



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

Meriwether County Board of Education Greenville, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Meriwether County Board of Education

Table of Contents

Section I

Financial

Independent Auditor's Report

Exhibits

Basic Financial Statements

Government-Wide Financial Statements

A	Statement of Net Position	1
B	Statement of Activities	2

Fund Financial Statements

C	Balance Sheet	
	Governmental Funds	3
D	Reconciliation of the Governmental Funds Balance Sheet	
	to the Statement of Net Position	4
E	Statement of Revenues, Expenditures and Changes in Fund Balances	
	Governmental Funds	5
F	Reconciliation of the Governmental Funds Statement of	
	Revenues, Expenditures and Changes in Fund Balances	
	to the Statement of Activities	6
G	Notes to the Basic Financial Statements	8

Schedules

Required Supplementary Information

1	Schedule of Proportionate Share of the Net Pension Liability	
	Teachers Retirement System of Georgia	37
2	Schedule of Contributions – Teachers Retirement System of Georgia	38
3	Schedule of Proportionate Share of the Net Pension Liability	
	Employees' Retirement System of Georgia	39
4	Schedule of Contributions – Employees' Retirement System of Georgia	40
5	Schedule of Proportionate Share of the Net Pension Liability Public	
	School Employees Retirement System of Georgia	41
6	Schedule of Proportionate Share of the Net OPEB Liability	
	School OPEB Fund	42
7	Schedule of Contributions – School OPEB Fund	43
8	Notes to the Required Supplementary Information	44
9	Schedule of Revenues, Expenditures and Changes in Fund	
	Balances - Budget and Actual General Fund	46

Supplementary Information

10	Schedule of Expenditures of Federal Awards	47
11	Schedule of State Revenue	49
12	Schedule of Approved Local Option Sales Tax Projects	50

Section II

Compliance and Internal Control Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

Section IV

Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Section V

Management's Corrective Action for Current Year Findings

Schedule of Management's Corrective Action

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. Robert Griffin, Superintendent and Members of the
Meriwether 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 Meriwether 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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the 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 July 9, 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 fluid and cursive, with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

July 9, 2025

Meriwether County Board of Education

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 32,762,843.72
Accounts Receivable, Net	
Taxes	1,682,952.05
State Government	2,272,708.85
Federal Government	952,771.70
Local	7,530.62
Other	496.80
Inventories	82,750.84
Prepaid Items	65,538.51
Capital Assets, Non-Depreciable	2,428,448.58
Capital Assets, Depreciable (Net of Accumulated Depreciation)	33,067,786.31
Total Assets	<u>73,323,827.98</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	9,937,326.08
Related to OPEB Plan	4,141,819.00
Total Deferred Outflows of Resources	<u>14,079,145.08</u>
<u>LIABILITIES</u>	
Accounts Payable	411,631.60
Salaries and Benefits Payable	3,202,988.75
Payroll Withholdings Payable	115,362.09
Interest Payable	243,577.78
Contracts Payable	302,100.60
Retainages Payable	95,725.25
Deposits and Unearned Revenues	55,519.74
Net Pension Liability	29,948,737.00
Net OPEB Liability	16,676,570.00
Long-Term Liabilities	
Due Within One Year	170,301.99
Due in More Than One Year	17,167,989.66
Total Liabilities	<u>68,390,504.46</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	1,580,492.00
Related to OPEB Plan	10,633,262.00
Total Deferred Inflows of Resources	<u>12,213,754.00</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	34,175,967.76
Restricted for	
Continuation of Federal Programs	1,700,778.61
Debt Service	2,585,035.28
Capital Projects	430,277.86
Unrestricted (Deficit)	<u>(32,093,344.91)</u>
Total Net Position	<u>\$ 6,798,714.60</u>

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

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$ 22,954,086.06	\$ 157,229.58	\$ 16,258,934.91	\$ 106,574.46
Support Services				
Pupil Services	3,750,085.71	-	-	-
Improvement of Instructional Services	2,926,174.78	-	2,415,902.42	-
Educational Media Services	229,307.50	-	1,796,866.55	-
General Administration	1,699,095.98	-	1,311,658.84	2,792.44
School Administration	2,391,287.08	-	640,556.67	-
Business Administration	1,053,742.19	-	1,099,209.19	-
Maintenance and Operation of Plant	5,419,617.62	5,100.00	14,212.49	6,571.65
Student Transportation Services	3,237,489.81	-	1,842,142.79	3,159,503.75
Central Support Services	249,612.10	-	930,273.25	-
Other Support Services	98,649.20	-	4,877.35	-
Operations of Non-Instructional Services				
Food Services	2,056,155.79	13,483.30	2,255,750.10	5,509.65
Interest on Long-Term Debt	186,810.46	-	-	-
Total Governmental Activities	<u>\$ 46,252,114.28</u>	<u>\$ 175,812.88</u>	<u>\$ 28,570,384.56</u>	<u>\$ 3,280,951.95</u>
General Revenues				
Taxes				
Property Taxes				
For Maintenance and Operations				13,708,682.09
For Debt Services				20,418.65
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Debt Services				2,999,264.33
Other Sales Tax				224,635.39
Grants and Contributions not Restricted to Specific Programs				126,015.00
Investment Earnings				428,831.02
Miscellaneous				642,553.90
Total General Revenues				<u>18,150,400.38</u>
Change in Net Position				3,925,435.49
Net Position - Beginning of Year				<u>2,873,279.11</u>
Net Position - End of Year				<u>\$ 6,798,714.60</u>

MERIWETHER 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	\$ 13,448,285.04	\$ 16,773,431.96	\$ 2,541,126.72	\$ 32,762,843.72
Accounts Receivable, Net				
Taxes	1,394,878.61	-	288,073.44	1,682,952.05
State Government	2,272,708.85	-	-	2,272,708.85
Federal Government	952,771.70	-	-	952,771.70
Local	7,530.62	-	-	7,530.62
Other	496.80	-	-	496.80
Due from Other Funds	587.10	-	-	587.10
Inventories	82,750.84	-	-	82,750.84
Prepaid Items	65,538.51	-	-	65,538.51
	<u>18,225,548.07</u>	<u>16,773,431.96</u>	<u>2,829,200.16</u>	<u>37,828,180.19</u>
Total Assets	\$ <u>18,225,548.07</u>	\$ <u>16,773,431.96</u>	\$ <u>2,829,200.16</u>	\$ <u>37,828,180.19</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 411,631.60	\$ -	\$ -	\$ 411,631.60
Salaries and Benefits Payable	3,202,988.75	-	-	3,202,988.75
Payroll Withholdings Payable	115,362.09	-	-	115,362.09
Due to Other Funds	-	-	587.10	587.10
Contracts Payable	-	302,100.60	-	302,100.60
Retainages Payable	-	95,725.25	-	95,725.25
Deposits and Unearned Revenues	55,519.74	-	-	55,519.74
Total Liabilities	<u>3,785,502.18</u>	<u>397,825.85</u>	<u>587.10</u>	<u>4,183,915.13</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	899,021.14	-	24,291.20	923,312.34
<u>FUND BALANCES</u>				
Nonspendable	148,289.35	-	-	148,289.35
Restricted	1,649,254.93	16,375,606.11	2,804,321.86	20,829,182.90
Committed	250,631.11	-	-	250,631.11
Unassigned	11,492,849.36	-	-	11,492,849.36
Total Fund Balances	<u>13,541,024.75</u>	<u>16,375,606.11</u>	<u>2,804,321.86</u>	<u>32,720,952.72</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>18,225,548.07</u>	\$ <u>16,773,431.96</u>	\$ <u>2,829,200.16</u>	\$ <u>37,828,180.19</u>

MERIWETHER 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")	\$	32,720,952.72
--	----	---------------

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	\$	670,102.80	
Construction in progress		1,758,345.78	
Buildings and improvements		56,290,229.01	
Equipment		12,640,993.69	
Land improvements		5,061,179.42	
Accumulated depreciation		<u>(40,924,615.81)</u>	35,496,234.89

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	\$	(29,948,737.00)	
Net OPEB liability		<u>(16,676,570.00)</u>	(46,625,307.00)

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Related to pensions	\$	8,356,834.08	
Related to OPEB		<u>(6,491,443.00)</u>	1,865,391.08

Taxes that are not available to pay for current period expenditures are deferred in the funds.

