll-related liabilities and expenditures at year end.

Recommendation: We recommend the School System strengthen procedures to ensure payroll-related liabilities are properly recorded at year end.

Auditee's Response: We concur with the finding and are strengthening procedures to ensure payroll-related liabilities are properly recorded at year end.

2023-005. Accounts Payable and Retainage Payable

Criteria: Internal controls should be in place to ensure that amounts recorded as accounts payable and retainage payable are recorded in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the School System's accounts payable and retainage payable balances and related expenses.

Context/Cause: During our testing, we noted that the School System did not properly record and adjust accounts payable and retainage payable balances as of June 30, 2023.

Effect: Audit adjustments were required to decrease retainage payable by \$5,736,082 and increase accounts payable by \$467,500 in order to properly state accounts payable and retainage as of year end in the Capital Projects Fund.

Recommendation: We recommend the School System strengthen procedures to ensure that all payables are accrued in the correct period.

Auditee's Response: We concur with the finding and are strengthening procedures to ensure all payables are accrued in the correct period.

CLAYTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-006. Depreciation Expense for Capital Assets - Performing Arts Center Fund

Criteria: Internal controls should be in place to ensure depreciation of capital assets is properly reported at year end.

Condition: At June 30, 2023, internal controls were not sufficient to detect misstatements in depreciation expense for capital assets of the Performing Arts Center Fund.

Context/Cause: During our testing of capital assets, we noted depreciation expense was not recorded in the Performing Arts Fund. An adjustment of \$146,167, was required to properly record depreciation expense for the fiscal year ended June 30, 2023.

Effect: An audit adjustment totaling \$146,167 was required to correctly report depreciation expense as of year end.

Recommendation: We recommend the School System strengthen procedures to ensure depreciation expense is properly recorded at year end.

Auditee's Response: We concur with the finding and are strengthening procedures to ensure depreciation expense is properly recorded at year end.

CLAYTON COUNTY BOARD OF EDUCATION

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

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-007. Interfund Balances

Criteria: Internal controls should be in place to ensure interfund activity is properly recorded and reconciles between funds.

Condition: At June 30, 2023, the interfund balances did not reconcile across the School System funds.

Context/Cause: The initial setup of the School System's financial software several years ago accounts for various interfund transactions in a different manner than the individuals using the software had anticipated. This, coupled with a number of general ledger accounts titled as interfund accounts, but not actually being interfund accounts, has caused issues with the interfund balances not reconciling across funds for several years until entries are made during the audit process.

Effect: Many of the audit adjustments made in Finding 2023-002 *Reconciliation of Pooled Cash* also involved the interfund balances.

Recommendation: We recommend the School System strengthen procedures to ensure interfund balances are properly recorded at year end and reconcile across funds.

Auditee's Response: We concur with the finding and are strengthening procedures to ensure interfund balances are properly recorded at year end and reconcile across funds.

2023-008. Budget Compliance

Criteria/Condition: State of Georgia law (OCGA 36-81-3) states: a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article; and b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations. Additionally, the School System's budget ordinance establishes a budget for expenditures which, by policy, should not be exceeded without an appropriate amendment.

Context/Cause: State law requires local governments to adopt annual appropriated budgets for the general fund, each special revenue fund, and each debt service fund. During our audit, we noted that the School System's amended budget reflected an excess of expenditures over revenues in an amount that exceeded the existing fund balance.

CLAYTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

B. FINDINGS: FINANCIAL STATEMENTS AUDIT (CONTINUED)

2023-008. Budget Compliance (Continued)

Effects: Budgeting for other than a balanced budget as defined above resulted in a compliance violation with State law.

Recommendation: We recommend the School System adopt annual balanced budgets as required by State law and to amend budgets as appropriate.

Auditee's Response: We concur with the finding and will adopt balanced budgets for all funds in the future.

CLAYTON COUNTY BOARD OF EDUCATION

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

C. FINDINGS AND QUESTIONED COSTS: MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

CLAYTON COUNTY BOARD OF EDUCATION

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

2022-001. Restatements of Equity

Condition: Internal controls were not sufficient to detect errors in the posting of various transactions in prior years between funds related to pooled cash, interfund account balances, accounts payable, and grant related accounts.

