



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

Evans County Board of Education Claxton, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA
Georgia Department
of Audits & Accounts

Evans County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Martin Waters, Superintendent and Members of the
Evans County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,

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

Greg S. Griffin
State Auditor

April 30, 2025

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

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of resources of the School District exceed liabilities and deferred inflows of resources by \$22.8 million. Because GASB Statements No. 68, No. 71 and No. 75 required school districts to report the net pension and OPEB (Other Post-Employment Benefits) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, the School District reports a deficit unrestricted net position of \$25.8 million. Before reporting a net unfunded proportionate share of the TRS pension and OPEB liability required by GASB Statements No. 68, No. 71, and No. 75 of \$31.3 million, the School District reported an unrestricted net position of \$5.5 million on the government-wide financial statements.
- The School District had \$31.0 million in expenses relating to governmental activities; only \$22.2 million of these expenses were offset by program specific charges for services and grants and contributions. General revenues (primarily property and sales taxes) of \$9.0 million were adequate to provide for these programs.
- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year with a fund balance of \$4.7 million, a decrease of \$779.3 thousand from the prior year due to funding local capital outlay projects and the significant increase of unavailable revenue for federal funds reported.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of several parts including management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and the fund financial statements.

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

The fund financial statements focus on the individual parts of the School District, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fund financial statements reflect the School District's most significant funds. In the case of the Evans County Board of Education, the general fund, capital projects fund and debt service fund are the most significant funds.

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

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

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide detailed information about only the School District's major governmental funds; these major governmental funds are the general fund, the capital projects fund and the debt service fund.

Governmental Funds

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

**Table 1
Net Position**

	Governmental Activities		
	Fiscal Year 2024	Fiscal Year 2023	Net Change
Assets			
Cash and Cash Equivalents	\$ 4,863,837	\$ 6,752,204	\$ (1,888,367)
Investments	1,579,160	2,035,506	(456,346)
Accounts Receivable, Net			-
Taxes	571,826	714,619	(142,793)
State Government	1,861,950	1,636,982	224,968
Federal Government	2,313,680	2,615,255	(301,575)
Local	23,511	362,363	(338,852)
Inventories	56,014	70,323	(14,309)
Capital Assets, Non-Depreciable	2,202,432	4,137,336	(1,934,904)
Capital Assets, Depreciable (Net of Accumulated Depreciation)	55,713,638	49,962,313	5,751,325
Total Assets	<u>69,186,048</u>	<u>68,286,901</u>	<u>899,147</u>
Deferred Outflows of Resources			
Related to Defined Benefit Pension Plan	8,755,328	14,986,780	(6,231,452)
Related to OPEB Plan	3,698,457	3,475,662	222,795
Total Deferred Outflows of Resources	<u>12,453,785</u>	<u>18,462,442</u>	<u>(6,008,657)</u>
Liabilities			
Accounts Payable	151,174	111,140	40,034
Salaries and Benefits Payable	2,481,913	2,288,634	193,279
Interest Payable	32,784	34,489	(1,705)
Contracts Payable	206,990	329,518	(122,528)
Retainages Payable	21,720	327,503	(305,783)
Net Pension Liability	23,973,432	28,758,443	(4,785,011)
Net OPEB Liability	12,851,967	11,843,909	1,008,058
Long-Term Liabilities			
Due Within One Year	641,813	621,813	20,000
Due in More Than One Year	11,544,859	12,168,892	(624,033)
Total Liabilities	<u>51,906,652</u>	<u>56,484,341</u>	<u>(4,577,689)</u>
Deferred Inflows of Resources			
Related to Defined Benefit Pension Plan	1,246,230	259,575	986,655
Related to OPEB Plan	5,700,270	7,358,280	(1,658,010)
Total Deferred Inflows of Resources	<u>6,946,500</u>	<u>7,617,855</u>	<u>(671,355)</u>
Net Position			
Net Investment in Capital Assets	45,599,427	42,854,466	2,744,961
Restricted for			
Bus Replacement			
Continuation of Federal Programs	485,168	634,710	(149,542)
Debt Service	678,915	603,530	75,385
Capital Projects	1,820,974	2,487,378	(666,404)
Continuation of State Programs	6,018	6,741	(723)
Unrestricted (Deficit)	<u>(25,803,822)</u>	<u>(23,939,678)</u>	<u>(1,864,144)</u>
Total Net Position	<u>\$ 22,786,680</u>	<u>\$ 22,647,147</u>	<u>\$ 139,533</u>

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

Table 2 shows the Change in Net Position for the year.

Table 2
Change in Net Position

	Governmental Activities		
	Fiscal Year 2024	Fiscal Year 2023	Net Change
Revenues			
Program Revenues:			
Charges for Services	\$ 199,202	\$ 52,148	\$ 147,054
Operating Grants and Contributions	20,485,252	19,833,770	651,482
Capital Grants and Contributions	<u>1,503,189</u>	<u>211,648</u>	<u>1,291,541</u>
Total Program Revenues	<u>22,187,643</u>	<u>20,097,566</u>	<u>2,090,077</u>
General Revenues:			
Taxes			
Property Taxes			
For Maintenance and Operations	4,167,284	4,026,492	140,792
Railroad Cars	12,865	12,758	107
Sales Taxes			
Special Purpose Local Option Sales Tax			
For Debt Service	2,012,567	2,027,765	(15,198)
Other Sales Tax	28,827	32,651	(3,824)
Grants and Contributions not			
Restricted to Specific Programs	1,694,252	2,218,211	(523,959)
Investment Earnings	138,300	79,217	59,083
Miscellaneous	881,408	1,193,774	(312,366)
Special Item			
Gain on Sale of Capital Assets	<u>34,355</u>	<u>250,352</u>	<u>(215,997)</u>
Total General Revenues and Special item	<u>8,969,858</u>	<u>9,841,220</u>	<u>(871,362)</u>
Total Revenues	<u>31,157,501</u>	<u>29,938,786</u>	<u>1,218,715</u>
Program Expenses:			
Instruction	16,457,691	15,184,155	1,273,536
Support Services			
Pupil Services	2,301,633	2,347,737	(46,104)
Improvement of Instructional Services	1,710,206	1,661,012	49,194
Educational Media Services	395,508	390,702	4,806
General Administration	1,069,017	1,167,561	(98,544)
School Administration	2,241,102	1,982,361	258,741
Business Administration	252,779	331,954	(79,175)
Maintenance and Operation of Plant	2,422,141	2,529,938	(107,797)
Student Transportation Services	1,030,559	1,112,780	(82,221)
Central Support Services	230,461	265,791	(35,330)
Other Support Services	408,683	355,100	53,583
Operations of Non-Instructional Services			
Food Services	2,116,428	1,950,356	166,072
Interest on Long-Term Debt	<u>381,759</u>	<u>400,631</u>	<u>(18,872)</u>
Total Expenses	<u>31,017,967</u>	<u>29,680,078</u>	<u>1,337,889</u>
Increase in Net Position	<u>\$ 139,534</u>	<u>\$ 258,708</u>	<u>\$ (119,174)</u>

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

GOVERNMENTAL ACTIVITIES

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

**Table 3
Governmental Activities**

	Total Cost of Services Fiscal Year 2024	Net Cost of Services Fiscal Year 2024
Instruction	\$ 16,457,691	\$ 2,624,499
Support Service		
Pupil Services	2,301,633	1,375,228
Improvement of Instructional Services	1,710,206	857,397
Educational Media Services	395,508	82,840
General Administration	1,069,017	49,495
School Administration	2,241,102	1,130,754
Business Administration	252,778	244,101
Maintenance and Operation of Plant	2,422,141	1,186,127
Student Transportation Services	1,030,559	146,878
Central Support Services	230,462	218,695
Other Support Services	408,683	351,881
Operations of Non-Instructional Services:		
Food Services	2,116,428	180,671
Interest on Long-Term Debt	381,759	381,759
 Total Expenses	 \$ 31,017,967	 \$ 8,830,325

Program revenues cover 71.5% of expenditures during the current fiscal year.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of \$29.3 million and total expenditures of \$32.4 million. Expenditures exceeded revenues by \$3.2 million due to the construction of the new athletic facility at Claxton High School.