923,312.34

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	\$	(15,520,000.00)	
Accrued interest payable		(243,577.78)	
Compensated absences payable		(72,696.27)	
Unamortized bond premiums		<u>(1,745,595.38)</u>	(17,581,869.43)

Net position of governmental activities (Exhibit "A")	\$	<u><u>6,798,714.60</u></u>
---	----	----------------------------

MERIWETHER 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	\$ 13,407,759.04	\$ -	\$ 20,745.84	\$ 13,428,504.88
Sales Taxes	219,872.82	-	3,004,026.90	3,223,899.72
State Funds	17,252,662.37	121,448.20	-	17,374,110.57
Federal Funds	14,592,502.77	-	-	14,592,502.77
Charges for Services	175,812.88	-	-	175,812.88
Investment Earnings	49,560.05	259,290.11	119,980.86	428,831.02
Miscellaneous	642,553.90	-	-	642,553.90
Total Revenues	<u>46,340,723.83</u>	<u>380,738.31</u>	<u>3,144,753.60</u>	<u>49,866,215.74</u>
<u>EXPENDITURES</u>				
Current				
Instruction	21,863,098.59	-	-	21,863,098.59
Support Services				
Pupil Services	3,755,753.08	-	-	3,755,753.08
Improvement of Instructional Services	2,890,293.60	-	-	2,890,293.60
Educational Media Services	234,593.83	-	-	234,593.83
General Administration	1,632,776.96	-	-	1,632,776.96
School Administration	2,414,623.97	-	-	2,414,623.97
Business Administration	705,229.53	361,777.92	1,010.00	1,068,017.45
Maintenance and Operation of Plant	5,850,141.41	45,542.25	-	5,895,683.66
Student Transportation Services	6,484,084.78	-	-	6,484,084.78
Central Support Services	253,362.16	-	-	253,362.16
Other Support Services	98,534.18	-	-	98,534.18
Food Services Operation	2,117,364.38	-	-	2,117,364.38
Capital Outlay	73,655.51	2,189,333.83	-	2,262,989.34
Total Expenditures	<u>48,373,511.98</u>	<u>2,596,654.00</u>	<u>1,010.00</u>	<u>50,971,175.98</u>
Revenues over (under) Expenditures	<u>(2,032,788.15)</u>	<u>(2,215,915.69)</u>	<u>3,143,743.60</u>	<u>(1,104,960.24)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds of Bonds	-	15,520,000.00	-	15,520,000.00
Premiums on Bonds Sold	-	1,802,362.70	-	1,802,362.70
Transfers In	-	1,756,314.66	487,155.56	2,243,470.22
Transfers Out	-	(487,155.56)	(1,756,314.66)	(2,243,470.22)
Total Other Financing Sources (Uses)	<u>-</u>	<u>18,591,521.80</u>	<u>(1,269,159.10)</u>	<u>17,322,362.70</u>
Net Change in Fund Balances	(2,032,788.15)	16,375,606.11	1,874,584.50	16,217,402.46
Fund Balances - Beginning	<u>15,573,812.90</u>	<u>-</u>	<u>929,737.36</u>	<u>16,503,550.26</u>
Fund Balances - Ending	<u>\$ 13,541,024.75</u>	<u>\$ 16,375,606.11</u>	<u>\$ 2,804,321.86</u>	<u>\$ 32,720,952.72</u>

MERIWETHER 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")	\$	16,217,402.46
--	----	---------------

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

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

Capital outlay	\$ 6,864,893.73	
Depreciation expense	<u>(2,471,261.36)</u>	4,393,632.37

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.	(119,560.04)
---	--------------

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	300,595.86
--	------------

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.

General obligation bonds issued, including a premium of \$1,802,362.70	\$ (17,322,362.70)	
Amortization of bond premium	<u>56,767.32</u>	(17,265,595.38)

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

Pension expense	\$ (1,988,460.92)	
OPEB expense	<u>2,631,975.00</u>	643,514.08

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

Net increase in accrued interest	\$ (243,577.78)	
Net increase in compensated absences	<u>(976.08)</u>	<u>(244,553.86)</u>

Change in net position of governmental activities (Exhibit "B")	\$	<u><u>3,925,435.49</u></u>
---	----	----------------------------

(This page left intentionally blank)

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

EXHIBIT "G"

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Meriwether 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.

MERIWETHER 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 bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (property and 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

MERIWETHER 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.

Receivables

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

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

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

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

EXHIBIT "G"

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.

Consumable Supplies

On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for inventories whereby supplies are recorded as an asset when purchased, and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	\$ 50,000.00	20 years
Buildings and Improvements	\$ 50,000.00	7 to 40 years
Equipment	\$ 10,000.00	5 to 15 years
Intangible Assets	\$ 500,000.00	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.

MERIWETHER 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.

Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 10 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Post-Employment Benefit Fund (School OPEB Fund) and additions

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

EXHIBIT "G"

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 Meriwether 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 December 20, 2023 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Meriwether 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

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

EXHIBIT "G"

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 \$12,071,398.96 and for school bonds amounted to \$20,745.84.

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>17.36</u> mills
-------------------	--------------------

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$1,336,360.08 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 \$2,999,264.33 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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 CASH EQUIVALENTS

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

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

EXHIBIT "G"

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 \$30,846,900.96, and a bank balance of \$31,269,330.80. The bank balances insured by Federal depository insurance were \$714,179.25.

At June 30, 2024, \$30,555,151.55 of the School District's bank balances were exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

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

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

EXHIBIT "G"

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

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

Cash and cash equivalents	
Statement of Net Position	\$ 32,762,843.72
Less:	
Cash on hand	100.00
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	<u>1,915,842.76</u>
Total carrying value of deposits - June 30, 2024	<u>\$ 30,846,900.96</u>

Categorization of Cash Equivalents

The School District reported cash equivalents of \$1,915,842.76 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAs rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

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

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

EXHIBIT "G"

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	Transfers	Balances June 30, 2024
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 531,808.00	\$ 138,294.80	\$ -	\$ -	\$ 670,102.80
Construction in Progress	<u>2,371,597.66</u>	<u>1,821,600.54</u>	<u>-</u>	<u>(2,434,852.42)</u>	<u>1,758,345.78</u>
Total Capital Assets					
Not Being Depreciated	<u>2,903,405.66</u>	<u>1,959,895.34</u>	<u>-</u>	<u>(2,434,852.42)</u>	<u>2,428,448.58</u>
Capital Assets,					
Being Depreciated					
Buildings and Improvements	53,616,535.09	238,841.50	-	2,434,852.42	56,290,229.01
Equipment	9,543,866.46	4,616,419.89	1,519,292.66	-	12,640,993.69
Land Improvements	5,011,442.42	49,737.00	-	-	5,061,179.42
Less Accumulated					
Depreciation:					
Buildings and Improvements	30,088,436.94	1,421,144.22	-	-	31,509,581.16
Equipment	5,727,905.73	944,875.08	1,399,732.62	-	5,273,048.19
Land Improvements	<u>4,036,744.40</u>	<u>105,242.06</u>	<u>-</u>	<u>-</u>	<u>4,141,986.46</u>
Total Capital Assets,					
Being Depreciated, Net	<u>28,318,756.90</u>	<u>2,433,737.03</u>	<u>119,560.04</u>	<u>2,434,852.42</u>	<u>33,067,786.31</u>
Governmental Activities					
Capital Assets - Net	<u>\$ 31,222,162.56</u>	<u>\$ 4,393,632.37</u>	<u>\$ 119,560.04</u>	<u>\$ -</u>	<u>\$ 35,496,234.89</u>