Status: Resolved in current year.

2022-002. Reconciliation of Fund Balance and Recording of Prior Year Audit Entries

Condition: Internal controls were not sufficient to detect misstatements in the School System's reconciliation of fund balance.

Status: Repeat finding, see 2023-001.

2022-003. Reconciliation of Cash

Condition: Internal controls were not sufficient to detect misstatements in the School Systems cash accounts.

Status: Repeat finding, see 2023-002.

2022-004. Revenue Recognition

Condition: Internal controls were not in place to ensure that all revenues and receivables were properly recorded as of and for the fiscal year ended June 30, 2022.

Status: Repeat finding, see 2023-003.

2022-005. Recording of Accrued Salaries and Benefits Payable

Condition: At June 30, 2022, accrued salaries and benefits payable balances per the general ledger did not agree to the detail calculations provided by the School System.

Status: Repeat finding, see 2023-004.

CLAYTON COUNTY BOARD OF EDUCATION

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

2022-006. Accounts Payable/Retainage Payable

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the School System's accounts payable balances and related expenses.

Status: Repeat finding, see 2023-005.

2022-007. Depreciation Expense for Capital Assets - Performing Arts Fund

Condition: At June 30, 2022, internal controls were not sufficient to detect misstatements in depreciation expense for capital assets.

Status: Repeat finding, see 2023-006.

2022-008. Interfund Balances

Condition: At June 30, 2022, the interfund balances did not reconcile across the School System funds.

Status: Repeat finding, see 2023-007.

2022-009. Supporting Documentation for Adjusting Journal Entries

Condition: During our testing of manual journal entries posted during the fiscal year ended June 30, 2022, we noted eight (8) of the twenty-five (25) journal entries selected for testing were not adequately supported by invoices or other documentation.

Status: Resolved in current year.

2022-010. Adoption of Budget - CARES Act Fund

Condition: The School System did not adopt a budget for the CARES Act Fund for the fiscal year ended June 30, 2022.

Status: Resolved in current year.



Clayton County Public Schools

Division of Business Services & Strategic Improvement

1058 Fifth Avenue • Jonesboro, Georgia 30236 • (770) 473-2700

DR. ANTHONY W. SMITH

Superintendent/CEO of Schools

RAMONA BIVINS

CFO/Chief of Business Services
& Strategic Improvement

MANAGEMENT CORRECTIVE ACTION PLAN

2023-001. Reconciliation of Fund Balance and Recording of Prior Year Audit Entries

Name of the contact person responsible for the Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure that all audit entries are recorded after the completion of each audit and beginning equity is reconciled to the prior year's financial statements.

Anticipated Completion Date: Fiscal Year 2024.

2023-002. Reconciliation of Pooled Cash

Name of the contact person responsible for the Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure that pooled cash is reconciled to the general ledger on a monthly basis.

Anticipated Completion Date: Fiscal Year 2024.

2023-003. Revenue Recognition

Name of the contact person responsible for the Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure all revenues and receivables are properly reported at year-end.

Anticipated Completion Date: Fiscal Year 2024.

2023-004. Recording of Payroll Related Liabilities

Name of the contact person responsible for the Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure payroll-related liabilities are properly recorded at year-end.

Anticipated Completion Date: Fiscal Year 2024.

2023-005. Accounts Payable and Retainage Payable

Name of contact person responsible for Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure accounts payable and retainage payable are properly recorded at year end.

Anticipated Completion Date: Fiscal Year 2024.

2023-006. Depreciation Expense For Capital Assets - Performing Arts Center Fund

Name of contact person responsible for Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure depreciation expense is properly recorded in the general ledger.

Anticipated Completion Date: Fiscal Year 2024.

2023-007. Interfund Balances

Name of contact person responsible for Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: Management will implement steps to ensure interfund balances reconcile between funds.

Anticipated Completion Date: Fiscal Year 2024.

2023-008. Budget Compliance

Name of contact person responsible for Corrective Action Plan: Ramona Bivins, CFO

Corrective Action Plan: The School System will adopt annual balanced budgets for all funds in future years.

Anticipated Completion Date: Fiscal Year 2024.