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

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

For the general fund, the final budgeted revenues and other financial sources totaled \$28.1 million. The actual revenue and other financial sources of \$27.2 million were less than the budgeted amount by \$908.5 thousand. The majority of the variance between final budget and actual revenue is due to receiving less in federal revenue than budgeted.

The final budgeted expenditures and other financial uses totaled \$28.1 million. The actual expenditures and other financing uses of \$27.9 million were \$129.2 thousand less than budgeted. The majority of the variance between final budget and actual expenditures is less in federal spending than budgeted.

CAPITAL ASSETS

At fiscal years ended June 30, 2024 and June 30, 2023, the School District had \$57.9 million and \$54.1 million invested in capital assets in governmental activities. Table 4 reflects a summary of these balances net of accumulated depreciation. The School District's capital assets, net of accumulated depreciation, totaling \$57.9 million are comprised of buildings and building improvements (90.2%), construction in progress (2.9%), land and land improvements (2.4%), and equipment (4.5%).

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		
	Fiscal Year	Fiscal Year	Net
	2024	2023	Change
Land	\$ 538,758	\$ 603,576	\$ (64,818)
Construction in Progress	1,663,674	3,533,760	(1,870,086)
Buildings and Improvements	52,266,605	47,657,444	4,609,161
Equipment	2,600,995	1,879,877	721,118
Land Improvements	846,038	424,992	421,046
	\$ 57,916,070	\$ 54,099,649	\$ 3,816,421

LONG-TERM LIABILITIES

At June 30, 2024, the School District had \$12.2 million in total long-term liabilities, which consisted of \$11.3 million in bond debt and \$772.9 thousand in unamortized bond premiums. The long-term liability for compensated absences at June 30, 2024 was \$98.7 thousand.

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

CURRENT ISSUES

The following statements should help to explain the current financial position of the Evans County School District. The School District has a healthy fund balance due to increased state and federal grants which have helped offset the burden to the taxpayers. The School District has worked hard to maximize state-funded resources through better reporting of FTE student data. In addition, the School District has relied heavily on SPLOST funding instead of local tax revenues to help fund textbooks, technology, equipment and school buses.

The Evans County School District has actively been working to be more efficient and strategic in our staffing and instructional processes. As a result, the School District has paid a local supplement for five consecutive years and now includes a local supplement in the budget process with efforts to grow this supplement over the next couple of years. The community approved another Education Special Purpose Local Sales Tax that began April 2019. This sales tax allowed the School District to construct a new high school on the same campus as the elementary and middle schools. This new high school has created a safer school environment and allowed the School District to combine administrative, instructional and support processes between the middle and high school. The School District will continue to look for ways to maximize resources and reduce costs in efficient and instructionally strategic ways to ensure the best opportunities for student and staff success.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Mr. Ryan Nease, Chief Financial Officer, at the Evans County Board of Education, 705 West Main Street, Claxton, GA 30417. You may also email your questions to Ryan Nease at rnease@evanscountyschools.org.

Evans County Board of Education

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

EXHIBIT "A"

		<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	4,863,837.35
Investments		1,579,160.05
Accounts Receivable, Net		
Taxes		571,826.17
State Government		1,861,949.79
Federal Government		2,313,679.97
Local		23,511.20
Inventories		56,013.61
Capital Assets, Non-Depreciable		2,202,431.66
Capital Assets, Depreciable (Net of Accumulated Depreciation)		55,713,637.79
Total Assets		<u>69,186,047.59</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plan		8,755,328.00
Related to OPEB Plan		3,698,457.00
Total Deferred Outflows of Resources		<u>12,453,785.00</u>
 <u>LIABILITIES</u>		
Accounts Payable		151,174.10
Salaries and Benefits Payable		2,481,912.79
Interest Payable		32,784.64
Contracts Payable		206,990.35
Retainages Payable		21,719.63
Net Pension Liability		23,973,432.00
Net OPEB Liability		12,851,967.00
Long-Term Liabilities		
Due Within One Year		641,812.73
Due in More Than One Year		11,544,858.88
Total Liabilities		<u>51,906,652.12</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plan		1,246,230.00
Related to OPEB Plan		5,700,270.00
Total Deferred Inflows of Resources		<u>6,946,500.00</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets		45,599,427.12
Restricted for		
Continuation of Federal Programs		485,168.12
Debt Service		678,915.09
Capital Projects		1,820,973.74
Continuation of State Programs		6,018.69
Unrestricted (Deficit)		<u>(25,803,822.29)</u>
Total Net Position	\$	<u>22,786,680.47</u>

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

EXHIBIT "B"

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 16,457,691.45	\$ 149,191.93	\$ 12,936,013.39	\$ 747,986.89	\$ (2,624,499.24)
Support Services					
Pupil Services	2,301,633.42	-	926,404.97	-	(1,375,228.45)
Improvement of Instructional Services	1,710,206.20	-	852,809.47	-	(857,396.73)
Educational Media Services	395,507.91	-	278,145.52	34,522.47	(82,839.92)
General Administration	1,069,016.60	-	1,008,013.71	11,507.49	(49,495.40)
School Administration	2,241,101.56	-	1,075,825.63	34,522.47	(1,130,753.46)
Business Administration	252,778.52	-	8,677.90	-	(244,100.62)
Maintenance and Operation of Plant	2,422,140.62	-	1,143,953.80	92,059.93	(1,186,126.89)
Student Transportation Services	1,030,559.48	-	416,167.05	467,514.91	(146,877.52)
Central Support Services	230,461.50	-	11,766.39	-	(218,695.11)
Other Support Services	408,682.92	-	56,801.54	-	(351,881.38)
Operations of Non-Instructional Services					
Food Services	2,116,428.15	50,009.73	1,770,672.78	115,074.91	(180,670.73)
Interest on Long-Term Debt	381,759.07	-	-	-	(381,759.07)
Total Governmental Activities	\$ 31,017,967.40	\$ 199,201.66	\$ 20,485,252.15	\$ 1,503,189.07	(8,830,324.52)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					
					4,167,284.21
Railroad Cars					
					12,865.22
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Debt Services					
					2,012,566.81
Other Sales Tax					
					28,827.07
Grants and Contributions not Restricted to Specific Programs					
					1,694,252.00
Investment Earnings					
					138,300.08
Miscellaneous					
					881,408.37
Special Item					
Gain on Sale of Capital Assets					
					34,354.71
Total General Revenues and Special Item					
					8,969,858.47
Change in Net Position					
					139,533.95
Net Position - Beginning of Year					
					22,647,146.52
Net Position - End of Year					
					\$ 22,786,680.47