Current year depreciation expense by function is as follows:

Instruction	\$ 1,446,530.51
Support Services	
General Administration	\$ 56,684.55
Maintenance and Operation of Plant	140,476.85
Student Transportation Services	<u>716,857.23</u>
Food Services	<u>110,712.22</u>
	<u>\$ 2,471,261.36</u>

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

EXHIBIT "G"

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Assets and Liabilities

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 587.10	\$ -
Debt Service Fund	<u>-</u>	<u>587.10</u>
	<u>\$ 587.10</u>	<u>\$ 587.10</u>

Interfund assets and liabilities result from the general fund loaning funds to the capital projects fund, which are reimbursed by sales tax proceeds recorded in the debt service fund.

Interfund Transfers

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

Transfers to	Transfers From		
	Capital Projects Fund	Debt Service Fund	Total
Capital Projects Fund	\$ -	\$ 1,756,314.66	\$ 1,756,314.66
Debt Service Fund	<u>487,155.56</u>	<u>-</u>	<u>487,155.56</u>
Total	<u>\$ 487,155.56</u>	<u>\$ 1,756,314.66</u>	<u>\$ 2,243,470.22</u>

Transfers were used to move sales tax proceeds collected by the debt service fund to reimburse for capital project expenditures paid for from the capital projects fund and to transfer the capitalized interest deposited into the capital projects fund to the debt service fund.

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

EXHIBIT "G"

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation (G.O.) Bonds	\$ -	\$ 15,520,000.00	\$ -	\$ 15,520,000.00	\$ -
Unamortized Bond Premiums	-	1,802,362.70	56,767.32	1,745,595.38	170,301.99
Compensated Absences (1)	71,720.19	976.08	-	72,696.27	-
	<u>\$ 71,720.19</u>	<u>\$ 17,323,338.78</u>	<u>\$ 56,767.32</u>	<u>\$ 17,338,291.65</u>	<u>\$ 170,301.99</u>

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

General Obligation Bonds

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

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

During the current year, the School District issued general obligation bonds totaling \$15,520,000.00 for the purpose of paying the costs of all or a portion of the following capital outlay expenditures: acquiring, constructing, repairing, improving, renovating, adding to, extending, upgrading, furnishing, and equipping school buildings and support facilities and infrastructure in the Meriwether County School District.

General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2024	5.00%	2/15/2024	10/1/2034	<u>\$ 15,520,000.00</u>	<u>\$ 15,520,000.00</u>

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

EXHIBIT "G"

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

<u>Fiscal Year Ended June 30:</u>	<u>General Obligation Debt</u>		<u>Unamortized Bond Premium</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ -	\$ 875,155.56	\$ 170,301.99
2026	1,640,000.00	735,000.00	170,301.99
2027	1,720,000.00	651,000.00	170,301.99
2028	1,810,000.00	562,750.00	170,301.99
2029	1,900,000.00	470,000.00	170,301.99
2030 - 2034	7,080,000.00	1,165,250.00	851,509.94
2035	<u>1,370,000.00</u>	<u>34,250.00</u>	<u>42,575.49</u>
Total Principal and Interest	\$ <u>15,520,000.00</u>	\$ <u>4,493,405.56</u>	\$ <u>1,745,595.38</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 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.

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

EXHIBIT "G"

Workers' Compensation

Georgia School Boards Association Workers' Compensation Fund

The School District participates in the Georgia School Boards Association Workers' Compensation Fund (the Fund), a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program to reduce the risk of loss from employee accidents. The School District pays an annual contribution to the Fund for coverage. The Fund provides statutory limits of coverage for Workers' Compensation coverage and a \$2,000,000 limit per occurrence for Employers' Liability coverage. Excess insurance coverage is provided through an agreement between the Fund and the Safety National Casualty Corporation to limit the Fund's exposure to large losses.

Unemployment Compensation

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2023	\$ -	\$ 1,100.00	\$ 1,100.00	\$ -
2024	\$ -	\$ -	\$ -	\$ -

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000.00

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

EXHIBIT "G"

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	\$	51,523.68	
Consumable Supply Inventory		31,227.16	
Prepaid Assets		<u>65,538.51</u>	\$ 148,289.35
Restricted			
Continuation of Federal Programs	\$	1,649,254.93	
Capital Projects		16,375,606.11	
Debt Service		<u>2,804,321.86</u>	20,829,182.90
Committed			
School Activity Accounts			250,631.11
Unassigned			<u>11,492,849.36</u>
Fund Balance, June 30, 2024			\$ <u>32,720,952.72</u>

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: 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:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)
GNET LAB	\$ 75,646.70	\$ 905,413.40
GMHS Track and Field	3,048,568.62	641,776.38
MHS Greenhouse	128,060.26	35,800.00
GMHS Greenhouse	<u>107,895.26</u>	<u>-</u>
	\$ <u>3,360,170.84</u>	\$ <u>1,582,989.78</u>

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include contracts and retainages payable at year-end.

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

EXHIBIT "G"

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$615,915.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

EXHIBIT "G"

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 \$16,676,570.00 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 0.152250%, which was a decrease of 0.012056% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$2,016,060.00). 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	\$ 486,094.00	\$ 4,789,707.00
Changes of assumptions	3,029,805.00	2,082,651.00
Net difference between projected and actual earnings on OPEB plan investments	10,005.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	3,760,904.00
School District contributions subsequent to the measurement date	615,915.00	-
Total	\$ 4,141,819.00	\$ 10,633,262.00

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

EXHIBIT "G"

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	\$ (2,381,949.00)
2026	\$ (1,763,227.00)
2027	\$ (1,810,334.00)
2028	\$ (956,609.00)
2029	\$ (184,166.00)
Thereafter	\$ (11,073.00)

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.

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

EXHIBIT "G"

- 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:

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

* Net of inflation

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

EXHIBIT "G"

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	\$ 18,903,662.00	\$ 16,676,570.00	\$ 14,800,888.00

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	\$ 14,364,654.00	\$ 16,676,570.00	\$ 19,526,664.00

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 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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 19.74% of payroll was required from the School District and 0.24% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$3,204,598.83 and \$39,169.76 from the School District and the State, respectively.

Employees' Retirement System

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

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

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

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

EXHIBIT "G"

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

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$66,108.25 for the current fiscal year.

Public School Employees Retirement System (PSERS)

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

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

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

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

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

EXHIBIT "G"

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 \$97,240.00.

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 \$29,948,737.00 for its proportionate share of the net pension liability for TRS (\$29,380,216.00) and ERS (\$568,521.00).

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

School District's proportionate share of the net pension liability	\$ 29,380,216.00
State of Georgia's proportionate share of the net pension liability associated with the School District	<u>361,377.00</u>
Total	<u>\$ 29,741,593.00</u>

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

At June 30, 2023, the School District's TRS proportion was 0.099512%, which was a decrease of 0.005648% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.009530%, which was an increase of 0.001235% 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 \$448,669.00.

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

For the year ended June 30, 2024, the School District recognized pension expense of \$5,160,671.00 for TRS, \$164,667.00 for ERS and \$80,978.00 for PSERS and revenue of \$66,170.00 for TRS and \$80,978.00 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.