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 3,675,150.77	\$ 1,188,686.58	\$ -	\$ 4,863,837.35
Investments	-	1,032,522.77	546,637.28	1,579,160.05
Accounts Receivable, Net				
Taxes	406,763.72	-	165,062.45	571,826.17
State Government	1,861,949.79	-	-	1,861,949.79
Federal Government	2,313,679.97	-	-	2,313,679.97
Local	23,511.20	-	-	23,511.20
Inventories	56,013.61	-	-	56,013.61
Total Assets	\$ 8,337,069.06	\$ 2,221,209.35	\$ 711,699.73	\$ 11,269,978.14
<u>LIABILITIES</u>				
Accounts Payable	\$ 151,174.10	\$ -	\$ -	\$ 151,174.10
Salaries and Benefits Payable	2,481,912.79	-	-	2,481,912.79
Contracts Payable	-	206,990.35	-	206,990.35
Retainages Payable	-	21,719.63	-	21,719.63
Total Liabilities	2,633,086.89	228,709.98	-	2,861,796.87
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	280,297.68	-	-	280,297.68
Unavailable Revenue - Federal Funds	719,869.94	-	-	719,869.94
Total Deferred Inflows of Resources	1,000,167.62	-	-	1,000,167.62
<u>FUND BALANCES</u>				
Nonspendable	56,013.61	-	-	56,013.61
Restricted	435,173.20	1,592,263.76	711,699.73	2,739,136.69
Assigned	288,970.38	400,235.61	-	689,205.99
Unassigned	3,923,657.36	-	-	3,923,657.36
Total Fund Balances	4,703,814.55	1,992,499.37	711,699.73	7,408,013.65
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,337,069.06	\$ 2,221,209.35	\$ 711,699.73	\$ 11,269,978.14

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	7,408,013.65
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 538,757.81	
Construction in progress	1,663,673.85	
Buildings and improvements	61,253,457.51	
Equipment	5,587,188.32	
Land improvements	2,496,217.10	
Accumulated depreciation	<u>(13,623,225.14)</u>	57,916,069.45
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (23,973,432.00)	
Net OPEB liability	<u>(12,851,967.00)</u>	(36,825,399.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$ 7,509,098.00	
Related to OPEB	<u>(2,001,813.00)</u>	5,507,285.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		280,297.68
Federal funds that are not available to pay current period expenditures are deferred in the funds.		
		719,869.94
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (11,315,000.00)	
Accrued interest payable	(32,784.64)	
Compensated absences payable	(98,739.26)	
Unamortized bond premiums	<u>(772,932.35)</u>	<u>(12,219,456.25)</u>
Net position of governmental activities (Exhibit "A")	\$	<u>22,786,680.47</u>

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 4,181,670.66	\$ -	\$ -	\$ 4,181,670.66
Sales Taxes	28,827.07	-	2,012,566.81	2,041,393.88
State Funds	16,005,877.47	-	-	16,005,877.47
Federal Funds	5,813,676.23	-	-	5,813,676.23
Charges for Services	199,201.66	-	-	199,201.66
Investment Earnings	31,652.43	67,282.85	39,364.80	138,300.08
Miscellaneous	806,408.37	75,000.00	-	881,408.37
Total Revenues	<u>27,067,313.89</u>	<u>142,282.85</u>	<u>2,051,931.61</u>	<u>29,261,528.35</u>
<u>EXPENDITURES</u>				
Current				
Instruction	14,407,605.98	441,964.58	-	14,849,570.56
Support Services				
Pupil Services	2,124,369.64	-	-	2,124,369.64
Improvement of Instructional Services	1,587,734.45	-	-	1,587,734.45
Educational Media Services	333,427.30	-	-	333,427.30
General Administration	866,101.96	115,735.26	-	981,837.22
School Administration	2,005,639.11	-	-	2,005,639.11
Business Administration	232,043.68	-	-	232,043.68
Maintenance and Operation of Plant	2,289,367.07	956,256.10	-	3,245,623.17
Student Transportation Services	1,308,100.05	178,720.00	-	1,486,820.05
Central Support Services	263,387.25	-	-	263,387.25
Other Support Services	399,692.18	-	-	399,692.18
Food Services Operation	1,978,307.65	47,384.91	-	2,025,692.56
Capital Outlay	-	1,901,024.83	-	1,901,024.83
Debt Services				
Principal	-	-	570,000.00	570,000.00
Interest	-	-	435,276.26	435,276.26
Total Expenditures	<u>27,795,776.32</u>	<u>3,641,085.68</u>	<u>1,005,276.26</u>	<u>32,442,138.26</u>
Revenues over (under) Expenditures	<u>(728,462.43)</u>	<u>(3,498,802.83)</u>	<u>1,046,655.35</u>	<u>(3,180,609.91)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Capital Assets	99,172.50	-	-	99,172.50
Transfers In	-	1,122,974.52	-	1,122,974.52
Transfers Out	(150,000.00)	-	(972,974.52)	(1,122,974.52)
Total Other Financing Sources (Uses)	<u>(50,827.50)</u>	<u>1,122,974.52</u>	<u>(972,974.52)</u>	<u>99,172.50</u>
Net Change in Fund Balances	(779,289.93)	(2,375,828.31)	73,680.83	(3,081,437.41)
Fund Balances - Beginning	<u>5,483,104.48</u>	<u>4,368,327.68</u>	<u>638,018.90</u>	<u>10,489,451.06</u>
Fund Balances - Ending	<u>\$ 4,703,814.55</u>	<u>\$ 1,992,499.37</u>	<u>\$ 711,699.73</u>	<u>\$ 7,408,013.65</u>

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	(3,081,437.41)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	\$ 3,839,993.64	
Depreciation expense	<u>(1,109,504.03)</u>	2,730,489.61
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase net position.		1,085,931.28
Non-monetary consideration reported in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		(341,207.00)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(1,521.23)
Federal funds reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		701,890.14
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.</p>		
Bond principal retirements	\$ 570,000.00	
Amortization of bond premium	<u>51,812.73</u>	621,812.73
<p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension expense	\$ (2,433,096.42)	
OPEB expense	<u>872,747.00</u>	(1,560,349.42)
<p>Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Net decrease in accrued interest	\$ 1,704.46	
Net increase in compensated absences	<u>(17,779.21)</u>	<u>(16,074.75)</u>
Change in net position of governmental activities (Exhibit "B")	\$	<u><u>139,533.95</u></u>

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

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

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

EXHIBIT "G"

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

Basis of Accounting

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all

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

EXHIBIT "G"

intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

New Accounting Pronouncements

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

Cash and Cash Equivalents

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

Investments

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

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

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

Receivables

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

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

EXHIBIT "G"

Inventories

Food Inventories

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	\$ 5,000.00	20 to 80 years
Buildings	\$ 10,000.00	10 to 80 years
Buildings, Additions, and Improvements	\$ 10,000.00	up to 80 years
Equipment	\$ 5,000.00	3 to 20 years
Computer Applications	\$ 5,000.00	6 years
Intangible Assets	\$ 100,000.00	Individually Determined

Deferred Outflows/Inflows of Resources

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

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

EXHIBIT "G"

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

Compensated Absences

Compensated absences payable consists of vacation leave employees earned based on services already rendered and unused sick leave in excess of 45 days for employees who are under the Public School Employee Retirement System (PSERS).

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel working 230 days and are employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 15 days. Upon terminating employment, the School District pays a maximum of 15 days out at his or her current daily rate. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement; however, bus drivers, cafeteria staff, and maintenance staff who are under Public School Employee Retirement System (PSERS) may not. Beginning with the fiscal year 2013 school year, after accumulation of 45 days of unused sick leave, at the end of each year that employee will receive \$10 per day of any leave earned that year but not taken. Upon his or her departure from the Evans County School District, he or she will receive his or her daily rate of pay for leave days not used up to 45 days.

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Evans County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on October 4, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on January 20, 2024 (lien date). Taxes collected within the current fiscal year or within 60

EVANS COUNTY BOARD OF EDUCATION
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days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Evans County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$3,426,216.55.

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

School Operations	<u>14.00</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$742,588.89 during fiscal year ended June 30, 2024.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$2,012,566.81 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

The Board must approve, for management purposes, any changes between the appropriations by aggregate level. Any position or expenditure not previously approved in the annual budget that exceeds \$10,000.00 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND INVESTMENTS

Collateralization of Deposits

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

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024, the School District had deposits with a carrying amount of \$4,863,837.35, and a bank balance of \$6,057,735.24. The bank balances insured by Federal depository insurance were \$564,163.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$5,493,572.24.

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Categorization of Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u> <u>Less Than 1 Year</u>
Debt Securities		
Fidelity Investments Money Market Treasury Fund	\$ <u>1,579,160.05</u>	\$ <u>1,579,160.05</u>

Fair Value of Investments

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

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

At June 30, 2024 the School District has the following investments by fair value level:

Money Market Treasury Funds of \$1,579,160.05 are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk

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

Credit Quality Risk

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

The investments subject to credit quality risk are the money market funds. These investments had a quality credit rating of AAA.

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NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2023	Increases	Decreases	Balances June 30, 2024
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 603,575.60	\$ -	\$ 64,817.79	\$ 538,757.81
Construction in Progress	3,533,760.02	3,347,502.38	5,217,588.55	1,663,673.85
 Total Capital Assets				
Not Being Depreciated	4,137,335.62	3,347,502.38	5,282,406.34	2,202,431.66
 Capital Assets,				
Being Depreciated				
Buildings and Improvements	55,881,103.96	5,372,353.55	-	61,253,457.51
Equipment	4,576,311.76	1,022,876.56	12,000.00	5,587,188.32
Land Improvements	2,030,618.33	465,598.77	-	2,496,217.10
 Less Accumulated				
Depreciation:				
Buildings and Improvements	8,223,659.49	763,193.49	-	8,986,852.98
Equipment	2,696,435.17	301,757.44	12,000.00	2,986,192.61
Land Improvements	1,605,626.45	44,553.10	-	1,650,179.55
 Total Capital Assets,				
Being Depreciated, Net	49,962,312.94	5,751,324.85	-	55,713,637.79
 Governmental Activities				
Capital Assets - Net	\$ 54,099,648.56	\$ 9,098,827.23	\$ 5,282,406.34	\$ 57,916,069.45

Current year depreciation expense by function is as follows:

Instruction		\$ 726,334.48
Support Services		
Educational Media Services	\$ 32,416.85	
General Administration	9,849.56	
School Administration	29,216.19	
Maintenance and Operation of Plant	86,134.18	
Student Transportation Services	110,245.04	267,861.82
Food Services		115,307.73
		\$ 1,109,504.03

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NOTE 6: INTERFUND TRANSFERS

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

	Transfers From		
	Debt Service		
Transfers to	General Fund	Fund	Total
Capital Projects Fund	\$ 150,000.00	\$ 972,974.52	\$ 1,122,974.52

Transfers are used to move property tax revenues collected by the general fund and ESPLOST revenues collected by the debt service fund to the capital projects fund to support capital construction projects.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities					
	Balance				Balance	Due Within
	July 1, 2023	Additions	Deductions	June 30, 2024	One Year	
General Obligation (G.O.) Bonds	\$ 11,885,000.00	\$ -	\$ 570,000.00	\$ 11,315,000.00	\$ 590,000.00	
Unamortized Bond Premiums	824,745.08	-	51,812.73	772,932.35	51,812.73	
Compensated Absences(1)	80,960.05	73,154.00	55,374.79	98,739.26	-	
	\$ 12,790,705.13	\$ 73,154.00	\$ 677,187.52	\$ 12,186,671.61	\$ 641,812.73	

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

General Obligation Bonds

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

The School District's outstanding bonds from direct placements related to governmental activities of \$11,315,000.00 contain a provision that in an event of default, the State of Georgia Board of Education is authorized to withhold any state appropriation to which the School District may be entitled and apply it to the payment of the principal of, premium, if any, and interest on the bonds then due.

During fiscal year 2019, the School District issued general obligation bonds totaling \$11,720,000.00 to construct a new high school.

During fiscal year 2023, the School District issued general obligation bonds totaling \$1,965,000.00 to construct a new athletic field.

Of the total amount originally authorized, \$315,000.00 remains unissued.

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General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2019	3.00 - 5.00%	5/22/2019	6/1/2039	\$ 11,720,000.00	\$ 9,570,000.00
General Government - Series 2022	2.90%	7/12/2022	6/1/2039	1,965,000.00	1,745,000.00
				<u>\$ 13,685,000.00</u>	<u>\$ 11,315,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2025	\$ 590,000.00	\$ 413,686.26	\$ 51,812.73
2026	610,000.00	396,096.26	51,812.73
2027	625,000.00	377,916.26	51,812.73
2028	645,000.00	354,181.26	51,812.73
2029	670,000.00	324,346.26	51,812.73
2030 - 2034	3,720,000.00	1,191,296.30	259,063.64
2035 - 2039	<u>4,455,000.00</u>	<u>442,732.54</u>	<u>254,805.06</u>
Total Principal and Interest	<u>\$ 11,315,000.00</u>	<u>\$ 3,500,255.14</u>	<u>\$ 772,932.35</u>

Compensated Absences

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

NOTE 8: RISK MANAGEMENT

Insurance

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

Georgia School Boards Association Risk Management Fund

The School District participates in the Georgia School Boards Association Risk Management Fund (the Fund), a public entity risk pool organized on August 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against members of the Fund. The School District pays an annual contribution to the Fund for coverage. Reinsurance is provided to the Fund through agreements by the Fund with insurance companies

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according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

Workers' Compensation

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the Trust), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of \$1.0 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of \$2.0 million. The Trust covers the first \$1.0 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a \$2.0 million per occurrence maximum. Safety National Casualty Company also provides \$2.0 million in self-funded coverage to the Trust, as approved by the Department of Insurance, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

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

		Beginning of Year Liability		Claims and Changes in Estimates		Claims Paid		End of Year Liability
2023	\$	-	\$	-	\$	-	\$	-
2024	\$	-	\$	7,764.20	\$	7,764.20	\$	-

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not experienced any unemployment claims in the last two fiscal years.

Surety Bond

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

<u>Position Covered</u>		<u>Amount</u>
Superintendent	\$	100,000.00

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NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories	\$	56,013.61
Restricted		
Continuation of Federal Programs	\$	429,154.51
Continuation of State Programs		6,018.69
Capital Projects		1,592,263.76
Debt Service		711,699.73
		2,739,136.69
Assigned		
Daycare Program	\$	54,985.44
Athletic Scholarships		19,065.63
Evans County Charter Academy		12,375.00
School Activity Accounts		201,836.76
Local Capital Outlay Projects		400,235.61
Local Grants		707.55
		689,205.99
Unassigned		3,923,657.36
Fund Balance, June 30, 2024	\$	7,408,013.65

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

NOTE 10: BROADBAND SPECTRUM AGREEMENT

Effective September 28, 2007, the School District entered into a 30-year use agreement with Clearwire Spectrum Holdings II LLC for the use of excess spectrum capacity on Education Broadband Service licenses currently held by School District. These licenses were granted to the School District by the Federal Communications Commission. The use agreement requires monthly use payments over the term of the agreement, of which \$142,836.00 was recognized during fiscal year 2024 as a general revenue on the Statement of Activities.