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

EXHIBIT "G"

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,491,888.00	\$ 121,477.00	\$ 8,636.00	\$ 1,332.00
Changes of assumptions	3,022,593.00	-	21,876.00	-
Net difference between projected and actual earnings on pension plan investments	2,066,390.00	-	23,160.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	1,456,826.00	32,076.00	857.00
School District contributions subsequent to the measurement date	<u>3,204,598.83</u>	<u>-</u>	<u>66,108.25</u>	<u>-</u>
Total	<u>\$ 9,785,469.83</u>	<u>\$ 1,578,303.00</u>	<u>\$ 151,856.25</u>	<u>\$ 2,189.00</u>

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

Year Ended June 30:	TRS	ERS
2025	\$ 1,256,770.00	\$ 49,829.00
2026	\$ 841,370.00	\$ (1,961.00)
2027	\$ 3,752,806.00	\$ 46,281.00
2028	\$ (848,378.00)	\$ (10,590.00)

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

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.

Employees' Retirement System:

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

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

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 Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

Public School Employees Retirement System:

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

Mortality rates are as follows:

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

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

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

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

EXHIBIT "G"

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

Asset Class	TRS/ERS/PSERS Target Allocation	Long-Term Expected Real Rate of Return*
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	100.00%	

* Rates shown are net of inflation

Discount Rate: The discount rate used to measure the total TRS pension liability was 6.90%. The discount rate used to measure the total ERS and PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MERIWETHER 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% and 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

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	\$ 46,453,540.00	\$ 29,380,216.00	\$ 15,437,549.00
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 780,129.00	\$ 568,521.00	\$ 390,446.00

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

(This page left intentionally blank)

MERIWETHER 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	0.099512%	\$ 29,380,216.00	\$ 361,377.00	\$ 29,741,593.00	\$ 14,721,287.84	199.58%	76.29%
2023	0.105160%	\$ 34,147,485.00	\$ 416,290.00	\$ 34,563,775.00	\$ 14,422,013.83	236.77%	72.85%
2022	0.105278%	\$ 9,311,137.00	\$ 115,242.00	\$ 9,426,379.00	\$ 13,870,167.02	67.13%	92.03%
2021	0.110351%	\$ 26,731,331.00	\$ 312,488.00	\$ 27,043,819.00	\$ 14,393,702.02	185.72%	77.01%
2020	0.117390%	\$ 25,242,024.00	\$ 281,040.00	\$ 25,523,064.00	\$ 14,500,341.65	174.08%	78.56%
2019	0.117105%	\$ 21,737,196.00	\$ 245,206.00	\$ 21,982,402.00	\$ 14,105,581.08	154.10%	80.27%
2018	0.134710%	\$ 25,036,268.00	\$ 367,989.00	\$ 25,404,257.00	\$ 15,702,349.85	159.44%	79.33%
2017	0.142698%	\$ 29,440,188.00	\$ 785,839.00	\$ 30,226,027.00	\$ 16,017,416.29	183.80%	76.06%
2016	0.153393%	\$ 23,352,561.00	\$ -	\$ 23,352,561.00	\$ 16,450,395.67	141.96%	81.44%
2015	0.155325%	\$ 19,623,265.00	\$ -	\$ 19,623,265.00	\$ 15,845,252.04	123.84%	84.03%

MERIWETHER 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 (1)	Contributions in relation to the contractually required contribution (1)	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 3,204,598.83	\$ 3,204,598.83	\$ -	\$ 16,236,596.64	19.74%
2023	\$ 2,905,660.00	\$ 2,905,660.00	\$ -	\$ 14,721,287.84	19.74%
2022	\$ 2,822,686.00	\$ 2,822,686.00	\$ -	\$ 14,422,013.83	19.57%
2021	\$ 2,611,348.00	\$ 2,611,348.00	\$ -	\$ 13,870,167.02	18.83%
2020	\$ 3,007,662.00	\$ 3,007,662.00	\$ -	\$ 14,393,702.02	20.90%
2019	\$ 2,997,242.00	\$ 2,997,242.00	\$ -	\$ 14,500,341.65	20.67%
2018	\$ 2,344,693.90	\$ 2,344,693.90	\$ -	\$ 14,105,581.08	16.62%
2017	\$ 2,208,289.34	\$ 2,208,289.34	\$ -	\$ 15,702,349.85	14.06%
2016	\$ 2,233,622.00	\$ 2,233,622.00	\$ -	\$ 16,017,416.29	13.94%
2015	\$ 2,163,227.03	\$ 2,163,227.03	\$ -	\$ 16,450,395.67	13.15%

(1) For years ended 2015 and earlier, the contractually required contribution amount includes the amounts paid by the Georgia Department of Education on-behalf of the School District.

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2024	0.009530%	\$ 568,521.00	\$ 209,350.05	271.56%	71.20%
2023	0.008295%	\$ 553,979.00	\$ 203,082.00	272.79%	67.44%
2022	0.008469%	\$ 198,082.00	\$ 203,012.53	97.57%	87.62%
2021	0.006500%	\$ 273,972.00	\$ 163,876.17	167.18%	76.21%
2020	0.004546%	\$ 187,592.00	\$ 114,595.70	163.70%	76.74%
2019	0.004080%	\$ 167,730.00	\$ 108,810.50	154.15%	76.68%
2018	0.005873%	\$ 238,522.00	\$ 144,057.39	165.57%	76.33%
2017	0.005883%	\$ 278,291.00	\$ 136,783.98	203.45%	72.34%
2016	0.005837%	\$ 236,480.00	\$ 137,120.67	172.46%	76.20%
2015	0.005485%	\$ 205,721.00	\$ 127,806.77	160.96%	77.99%

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

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 66,108.25	\$ 66,108.25	\$ -	\$ 225,240.97	29.35%
2023	\$ 64,919.00	\$ 64,919.00	\$ -	\$ 209,350.05	31.01%
2022	\$ 50,019.00	\$ 50,019.00	\$ -	\$ 203,082.00	24.63%
2021	\$ 50,063.00	\$ 50,063.00	\$ -	\$ 203,012.53	24.66%
2020	\$ 40,412.00	\$ 40,412.00	\$ -	\$ 163,876.17	24.66%
2019	\$ 28,397.00	\$ 28,397.00	\$ -	\$ 114,595.70	24.78%
2018	\$ 26,995.88	\$ 26,995.88	\$ -	\$ 108,810.50	24.81%
2017	\$ 35,740.61	\$ 35,740.61	\$ -	\$ 144,057.39	24.81%
2016	\$ 33,813.00	\$ 33,813.00	\$ -	\$ 136,783.98	24.72%
2015	\$ 30,111.70	\$ 30,111.70	\$ -	\$ 137,120.67	21.96%

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

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00%	\$ -	\$ 448,669.00	\$ 448,669.00	\$ 964,374.73	N/A	85.67%
2023	0.00%	\$ -	\$ 604,094.00	\$ 604,094.00	\$ 1,267,127.71	N/A	81.21%
2022	0.00%	\$ -	\$ 66,138.00	\$ 66,138.00	\$ 1,169,673.56	N/A	98.00%
2021	0.00%	\$ -	\$ 533,452.00	\$ 533,452.00	\$ 1,243,984.90	N/A	84.45%
2020	0.00%	\$ -	\$ 529,691.00	\$ 529,691.00	\$ 1,261,238.98	N/A	85.02%
2019	0.00%	\$ -	\$ 470,197.00	\$ 470,197.00	\$ 1,217,948.80	N/A	85.26%
2018	0.00%	\$ -	\$ 453,356.00	\$ 453,356.00	\$ 1,198,397.56	N/A	85.69%
2017	0.00%	\$ -	\$ 583,945.00	\$ 583,945.00	\$ 1,179,741.08	N/A	81.00%
2016	0.00%	\$ -	\$ 367,572.00	\$ 367,572.00	\$ 1,187,773.95	N/A	87.00%
2015	0.00%	\$ -	\$ 317,505.00	\$ 317,505.00	\$ 1,253,284.68	N/A	88.29%

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

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.152250%	\$ 16,676,570.00	\$ -	\$ 16,676,570.00	\$ 13,164,967.62	126.67%	6.05%
2023	0.164306%	\$ 16,271,522.00	\$ -	\$ 16,271,522.00	\$ 14,741,867.85	110.38%	6.17%
2022	0.172300%	\$ 18,661,515.00	\$ -	\$ 18,661,515.00	\$ 13,630,714.51	136.91%	6.14%
2021	0.182223%	\$ 26,764,315.00	\$ -	\$ 26,764,315.00	\$ 13,470,038.35	198.70%	3.99%
2020	0.189978%	\$ 23,314,376.00	\$ -	\$ 23,314,376.00	\$ 13,212,268.33	176.46%	4.63%
2019	0.192872%	\$ 24,513,439.00	\$ -	\$ 24,513,439.00	\$ 13,104,873.07	187.06%	2.93%
2018	0.214524%	\$ 30,140,536.00	\$ -	\$ 30,140,536.00	\$ 14,307,456.97	210.66%	1.61%

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2024	\$ 615,915.00	\$ 615,915.00	\$ -	\$ 14,830,727.69	4.15%
2023	\$ 585,316.00	\$ 585,316.00	\$ -	\$ 13,164,967.62	4.45%
2022	\$ 594,088.00	\$ 594,088.00	\$ -	\$ 14,741,867.85	4.03%
2021	\$ 640,928.00	\$ 640,928.00	\$ -	\$ 13,630,714.51	4.70%
2020	\$ 616,237.00	\$ 616,237.00	\$ -	\$ 13,470,038.35	4.57%
2019	\$ 1,023,164.00	\$ 1,023,164.00	\$ -	\$ 13,212,268.33	7.74%
2018	\$ 999,636.00	\$ 999,636.00	\$ -	\$ 13,104,873.07	7.63%
2017	\$ 1,118,545.00	\$ 1,118,545.00	\$ -	\$ 14,307,456.97	7.82%

Teachers Retirement System

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

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

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

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

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

Employees' Retirement System

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

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

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

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

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

Public School Employees Retirement System

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

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

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

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

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

SCHEDULE "8"

School OPEB Fund

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

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

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

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

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

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

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

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

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

MERIWETHER COUNTY BOARD OF EDUCATION

SCHEDULE "9"

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)(2)	AMOUNTS	OVER/UNDER
<u>REVENUES</u>				
Property Taxes	\$ 14,092,770.49	\$ 14,092,770.49	\$ 13,407,759.04	\$ (685,011.45)
Sales Taxes	157,101.28	157,101.28	219,872.82	62,771.54
State Funds	16,371,369.13	16,371,369.13	17,252,662.37	881,293.24
Federal Funds	13,179,611.04	13,179,611.04	14,592,502.77	1,412,891.73
Charges for Services	9,725.00	9,725.00	175,812.88	166,087.88
Investment Earnings	96,975.94	96,975.94	49,560.05	(47,415.89)
Miscellaneous	3,422,923.74	3,422,923.74	642,553.90	(2,780,369.84)
Total Revenues	47,330,476.62	47,330,476.62	46,340,723.83	(989,752.79)
<u>EXPENDITURES</u>				
Current				
Instruction	18,270,761.76	18,270,761.76	21,863,098.59	(3,592,336.83)
Support Services				
Pupil Services	3,247,104.34	3,247,104.34	3,755,753.08	(508,648.74)
Improvement of Instructional Services	2,621,656.90	2,621,656.90	2,890,293.60	(268,636.70)
Educational Media Services	180,472.50	180,472.50	234,593.83	(54,121.33)
General Administration	1,133,240.26	1,133,240.26	1,632,776.96	(499,536.70)
School Administration	1,977,875.71	1,977,875.71	2,414,623.97	(436,748.26)
Business Administration	834,843.33	834,843.33	705,229.53	129,613.80
Maintenance and Operation of Plant	4,371,199.82	4,371,199.82	5,850,141.41	(1,478,941.59)
Student Transportation Services	6,475,139.96	6,475,139.96	6,484,084.78	(8,944.82)
Central Support Services	229,428.34	229,428.34	253,362.16	(23,933.82)
Other Support Services	109,051.96	109,051.96	98,534.18	10,517.78
Food Services Operation	2,261,304.14	2,261,304.14	2,117,364.38	143,939.76
Capital Outlay	-	-	73,655.51	(73,655.51)
Total Expenditures	41,712,079.02	41,712,079.02	48,373,511.98	(6,661,432.96)
Excess of Revenues over (under) Expenditures	5,618,397.60	5,618,397.60	(2,032,788.15)	(7,651,185.75)
<u>OTHER FINANCING SOURCES(USES)</u>				
Other Sources	7,500,000.00	7,500,000.00	-	7,500,000.00
Other Uses	(7,500,000.00)	(7,500,000.00)	-	(7,500,000.00)
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	5,618,397.60	5,618,397.60	(2,032,788.15)	(7,651,185.75)
Fund Balances - Beginning	15,580,427.22	15,580,427.22	15,573,812.90	(6,614.32)
Adjustments	40,881.52	11,125.38	-	(11,125.38)
Fund Balances - Ending	\$ 21,239,706.34	\$ 21,209,950.20	\$ 13,541,024.75	\$ (7,668,925.45)

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 \$427,147.63 and \$437,356.96, respectively.

(2) Final budget amounts for fiscal year 2024 are not presented as the School District was unable to determine the final amended budget due to deficiencies in the budgetary control process and issues within the accounting system. See finding FS 2024-003 for details.

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.

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

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	245GA324N1199	\$ 621,908.14
National School Lunch Program	10.555	245GA324N1199	1,259,963.09
COVID-19 - National School Lunch Program	10.555	225GA324N1099	62,707.28
Fresh Fruit and Vegetable Program	10.582	245GA324L1603	70,904.00
Total Child Nutrition Cluster			<u>2,015,482.51</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	12,920.43
Total U.S. Department of Agriculture			<u>2,028,402.94</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	735,378.31
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	3,570,086.82
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	2,609.94
Total Education Stabilization Fund			<u>4,308,075.07</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	763,638.15
Grants to States	84.027A	H027A230073	146,227.08
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	6,456.99
Preschool Grants	84.173A	H173A220081	46,517.00
Preschool Grants	84.173A	H173A230081	30,798.04
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	283.93
Total Special Education Cluster			<u>993,921.19</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	60,091.04
Comprehensive Literacy Development	84.371C	S371C190016	474,406.40
Rural and Low-Income School Program	84.358B	S358F220010	33,971.09
Rural and Low-Income School Program	84.358B	S358F230010	34,131.01
Student Support and Academic Enrichment Program	84.424A	S424A220011	6,853.61
Student Support and Academic Enrichment Program	84.424A	S424A230011	25,952.21
Student Support and Academic Enrichment Program	84.424F	S424F220011	249,291.50
Supporting Effective Instruction State Grants	84.367A	S367A220001	158,034.85
Supporting Effective Instruction State Grants	84.367A	S367A230001	199,768.00
Title I Grants to Local Educational Agencies	84.010A	S010A220010	254,004.05
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,095,646.47
Twenty-First Century Community Learning Centers	84.287C	S287C220010	109,050.83
Twenty-First Century Community Learning Centers	84.287C	S287C230010	257,520.72
Total Other Programs			<u>2,958,721.78</u>
Total U.S. Department of Education			<u>8,260,718.04</u>
Total Expenditures of Federal Awards			<u>\$ 10,289,120.98</u>

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

SCHEDULE "10"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Meriwether 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 \$106,138.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2024.