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NOTE 11: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

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

Project	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)
Claxton Elementary School Renovation	\$ 220,833.70	\$ 217,196.30
Strickland Arts & Cultural Center Auditorium	407,490.87	262,084.13
	\$ 628,324.57	\$ 479,280.43

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

NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement

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Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$464,629.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2024, the School District reported a liability of \$12,851,967.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.117333%, which was an decrease of 0.002264% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$408,118.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 374,614.00	\$ 3,691,236.00
Changes of assumptions	2,334,950.00	1,605,016.00
Net difference between projected and actual earnings on OPEB plan investments	7,711.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	516,553.00	404,018.00
School District contributions subsequent to the measurement date	464,629.00	-
Total	\$ 3,698,457.00	\$ 5,700,270.00

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

Year Ended June 30:	OPEB
2025	\$ (889,488.00)
2026	\$ (585,943.00)
2027	\$ (736,640.00)
2028	\$ (322,499.00)
2029	\$ 54,496.00
Thereafter	\$ 13,632.00

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

OPEB:

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

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

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

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- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation 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, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	1.50%
Equities	70.00%	9.40%
Total	<u>100.00%</u>	

* Net of inflation

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Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

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

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the Net OPEB liability	\$ 14,568,298.00	\$ 12,851,967.00	\$ 11,406,454.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 11,070,266.00	\$ 12,851,967.00	\$ 15,048,421.00

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

NOTE 14: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

Plan Description: All teachers of the School District as defined in O.C.G.A. §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the

EVANS COUNTY BOARD OF EDUCATION
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EXHIBIT "G"

authority to establish and amend the benefit provisions to the State Legislature. The Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.65% of payroll was required from the School District and 0.33% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$2,480,631.00 and \$27,323.69 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of \$16.00, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

EVANS COUNTY BOARD OF EDUCATION
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EXHIBIT "G"

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$41,674.00.

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

At June 30, 2024, the School District reported a liability of \$23,973,432.00 for its proportionate share of the net pension liability for TRS.

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

School District's proportionate share of the net pension liability	\$	23,973,432.00
State of Georgia's proportionate share of the net pension liability associated with the School District		198,403.00
Total	\$	24,171,835.00

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

At June 30, 2023, the School District's TRS proportion was 0.081199%, which was a decrease of 0.007365% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$193,097.00.

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

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

EXHIBIT "G"

For the year ended June 30, 2024, the School District recognized pension expense of \$4,958,374.44 for TRS and \$34,851.00 for PSERS and revenue of \$44,647.00 for TRS and \$34,851.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,217,339.00	\$ 99,122.00
Changes of assumptions	2,466,351.00	-
Net difference between projected and actual earnings on pension plan investments	1,686,116.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	904,891.00	1,147,108.00
School District contributions subsequent to the measurement date	2,480,631.00	-
Total	\$ 8,755,328.00	\$ 1,246,230.00

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

Year Ended June 30:	TRS
2025	\$ 1,686,275.00
2026	\$ 1,007,498.00
2027	\$ 3,088,277.00
2028	\$ (753,583.00)

EVANS COUNTY BOARD OF EDUCATION
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EXHIBIT "G"

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

Teachers Retirement System:

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

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

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

Public School Employees Retirement System:

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

**EVANS COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "G"

Mortality rates are as follows:

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

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

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

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

<u>Asset Class</u>	<u>TRS/PSERS Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.90%
Domestic large stocks	46.30%	9.40%
Domestic small stocks	1.20%	13.40%
International developed market stocks	12.30%	9.40%
International emerging market stocks	5.20%	11.40%
Alternative	5.00%	10.50%
Total	<u>100.00%</u>	

* Rates shown are net of inflation

Discount Rate: The discount rate used to measure the total TRS pension liability was 6.90%. The discount rate used to measure the total PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and PSERS pension plans' fiduciary net position 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.

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

EXHIBIT "G"

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 37,904,785.00	\$ 23,973,432.00	\$ 12,596,607.00

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

NOTE 15: SPECIAL ITEM

During fiscal year 2024, the School District sold several parcels of land. The land, which had an original value of \$64,817.79, was sold for \$99,172.50. The difference between the carrying value of the capital assets and the proceeds received from the sale resulted in a net gain on the sale of the assets of \$34,354.17, which is reported as a special item on Exhibit B of this report.

NOTE 16: RELATED PARTY TRANSACTIONS

The School District entered into an agreement with the Arts and Cultural Authority of Claxton and Evans County (the Authority) for the renovation of a former school building. The Board Chair and the Superintendent of the School District also serve on the governing board of the Authority, with the Superintendent serving in an ex-officio capacity. For the fiscal year ended June 30, 2024, the Authority and the School District contributed \$1,150,749.06 and \$217,169.30, respectively, towards the project costs.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.081199%	\$ 23,973,432.00	\$ 198,403.00	\$ 24,171,835.00	\$ 12,245,692.49	195.77%	76.29%
2023	0.088564%	\$ 28,758,443.00	\$ 255,554.00	\$ 29,013,997.00	\$ 12,070,782.78	238.25%	72.85%
2022	0.082310%	\$ 7,279,770.00	\$ 125,590.00	\$ 7,405,360.00	\$ 10,952,925.15	66.46%	92.03%
2021	0.079909%	\$ 19,357,087.00	\$ 260,892.00	\$ 19,617,979.00	\$ 10,446,075.25	185.30%	77.01%
2020	0.076485%	\$ 16,446,343.00	\$ 61,498.00	\$ 16,507,841.00	\$ 9,369,270.35	175.53%	78.56%
2019	0.079516%	\$ 14,759,873.00	\$ 109,702.00	\$ 14,869,575.00	\$ 9,541,269.62	154.70%	80.27%
2018	0.080437%	\$ 14,949,464.00	\$ 152,214.00	\$ 15,101,678.00	\$ 9,330,066.89	160.23%	79.33%
2017	0.084664%	\$ 17,467,127.00	\$ 198,678.00	\$ 17,665,805.00	\$ 9,408,467.92	185.65%	76.06%
2016	0.086674%	\$ 13,195,256.00	\$ 149,043.00	\$ 13,344,299.00	\$ 9,259,593.00	142.50%	81.44%
2015	0.085461%	\$ 10,796,870.00	\$ 126,842.00	\$ 10,923,712.00	\$ 8,822,918.00	122.37%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 2,480,631.00	\$ 2,480,631.00	\$ -	\$ 12,623,887.27	19.65%
2023	\$ 2,425,483.42	\$ 2,425,483.42	\$ -	\$ 12,245,692.49	19.81%
2022	\$ 2,370,141.15	\$ 2,370,141.15	\$ -	\$ 12,070,782.78	19.64%
2021	\$ 2,052,421.18	\$ 2,052,421.18	\$ -	\$ 10,952,925.15	18.74%
2020	\$ 2,171,204.96	\$ 2,171,204.96	\$ -	\$ 10,446,075.25	20.78%
2019	\$ 1,930,052.55	\$ 1,930,052.55	\$ -	\$ 9,369,270.35	20.60%
2018	\$ 1,589,315.37	\$ 1,589,315.37	\$ -	\$ 9,541,269.62	16.66%
2017	\$ 1,318,467.62	\$ 1,318,467.62	\$ -	\$ 9,330,066.89	14.13%
2016	\$ 1,327,436.85	\$ 1,327,436.85	\$ -	\$ 9,408,467.92	14.11%
2015	\$ 1,217,636.50	\$ 1,217,636.50	\$ -	\$ 9,259,593.00	13.15%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00%	\$ -	\$ 193,097.00	\$ 193,097.00	\$ 597,495.51	N/A	85.67%
2023	0.00%	\$ -	\$ 275,944.00	\$ 275,944.00	\$ 563,975.34	N/A	81.21%
2022	0.00%	\$ -	\$ 31,168.00	\$ 31,168.00	\$ 582,898.70	N/A	98.00%
2021	0.00%	\$ -	\$ 228,623.00	\$ 228,623.00	\$ 576,706.80	N/A	84.45%
2020	0.00%	\$ -	\$ 219,511.00	\$ 219,511.00	\$ 545,772.21	N/A	85.02%
2019	0.00%	\$ -	\$ 230,577.00	\$ 230,577.00	\$ 616,029.46	N/A	85.26%
2018	0.00%	\$ -	\$ 191,962.00	\$ 191,962.00	\$ 550,827.09	N/A	85.69%
2017	0.00%	\$ -	\$ 254,125.00	\$ 254,125.00	\$ 567,900.61	N/A	81.00%
2016	0.00%	\$ -	\$ 156,045.00	\$ 156,045.00	\$ 499,139.92	N/A	87.00%
2015	0.00%	\$ -	\$ 128,799.00	\$ 128,799.00	\$ 449,385.19	N/A	88.29%

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

SCHEDULE "4"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.117333%	\$ 12,851,967.00	\$ -	\$ 12,851,967.00	\$ 10,627,955.19	120.93%	6.05%
2023	0.119597%	\$ 11,843,909.00	\$ -	\$ 11,843,909.00	\$ 11,015,028.56	107.52%	6.17%
2022	0.117721%	\$ 12,750,158.00	\$ -	\$ 12,750,158.00	\$ 10,023,001.28	127.21%	6.14%
2021	0.114878%	\$ 16,872,903.00	\$ -	\$ 16,872,903.00	\$ 9,295,940.04	181.51%	3.99%
2020	0.112931%	\$ 13,859,056.00	\$ -	\$ 13,859,056.00	\$ 8,668,931.68	159.87%	4.63%
2019	0.116648%	\$ 14,825,603.00	\$ -	\$ 14,825,603.00	\$ 8,882,627.69	166.91%	2.93%
2018	0.117736%	\$ 16,541,861.00	\$ -	\$ 16,541,861.00	\$ 9,559,937.15	173.03%	1.61%

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

SCHEDULE "5"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2024	\$ 464,629.00	\$ 464,629.00	\$ -	\$ 11,528,673.73	4.03%
2023	\$ 451,081.00	\$ 451,081.00	\$ -	\$ 10,627,955.19	4.24%
2022	\$ 432,432.00	\$ 432,432.00	\$ -	\$ 11,015,028.56	3.93%
2021	\$ 437,901.00	\$ 437,901.00	\$ -	\$ 10,023,001.28	4.37%
2020	\$ 388,490.00	\$ 388,490.00	\$ -	\$ 9,295,940.04	4.18%
2019	\$ 608,209.89	\$ 608,209.89	\$ -	\$ 8,668,931.68	7.02%
2018	\$ 604,574.00	\$ 604,574.00	\$ -	\$ 8,882,627.69	6.81%
2017	\$ 613,883.00	\$ 613,883.00	\$ -	\$ 9,559,937.15	6.42%

Teachers Retirement System

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

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

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

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

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

Public School Employees Retirement System

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

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

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

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

School OPEB Fund

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

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

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

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement System's experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, and to 3.68% as of June 30, 2023.

EVANS COUNTY BOARD OF EDUCATION
GENERAL FUND

SCHEDULE "7"

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 3,940,319.11	\$ 4,300,000.00	\$ 4,181,670.66	\$ (118,329.34)
Sales Taxes	12,748.70	25,836.14	28,827.07	2,990.93
State Funds	16,604,170.54	15,365,298.00	16,005,877.47	640,579.47
Federal Funds	6,272,671.23	7,251,544.00	5,813,676.23	(1,437,867.77)
Charges for Services	52,000.00	52,000.00	199,201.66	147,201.66
Investment Earnings	3,000.00	3,000.00	31,652.43	28,652.43
Miscellaneous	741,563.94	864,727.44	806,408.37	(58,319.07)
Total Revenues	<u>27,626,473.52</u>	<u>27,862,405.58</u>	<u>27,067,313.89</u>	<u>(795,091.69)</u>
EXPENDITURES				
Current				
Instruction	15,431,235.69	13,993,708.58	14,407,605.98	(413,897.40)
Support Services				
Pupil Services	1,938,854.94	2,167,968.04	2,124,369.64	43,598.40
Improvement of Instructional Services	1,320,910.49	1,608,812.55	1,587,734.45	21,078.10
Educational Media Services	332,876.80	331,997.91	333,427.30	(1,429.39)
General Administration	1,281,380.08	1,469,535.04	866,101.96	603,433.08
School Administration	1,940,074.18	1,975,694.20	2,005,639.11	(29,944.91)
Business Administration	275,675.64	249,496.64	232,043.68	17,452.96
Maintenance and Operation of Plant	1,638,630.52	2,034,070.45	2,289,367.07	(255,296.62)
Student Transportation Services	1,141,784.85	1,373,722.40	1,308,100.05	65,622.35
Central Support Services	241,984.60	245,514.60	263,387.25	(17,872.65)
Other Support Services	308,065.73	405,261.17	399,692.18	5,568.99
Food Services Operation	1,775,000.00	1,856,624.00	1,978,307.65	(121,683.65)
Total Expenditures	<u>27,626,473.52</u>	<u>27,712,405.58</u>	<u>27,795,776.32</u>	<u>(83,370.74)</u>
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>150,000.00</u>	<u>(728,462.43)</u>	<u>(878,462.43)</u>
OTHER FINANCING SOURCES(USES)				
Other Sources	212,034.00	212,593.00	99,172.50	(113,420.50)
Other Uses	(362,034.00)	(362,593.00)	(150,000.00)	212,593.00
Total Other Financing Sources (Uses)	<u>(150,000.00)</u>	<u>(150,000.00)</u>	<u>(50,827.50)</u>	<u>99,172.50</u>
Net Change in Fund Balances	(150,000.00)	-	(779,289.93)	(779,289.93)
Fund Balances - Beginning	5,605,806.51	5,605,806.51	5,483,104.48	(122,702.03)
Adjustments	(70,323.13)	-	-	-
Fund Balances - Ending	<u>\$ 5,385,483.38</u>	<u>\$ 5,605,806.51</u>	<u>\$ 4,703,814.55</u>	<u>\$ (901,991.96)</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.
The actual revenues and expenditures of the various principal accounts are \$522,989.74 and \$525,912.53, respectively.

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

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

SCHEDULE "8"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	245GA324N1199	\$ 365,845.22
National School Lunch Program	10.555	245GA324N1199	1,378,920.17
COVID-19 - National School Lunch Program	10.555	225GA324N1099	50,162.22
Total Child Nutrition Cluster			<u>1,794,927.61</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
Local Food for Schools Cooperative Agreement Program	10.185	AM23CPLFS000C018	11,771.67
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	6,274.74
Child Nutrition Discretionary Grants Limited Availability	10.579	202321I500345	28,694.91
Total Other Programs			<u>46,741.32</u>
Total U. S. Department of Agriculture			<u>1,841,668.93</u>
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	3,218.98
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	2,631,628.30
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	6,512.22
Total Education Stabilization Fund			<u>2,641,359.50</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	69,227.00
Grants to States	84.027A	H027A230073	482,144.45
Preschool Grants	84.173A	H173A230081	24,560.00
Total Special Education Cluster			<u>575,931.45</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	26,714.84
English Language Acquisition State Grants	84.365A	S365A220010	2,548.00
English Language Acquisition State Grants	84.365A	S365A230010	30,271.09
Migrant Education State Grant Program	84.011A	S011A220011	5,642.00
Migrant Education State Grant Program	84.011A	S011A230011	69,032.22
Rural and Low-Income School Program	84.358B	S358F220010	4,169.00
Rural and Low-Income School Program	84.358B	S358F230010	47,918.27
Title I Grants to Local Educational Agencies	84.010A	S010A220010	132,285.00
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,135,149.59
Total Other Programs			<u>1,453,730.01</u>
Total U. S. Department of Education			<u>4,671,020.96</u>
Total Expenditures of Federal Awards			<u>\$ 6,512,689.89</u>

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

SCHEDULE "8"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling \$212,593.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and the Supporting Effective Instruction State Grants program (ALN 84.376A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) and the Migrant Education State Grant program (ALN 84.011A) during Fiscal Year 2024.