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

SCHEDULE "11"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		
	GENERAL	CAPITAL PROJECTS	TOTAL
	FUND	FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 781,446.06	\$ -	\$ 781,446.06
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	691,107.00	-	691,107.00
Kindergarten Program - Early Intervention Program	219,829.00	-	219,829.00
Primary Grades (1-3) Program	1,257,519.00	-	1,257,519.00
Primary Grades - Early Intervention (1-3) Program	1,067,299.00	-	1,067,299.00
Upper Elementary Grades (4-5) Program	576,140.00	-	576,140.00
Upper Elementary Grades - Early Intervention (4-5) Program	524,357.00	-	524,357.00
Middle School (6-8) Program	1,510,317.00	-	1,510,317.00
High School General Education (9-12) Program	1,391,903.00	-	1,391,903.00
Vocational Laboratory (9-12) Program	490,455.00	-	490,455.00
Students with Disabilities	3,233,063.00	-	3,233,063.00
Gifted Student - Category VI	517,395.00	-	517,395.00
Remedial Education Program	86,571.00	-	86,571.00
Alternative Education Program	117,137.00	-	117,137.00
English Speakers of Other Languages (ESOL)	60,423.00	-	60,423.00
Media Center Program	274,158.00	-	274,158.00
20 Days Additional Instruction	82,255.00	-	82,255.00
Staff and Professional Development	53,744.00	-	53,744.00
Principal Staff and Professional Development	2,126.00	-	2,126.00
Indirect Cost			
Central Administration	510,966.00	-	510,966.00
School Administration	879,322.00	-	879,322.00
Facility Maintenance and Operations	530,827.00	-	530,827.00
Mid-Term Adjustment Hold-Harmless	142,322.00	-	142,322.00
Categorical Grants			
Pupil Transportation			
Regular	724,589.00	-	724,589.00
Nursing Services	51,432.00	-	51,432.00
Education Equalization Funding Grant	126,015.00	-	126,015.00
Other State Programs			
CTAE Agriculture Equipment Grant - State Funds	37,319.00	-	37,319.00
Dyslexia Services Grant	4,867.00	-	4,867.00
GNETS State Grant	166,002.76	-	166,002.76
Food Services	57,934.00	-	57,934.00
Hygiene Products	1,633.00	-	1,633.00
Math and Science Supplements	16,854.07	-	16,854.07
One Time QBE Adjustment	287,873.84	-	287,873.84
Preschool Disability Services	5,214.36	-	5,214.36
Residential Treatment Centers Grant	176,562.00	-	176,562.00
School Security Grant	349,951.68	-	349,951.68
Teachers Retirement	39,169.76	-	39,169.76
Vocational Education	7,219.00	-	7,219.00
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	121,448.20	121,448.20
Office of the State Treasurer			
Public School Employees Retirement	97,240.00	-	97,240.00
Georgia Chamber of Commerce Foundation			
Rural Workforce Development Grant	49,604.84	-	49,604.84
CONTRACT			
Human Resources, Georgia Department of			
Family Connections	52,500.00	-	52,500.00
	\$ 17,252,662.37	\$ 121,448.20	\$ 17,374,110.57

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

SCHEDULE "12"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
SPLOST VI			
(i) Paying a portion of the principal of and interest on the Series 2004 Bonds, the maximum amount of debt to be paid will not exceed \$1,438,640.00 as set forth in the School District Resolution;	\$ 1,438,640.00	\$ 1,328,724.27	Completed
(ii) Paying a portion of the principal of and interest on the Series 2006 Bonds, the maximum amount of debt to be paid will not exceed \$2,646,810.00 as set forth in the School District Resolution;	2,646,810.00	2,473,889.17	Completed
(iii) Paying for system-wide technology upgrades; renovations, modifications, additions, and improvements to existing school facilities; planning for future facilities; purchase and maintenance of school buses, property maintenance equipment and transportation vehicles; and safety and security equipment in school facilities and on school buses, the maximum amount shall not exceed \$2,514,550.00 as set forth in the School District Resolution.	2,514,550.00	4,294,545.60	12/31/2024
Subtotal SPLOST VI Projects	<u>6,600,000.00</u>	<u>8,097,159.04</u>	
SPLOST VII			
(i) Adding to, renovating, repairing, modifying, improving and equipping existing schools, buildings and facilities throughout the School District;	4,465,000.00	4,465,000.00	9/30/2029
(ii) Acquiring, constructing, repairing, replacing, modifying and improving physical education and athletic fields, facilities and related buildings;	8,600,000.00	8,600,000.00	9/30/2029
(iii) Acquiring miscellaneous new equipment, fixtures and furnishings for the Meriwether County School District, including textbooks, band instruments, fine arts equipment, athletic and physical education equipment, computer technology equipment and software, interactive boards, safety and security technology and equipment, food service equipment, school buses and other vehicles;	230,000.00	230,000.00	9/30/2029
(iv) Adding to, renovating, modifying, repairing, improving and equipping any other buildings, facilities and improvements, including, but not limited to, vocational/agricultural facilities, and HVAC and roof systems; and	1,277,637.30	1,277,637.30	9/30/2029
(v) Acquiring any capital property necessary or desirable for the foregoing purposes, both real and personal; and/or	6,600,000.00	6,600,000.00	9/30/2029
(vi) Paying capitalized interest and/or costs of issuing the Bonds.	827,362.70	827,362.70	9/30/2029
Subtotal SPLOST VII Projects	<u>22,000,000.00</u>	<u>22,000,000.00</u>	
Total	\$ <u>28,600,000.00</u>	\$ <u>30,097,159.04</u>	

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

SCHEDULE "12"

<u>PROJECT</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3)</u>	<u>TOTAL COMPLETION COST</u>	<u>EXCESS PROCEEDS NOT EXPENDED</u>
SPLOST VI				
(i) Paying a portion of the principal of and interest on the Series 2004 Bonds, the maximum amount of debt to be paid will not exceed \$1,438,640.00 as set forth in the School District Resolution;	\$ -	\$ 1,328,724.27	\$ 1,328,724.27	\$ -
(ii) Paying a portion of the principal of and interest on the Series 2006 Bonds, the maximum amount of debt to be paid will not exceed \$2,646,810.00 as set forth in the School District Resolution;	-	2,473,889.17	2,473,889.17	-
(iii) Paying for system-wide technology upgrades; renovations, modifications, additions, and improvements to existing school facilities; planning for future facilities; purchase and maintenance of school buses, property maintenance equipment and transportation vehicles; and safety and security equipment in school facilities and on school buses, the maximum amount shall not exceed \$2,514,550.00 as set forth in the School District Resolution.	2,089,774.61	2,204,770.99	-	-
Subtotal SPLOST VI Projects	<u>2,089,774.61</u>	<u>6,007,384.43</u>	<u>3,802,613.44</u>	<u>-</u>
SPLOST VII				
(i) Adding to, renovating, repairing, modifying, improving and equipping existing schools, buildings and facilities throughout the School District;	-	-	-	-
(ii) Acquiring, constructing, repairing, replacing, modifying and improving physical education and athletic fields, facilities and related buildings;	166,672.25	-	-	-
(iii) Acquiring miscellaneous new equipment, fixtures and furnishings for the Meriwether County School District, including textbooks, band instruments, fine arts equipment, athletic and physical education equipment, computer technology equipment and software, interactive boards, safety and security technology and equipment, food service equipment, school buses and other vehicles;	-	-	-	-
(iv) Adding to, renovating, modifying, repairing, improving and equipping any other buildings, facilities and improvements, including, but not limited to, vocational/agricultural facilities, and HVAC and roof systems; and	-	-	-	-
(v) Acquiring any capital property necessary or desirable for the foregoing purposes, both real and personal; and/or	-	-	-	-
(vi) Paying capitalized interest and/or costs of issuing the Bonds.	340,207.14	-	827,362.70	-
Subtotal SPLOST VII Projects	<u>506,879.39</u>	<u>-</u>	<u>827,362.70</u>	<u>-</u>
Total	<u>\$ 2,596,654.00</u>	<u>\$ 6,007,384.43</u>	<u>\$ 4,629,976.14</u>	<u>\$ -</u>

- (1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- (2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
- (3) The voters of Meriwether 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.

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. Robert Griffin, Superintendent and Members of the
Meriwether County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Meriwether 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 July 9, 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 deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2024-002 and FS 2024-003 to be material weaknesses.

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 deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2024-001 and FS 2024-004 to be significant deficiencies.

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

July 9, 2025



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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. Robert Griffin, Superintendent and Members of the
Meriwether County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Meriwether 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.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* in finding FA 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the noncompliance finding identified in our compliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in findings FA 2024-001 and FA 2024-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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 fluid and cursive, with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

July 9, 2025

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2023-001	Improve Controls over the Risk Assessment Process
Repeat of Prior Year Finding:	None

Finding Status:	Unresolved
-----------------	------------

The Meriwether County Board of Education regularly reviews its internal controls to identify potential risks and establish procedures to address them. A formal risk assessment has been documented and submitted to the Georgia Department of Audits and Accounts, effective 6/10/25.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

**MERIWETHER 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? Yes

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)? Yes

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? No

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

II FINANCIAL STATEMENT FINDINGS

FS 2024-001 Improve Controls over the Risk Assessment Process

Internal Control Impact:	Significant Deficiency
Repeat of Prior Year Finding:	FS 2023-001

Description:

The School District did not document a formal, entity-wide risk assessment to identify potential risks to design and implement internal controls to address those risks.

Criteria:

Management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures.

Chapter IV – 8, *The Annual Audit of the Financial Management for Georgia Local Units of Administration* provides that management is responsible for establishing and maintaining internal controls, including monitoring of ongoing activities. In addition, the chapter states, “Management should provide the auditors with documentation of risk assessments over significant business processes, and “key” controls within those processes that mitigate risks.”

Condition:

The School District did not document a formal, entity-wide risk assessment to identify potential risks that could result in the School District’s financial statements being misstated or that could result in noncompliance with applicable laws, regulations, contracts, and grant agreements. By not performing a risk assessment and identifying potential risks, the School District cannot adequately design internal controls to mitigate those risks.

Cause:

In discussing the deficiency with management, they stated the cause was a result of lack of time to ensure a formal risk assessment is documented.

Effect:

Without assessing risk and establishing properly designed accounting controls and procedures, the School District could place itself in a position where potential misappropriation of assets could occur. Additionally, not assessing risk and failure to establish and follow procedures to mitigate those risks could impact the reporting of the School District’s financial position and results of operations or result in noncompliance with applicable laws, regulations, contracts, and grant agreements.

Recommendation:

The School District should document a formal risk assessment, at least annually, to identify potential risks and design internal controls to mitigate the risks identified.

Views of Responsible Officials:

We concur with this finding.

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

FS 2024-002 Management Override of Internal Controls

Internal Control Impact:

Material Weakness

Description:

The School District's controls over the procurement and travel reimbursement processes were overridden by members of management, resulting in purchases not following procurement policy and improper payments to an employee for meals reimbursement. 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.

Meriwether County Board of Education Board Policy DJE: *Purchasing* requires quotes to be obtained for purchases over \$10,000.00, approval from the Board of Education for purchases over \$30,000.00 and sealed bids to be obtained for purchases over \$100,000.00.

Official Code of Georgia Section 36-91-20 states, in part, "Prior to entering into a public works construction contract other than those exempted by Code Section 36-91-22, a governmental entity shall publicly advertise the contract opportunity. Such notice shall be posted conspicuously in the governing authority's office and shall be advertised on the Georgia Procurement Registry as provided for in Code Section 50-5-69 at no cost to the governmental entity."

Condition:

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

- The Superintendent authorized and expended \$1,871.43 on meals for himself and other management staff while at the state championship football game. These expenses exceeded the State's per diem meal allowance and were not processed through the standard travel reimbursement procedures.
- Payments totaling \$224,509.50 were made to a related party for replacement of flooring in school buildings. These expenses did not follow board policy requiring quotes, bids, and board approval for purchases. Additionally, the work was awarded without soliciting competitive bids through the Georgia Procurement Registry, as required by State Policy.

Cause:

Management did not adhere to internal controls and established policies over the procurement and travel reimbursement 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 of controls by management went unchecked.

**MERIWETHER 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 procurement and travel reimbursement policies. All employee reimbursement payments should be processed through the approved financial management system, with required approvals documented. Additionally, all procurements should be made in accordance with the established policies and should go through proper approval channels for each established threshold level. Management should eliminate the use of manual or off-system processes and establish formal oversight and review procedures to detect and prevent future overrides and compliance with state procurement requirements. 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. The Superintendent and members of management have complied with District policies as written and as interpreted by the Board and senior leadership. Furthermore, the procedures and practices in question have been in effect since 2017, and, to date, no concerns regarding their application have been raised during prior audit interviews or procedures.

Auditor's Concluding Remarks:

While we acknowledge the School District's statement that these procedures have been in place since 2017 and that no concerns were raised in prior audits, it is important to note that each fiscal year audit is based on its own unique scope, risk assessment, and audit evidence. As such, not every area or transaction is subject to the same level of review each year, and the absence of a prior finding does not indicate compliance across all periods.

The issues identified in the current year—including the handling of related party transactions and expenditures associated with state championship game travel—were specific to transactions and events that occurred during this audit period. These circumstances were either not present in prior years or did not rise to a level that triggered further investigation under previous audit scopes. Therefore, the current findings reflect matters relevant to the fiscal year under review and are not inconsistent with prior audit results.

FS 2024-003 Internal Controls at the Central Office

Internal Control Impact:

Material Weakness

Description:

The School District's accounting procedures at the Central Office were not sufficient to ensure prevention or timely detection of errors over key financial processes, specifically those related to cash management, expenditure documentation, capital assessment management and budget preparation.

Criteria:

The School District's management is responsible for designing and maintaining a system of internal controls that provides reasonable assurance that transactions are properly authorized, recorded, and reported in accordance with generally accepted accounting principles (GAAP). These controls should

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

help ensure that cash accounts are reconciled in a timely manner—within 45 days, as recommended by best practices—and that expenditures are properly approved and supported, capital assets are accurately analyzed and recorded, and budgets are appropriately prepared and monitored throughout the fiscal year.

Condition:

The auditor noted the following inadequate controls and deficiencies at the central office.

Cash and Cash Equivalents

- Five bank reconciliations were not completed until three months after month-end.
- Bank reconciliations were not performed for two bank accounts with account balances totaling \$17,089,599.77 on June 30, 2024.

Expenditures/Liabilities/Disbursements

- During the review of 10 vendor payments for maintenance work, one payment did not comply with the procurement policy because no quotes were obtained. Additionally, one invoice related to a different project lacked a description of the work performed and only included the payment amount.