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

SCHEDULE "9"

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPE
GRANTS	<u>GENERAL FUND</u>
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	\$ 572,381.00
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	246,540.00
Kindergarten Program - Early Intervention Program	414,094.00
Primary Grades (1-3) Program	713,487.00
Primary Grades - Early Intervention (1-3) Program	1,257,117.00
Upper Elementary Grades (4-5) Program	329,929.00
Upper Elementary Grades - Early Intervention (4-5) Program	1,018,577.00
Middle School (6-8) Program	1,214,067.00
High School General Education (9-12) Program	798,459.00
Vocational Laboratory (9-12) Program	707,578.00
Students with Disabilities	1,711,878.00
Gifted Student - Category VI	510,725.00
Remedial Education Program	465,222.00
Alternative Education Program	88,966.00
English Speakers of Other Languages (ESOL)	773,825.00
Media Center Program	233,407.00
20 Days Additional Instruction	69,961.00
Staff and Professional Development	48,724.00
Principal Staff and Professional Development	1,310.00
Indirect Cost	
Central Administration	456,440.00
School Administration	596,334.00
Facility Maintenance and Operations	469,690.00
Charter System Adjustment	203,289.00
Categorical Grants	
Pupil Transportation	
Regular	289,519.00
Nursing Services	45,414.00
Sparsity	4,090.00
Education Equalization Funding Grant	1,694,252.00
Other State Programs	
Bus Purchases - State Allotment	352,440.00
Dyslexia Services Grant	3,466.00
Food Services	45,442.00
Hygiene Products	1,447.00
Math and Science Supplements	28,958.62
One Time QBE Adjustment	208,829.00
Preschool Disability Services	62,805.00
School Security Grant	200,000.00
Teachers Retirement	27,323.69
Vocational Education	38,595.00
Vocational Supervisors	7,219.00
Office of the State Treasurer	
Public School Employees Retirement	41,674.00
CONTRACT	
Human Resources, Georgia Department of	
Family Connections	52,403.16
	\$ 16,005,877.47

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

SCHEDULE "10"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
SPLOST #5 PROJECT			
(i) The construction and equipping of a new high school complex to replace the current Claxton High School, and (ii) construction and equipping of system-wide athletic facilities and shall be used as follows:	\$ 9,720,000.00	\$ 25,968,078.70	Completed
(a) a portion of the principal and interest on general obligation bonds;	1,000,000.00	4,790,000.00	Completed
(b) a portion of the costs of the following capital outlay projects not paid for with proceeds from said general obligation bonds;	250,000.00	426,906.72	Completed
(i) renovation and improvements to existing school buildings, including the primary, elementary, middle, and high schools, maintenance facilities, and central office;	250,000.00	350,000.00	Completed
(ii) acquisition of school buses, maintenance vehicles and equipment, and	250,000.00	290,000.00	Completed
(iii) the acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, including system-wide instructional, administrative and testing technology textbooks (including e-books) and library materials, safety and security equipment, and vocational, band, physical education and athletic equipment.	250,000.00	835,000.00	Completed
Subtotal SPLOST #5 PROJECT	<u>11,720,000.00</u>	<u>32,659,985.42</u>	
SPLOST #6 PROJECT			
(a) retiring previously incurred general obligation debt of the School District; and	5,100,000.00	5,100,000.00	December 2029
(b) funding the following capital outlay projects:			
(i) renovation and improvements to existing school buildings, including the primary, elementary, middle, and high schools, maintenance facilities, and the central office;	4,200,000.00	4,200,000.00	December 2029
(ii) acquisition of school buses, maintenance vehicles and equipment, and	800,000.00	800,000.00	December 2029
(iii) the acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, including system-wide instructional, administrative and testing technology, textbooks (including e-books) and library materials, safety and security equipment, and vocational, band, physical education, and athletic equipment.	4,000,000.00	4,000,000.00	December 2029
Subtotal SPLOST #6 Projects	<u>14,100,000.00</u>	<u>14,100,000.00</u>	
Total	\$ <u>25,820,000.00</u>	\$ <u>46,759,985.42</u>	

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

SCHEDULE "10"

<u>PROJECT</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3) (4) (5)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3) (4)</u>	<u>TOTAL COMPLETION COST</u>	<u>EXCESS PROCEEDS NOT EXPENDED</u>
SPLOST #5 PROJECT				
(i) The construction and equipping of a new high school complex to replace the current Claxton High School, and (ii) construction and equipping of system-wide athletic facilities and shall be used as follows:	\$ 1,754,232.42	\$ 24,213,846.28	\$ 25,968,078.70	\$ -
(a) a portion of the principal and interest on general obligation bonds;	1,005,276.26	3,533,484.61	4,538,760.87	251,239.13
(b) a portion of the costs of the following capital outlay projects not paid for with proceeds from said general obligation bonds:	-	426,906.72	426,906.72	-
(i) renovation and improvements to existing school buildings, including the primary, elementary, middle, and high schools, maintenance facilities, and central office;	217,196.30	130,350.00	347,546.30	2,453.70
(ii) acquisition of school buses, maintenance vehicles and equipment, and	218,110.00	71,351.11	289,461.11	538.89
(iii) the acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, including system-wide instructional, administrative and testing technology textbooks (including e-books) and library materials, safety and security equipment, and vocational, band, physical education and athletic equipment.	552,232.31	282,675.53	834,907.84	92.16
Subtotal SPLOST #5 PROJECT	<u>3,747,047.29</u>	<u>28,658,614.25</u>	<u>32,405,661.54</u>	<u>254,323.88</u>
SPLOST #6 PROJECT				
(a) retiring previously incurred general obligation debt of the School District; and	-	-	-	-
(b) funding the following capital outlay projects:	-	-	-	-
(i) renovation and improvements to existing school buildings, including the primary, elementary, middle, and high schools, maintenance facilities, and the central office;	-	-	-	-
(ii) acquisition of school buses, maintenance vehicles and equipment, and	-	-	-	-
(iii) the acquisition of any property, both real and personal, and equipment necessary in connection with the above described capital outlay projects, including system-wide instructional, administrative and testing technology, textbooks (including e-books) and library materials, safety and security equipment, and vocational, band, physical education, and athletic equipment.	-	-	-	-
Subtotal SPLOST #6 Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,747,047.29</u>	<u>\$ 28,658,614.25</u>	<u>\$ 32,405,661.54</u>	<u>\$ 254,323.88</u>

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the projects includes some cost for textbooks and technology.
- (3) The voters of Evans County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.
 Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.
- (4) A G.O. Bond was issued in the principal amount of \$11,720,000.00 to pay for the capital outlay costs of the new Claxton High School.
- (5) A G.O. Bond was issued in the principal amount of \$1,965,000.00 to pay for the capital outlay costs of the new athletic field at Claxton High School.

Section II

Compliance and Internal Control Reports



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Martin Waters, Superintendent and Members of the
Evans County Board of Education

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

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying *Schedule of Findings and Questioned Costs*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

School District's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

April 30, 2025



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Martin Waters, Superintendent and Members of the
Evans County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Respectfully submitted,

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

Greg S. Griffin
State Auditor

April 30, 2025

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	
Governmental Activities and Each Major Fund	Unmodified
Internal control over financial reporting:	
▪ Material weakness(es) identified?	Yes
▪ Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted:	No

Federal Awards

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

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000.00
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Auditee qualified as low-risk auditee?	Yes
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EVANS COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

II FINANCIAL STATEMENT FINDINGS

FS 2024-001 Management Override of Internal Controls over Expenditures and Employee Compensation

Internal Control Impact: Material Weakness

Description:

The School District's controls over the expenditure and employee compensation processes were overridden by members of management, resulting in unallowable purchases, unauthorized approvals, and improper payments to employees. These overrides bypassed established policies, required approvals and documentation procedures designed to ensure proper authorization and accountability.

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures and in compliance with applicable laws and regulations.

Condition:

We identified several instances in which members of management, including the Superintendent, overrode established internal controls related to the School District's expenditure and payroll processes. Specifically, we noted:

- The Superintendent authorized and expended \$1,558.28 on meals for himself and other management staff while on travel status. These expenses exceeded the State's per diem meal allowance and were not processed through the standard travel reimbursement procedures.
- Two members of management booked lodging totaling \$1,553.64 through a vacation rental marketplace, which is prohibited under the State travel policy. An additional member of management incurred \$1,319.75 in lodging expenses without obtaining prior approval.
- The Superintendent, with involvement from three other members of management, authorized \$594.92 for golf-related activities. These expenses were not supported by documentation demonstrating a clear and necessary business purpose, in violation of School District policy.
- The Superintendent utilized a manual purchase order process outside of the School District's financial management system for credit card purchases, circumventing required purchasing procedures and approval controls.
- The Superintendent authorized exchange time payouts totaling \$13,335.25, to 16 employees without obtaining Board approval, as required by School District policy.
- One member of management received monthly vacation leave payouts totaling \$6,672.00, in violation of School District policy, which allows for payout of compensated absences only upon termination of employment.

Cause:

Management did not adhere to internal controls and established policies over the expenditure and payroll processes. The deficiencies resulted from several factors, including the direct circumvention of controls due to a lack of effective oversight, reliance on past practices without verifying alignment with current requirements, and the inconsistent application of existing policies and procedures. Additionally, a lack of challenge or escalation protocols contributed to an environment where override controls by management went unchecked.

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

Effect:

Management's actions represent an override of internal controls, which undermines the integrity of the financial processes and creates misuse of public funds, potential legal liability and reputational damage. The lack of adherence to policy also sets a precedent that may impair employee accountability and compliance across the School District.

Recommendation:

The School District should enhance internal controls by strictly enforcing established purchasing, travel, and compensation policies. All expenditure and employee payments should be processed through the approved financial management system, with required approvals documented. Management should eliminate the use of manual or off-system processes and establish formal oversight and review procedures to detect and prevent future overrides. In addition, the Board should consider implementing periodic reviews of management-level transactions to reinforce accountability and governance expectations.

Views of Responsible Officials:

We concur with this finding.

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

FS 2024-002 Internal Controls at the Central Office

Internal Control Impact: Significant Deficiency

Description:

The accounting procedures of the School District are insufficient to provide adequate internal controls at the Central Office.

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed appropriately. This includes ensuring that adequate documentation is maintained to support procurement activities and employee compensation decisions.

Condition:

Expenditures/Liabilities/Disbursements

- Two of the three procurement packages tested did not include sufficient supporting documentation. Specifically, the original vendor bids used to prepare the bid tabulation sheets for contract scoring and awarding, were not made available for audit review.
- One construction contract exceeding \$100,000.00 was awarded without soliciting competitive bids through the Georgia Procurement Registry, as required by State policy.

Employee Compensation

- The School District lacks formal policies and procedures governing the use of and the administration of exchange time. This has resulted in an unregulated accumulation of hours, leading to potential future liabilities totaling \$90,724.73.

Cause:

In discussion with management, they stated that the procurement documentation could not be located due to staff turnover in the Central Office. They also explained that the competitive bidding process was not followed because the project was initially intended to be part of a larger construction initiative before being removed as a standalone project. Regarding exchange time, management noted that the benefit has been a legacy practice without formal policy development or oversight.

Effect:

The School District is not in compliance with procurement regulations and lacks adequate documentation to support the competitive bidding process. Without sufficient records, the School District cannot demonstrate that contract awards were made in a fair, transparent, and competitive manner. In addition, the absence of formal policies and oversight for exchange time benefits has resulted in inconsistent tracking and management of employee work hours, increasing the risk of unanticipated financial obligations.

Recommendation:

The School District should strengthen internal controls at the Central Office by establishing formal documentation and retention protocols to support all procurement and contracting activities. Management should ensure that procurement regulations, including the use of the Georgia Procurement Registry, are consistently followed and properly documented. In addition, a formal policy governing the accrual and use of exchange time benefits should be developed and implemented. This policy should include provisions for approval, monitoring, and documentation to ensure consistent application and to mitigate potential financial liabilities.

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

Views of Responsible Officials:

We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section V

Management's Corrective Action



Evans County Charter School System
 705 West Main Street
 Claxton, Georgia 30417
 Phone (912) 739-3544 Fax (912) 739-2492



Georgia School Board
 Association, Quality Board
 2018, 2019, and 2022



COGNIA Accredited
 School District,
 2022-2027



CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2024-001 Management Override of Internal Controls over Expenditures and Employee Compensation

Internal Control Impact:	Material Weakness
Compliance Impact:	None
Repeat of Prior Year Finding:	N/A

Description:

The School District’s controls over the expenditure and employee compensation processes were overridden by members of management, resulting in unallowable purchases, unauthorized approvals, and improper payments to employees. These overrides bypassed established policies, required approvals and documentation procedures designed to ensure proper authorization and accountability.

Corrective Action Plans:

The School District will adhere to the State Travel Policy, which reflects that purchase of such a meal will be approved by a higher-level approving authority prior to the date of the event. With proper approval prior to the date of the event, employees will submit receipts of the purchase, an agenda of the meeting purpose, and a list of attendees for documentation purposes with the expenditure packet prior to payment. No employee will be eligible to be reimbursed for a meal purchased on behalf of the School District.

The School District will adhere to the State Travel Policy, which reflects the use of a vacation rental marketplace as an unallowable lodging expense as it is not considered a commercial lodging facility. The School District will require that purchase requisitions be completed and approved prior to the booking of any lodging expenses from an allowable commercial lodging facility. During the approval

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We expect excellence...no exceptions, no excuses!

process of such purchase requisition, the appropriate approvers will not approve the request for lodging expenses at such vacation rental marketplaces.

The School District will require documentation to be submitted for recreational type expenditures, which demonstrates a clear and necessary business purpose for the recreational expenditure prior to the purchase requisition being approved and payment of the recreational expenditure is processed.

The School District will stop the use of the manual purchase order process and use the School District's financial management system for all purchase requisitions to ensure the proper approvals are present prior to the purchase being made.

The School District will provide the Board with the employees compensated absence balances prior to issuing payments to the employees. The Board will then vote upon whether to retain the employee compensated absence balances or to issue payment to respected employees. The School District will not issue employees their compensated absences payment prior to the Board's approval.

The School District will no longer accept requests for vacation leave to be paid out monthly to eligible employees. The employees will accrue vacation leave as the job description states and will become eligible for vacation leave to be paid to the employee upon termination of the employee's employment as per the district's policy.

Estimated Completion Date: July 1, 2025

Contact Person: Ryan Nease, Chief Financial Officer

Telephone: 912-739-3544

Email: rnease@evanscountyschools.org

FS 2024-002 Internal Controls at the Central Office

Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Repeat of Prior Year Finding:	N/A

Description:

The accounting procedures of the School District are insufficient to provide adequate internal controls at the Central Office.

Corrective Action Plans:

The School District will retain all vendor bids together throughout the process of opening through retention. After the bid openings and evaluations are completed, the bids are to be filed in the Chief Financial Officer's locked filing cabinets for them to be retained until the project is completed. The

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evaluations will be presented to the Board with a recommendation of the vendor of choice for the Board to vote on prior to purchases being made.

The School District will ensure all construction contracts exceeding \$100,000.00 are posted to the Georgia Procurement Registry. Confirmation of the posting will be retained with the internal packet to ensure the goods/services are properly posted to the Georgia Procurement Registry.

The School District will create formal policies and procedures governing the use of and the administration of exchange time. These policies/procedures will be approved by the Board.


Estimated Completion Date: July 1, 2025

Contact Person: Ryan Nease, Chief Financial Officer

Telephone: 912-739-3544

Email: rnease@evanscountyschools.org

Signature: 
Title: CFO

Signature: 
Title: Superintendent

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