Capital Assets

- Architectural and engineering costs totaling \$210,262.37 were not capitalized, resulting in an understatement of construction in progress.
- Expenses totaling \$268,151.45 were incorrectly recorded as capital assets, even though they were below the capitalization thresholds outlined in the School District's policy.
- Depreciation expense of \$213,227.45 was not recorded for two assets during the current year.
- Land valued at \$138,294.80, acquired during the year, was not included in the capital asset listing.

Budget

- Incorrect initial budget amounts were entered into the accounting system, resulting in inaccurate budget data being submitted to the Georgia Department of Education. Additionally, the final budget amounts for the fiscal year could not be determined due to these errors in the accounting system.

Cause:

In discussing these deficiencies with the School District, it was determined these errors were caused due to not following established internal control policies and procedures.

Effect:

Failure to maintain adequate internal controls over the key financial processes mentioned above increases the risk that significant misstatements could occur in the financial statements, whether due to error or fraud. Inadequate controls also compromise the reliability of financial reporting and may result in inaccurate presentation of the School District's financial position and results of operations.

Recommendation:

Management should review and strengthen internal controls over key financial processes by designing and implementing appropriate accounting procedures. Specifically, management should:

- Reconcile all cash and investment accounts within 45 days of month-end.
- Ensure procurement policies are followed and adequate supporting documentation is maintained for all expenditures.

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

- Reconcile the capital asset listing to the general ledger at least annually.
- Follow the board-approved capitalization policy when determining whether to capitalize expenses.
- Track construction costs on a separate worksheet, by project, and transfer the total cost to the capital asset listing when a project is completed or placed into service.
- Establish a process to ensure that initial budget entries and amendments entered into the accounting system agree to supporting documentation. Additionally, monitor the budget throughout the year to ensure expenditures align with approved amounts.

Views of Responsible Officials:

We concur with this finding.

FS 2024-004 Internal Controls over Financial Reporting

Internal Control Impact:

Significant Deficiency

Description:

The School District did not have procedures in places to ensure prevention or timely detection of errors over the financial statement reporting process.

Criteria:

Management is responsible for having adequate controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The School District's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the statement requires information about the government’s major and nonmajor funds in the aggregate to be provided in the fund financial statements.

Chapter II – 2 *Annual Financial Reporting* of the Financial Management for Georgia Local Units of Administration provides that School Districts must prepare their financial statements in accordance with generally accepted accounting principles.

Condition:

The following errors and omissions were noted in the School District's financial statements, note disclosures and supplementary information presented for audit:

- A material audit adjustment to the capital projects fund totaling \$295,164.22 was proposed and accepted by the School District to record capital outlay expenditures and contracts payable.
- This adjustment was also necessary to properly report construction in progress on the government-wide financial statements; however, the adjustment was not material at the government-wide financial level.

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

Cause:

Per discussion with the finance director, the prepared financial statements were not reviewed prior to submission.

Effect:

A significant misstatement was present in the financial statements presented for audit. The absence of sufficient internal controls and monitoring procedures increases the risk of undetected errors or omissions, which could result in inaccurate reporting of the School District's financial position and results of operations.

Recommendation:

The School District should strengthen their internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete, accurate, and prepared in accordance with GAAP. These procedures should be performed by appropriately trained personnel who possesses a thorough understanding of the relevant GAAP standards, GASB pronouncements, and the School District's financial operations.

Additionally, the School District should also consider implementing a formal financial statement review checklist to support consistency and accuracy in the preparation and review process.

Views of Responsible Officials:

We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Internal Controls over Wage Rate Requirements

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
AL Number and Title:	COVID-19 – 84.425U – American Rescue Plan Elementary and Secondary School Emergency Relief Fund
Federal Award Number:	S425U210012 (Year: 2022)
Questioned Costs:	None Identified

Description:

A review of construction-related expenditures charged to the Elementary and Secondary School Emergency Relief Fund program revealed that the School District's internal control procedures were not operating to ensure that Wage Rate Requirements were followed appropriately.

Background Information:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways, including providing additional funding for local educational agencies (LEAs) navigating the impact of the COVID-19 outbreak.

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

Provisions included in Title VIII of the CARES Act created the American Rescue Plan Elementary and Secondary School Emergency Relief Fund to provide financial resources to educational entities to prevent, prepare for, and respond to coronavirus. The CARES Act allocated \$30.75 billion, the Coronavirus Response and Relief Supplemental Appropriations Act allocated an additional \$81.9 billion, and the American Rescue Plan Act added \$165.1 billion in funding to the Education Stabilization Fund. Multiple Education Stabilization Fund subprograms were created and allotted funding through the various COVID-19-related legislation. Of these programs, the Elementary and Secondary School Emergency Relief (ESSER) Fund was created to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

ESSER funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Education (ED). GaDOE is responsible for distributing funds to LEAs and overseeing the expenditure of funds by LEAs. ESSER funds totaling \$4,308,075.07 were expended and reported on the Meriwether County Board of Education's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

Criteria:

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Additionally, the Uniform Guidance, Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Part D addresses Davis-Bacon Act requirements and states, in part, "When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor."

Specifically, 29 CFR, Section 5.5 – Contract Provisions and Related Matters requires that these construction contracts contain certain clauses, including minimum wage rate requirements and the submission of certified payrolls. Provisions included in 29 CFR, Section 5.5(a)(3)(ii) state, in part, that "(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls... (B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor."

Condition:

Our review of expenditures charged to the ESSER program revealed that the School District entered into construction contracts in excess of \$2,000; however, appropriate provisions were not included in the contracts to ensure that Wage Rate Requirements were met by the contractors. In addition, while it was later noted that the appropriate wage rate was paid to all laborers, the School District did not ensure that the contractor submitted the required certified payrolls, which includes a copy of payroll disbursements and a statement of compliance with Wage Rate Requirements, at least weekly during the construction period.

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

Cause:

The School District did not appropriately communicate the wage rate requirements to ensure certified payrolls were obtained weekly for each week in which work was performed.

Effect:

The School District is not in compliance with the Uniform Guidance or ED guidance related to the ESSER program. Failure to ensure that appropriate provisions are included in contracts associated with construction financed in part or in whole with federal funds may expose the School District to unnecessary financial strains and shortages as ED or GaDOE may require the School District to return funds associated with these construction expenditures.

Recommendation:

The School District should develop policies and procedures to ensure that all construction contracts financed by federal financial assistance reflect appropriate provisions associated with Wage Rate Requirements and that certified payrolls are obtained from contractors as necessary. Furthermore, management should develop and implement a monitoring process to ensure that controls are operating appropriately.

Views of Responsible Officials:

We concur with this finding.

FA 2024-002 Improve Internal Control Activities

Compliance Requirements:	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance Procurement and Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
AL Numbers and Titles:	84.027 – Special Education Grants to States 84.173 – Special Education Preschool Grants
Federal Award Numbers:	H027A220073 (Year: 2023), H027A230073 (Year: 2024), H173A220081 (Year: 2023), H173A230081 (Year: 2024), H027X210073 (Year: 2022). H173X210081 (Year: 2022)
Questioned Costs:	None Identified

Description:

A review of expenditures recorded in and related to the Special Education Cluster revealed that the School District's internal control procedures were not designed appropriately to ensure that appropriate reviews and approvals occurred.

Background Information:

The Special Education Cluster (SEC), which is comprised of the Special Education Grants to States (IDEA, Part B) and Special Education Preschool Grants (IDEA Preschool) programs, was authorized under the Individuals with Disabilities Education Act (IDEA). SEC funding is available to ensure that all

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

children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepares them for further education, employment, and independent living; ensure that the rights of children with disabilities and their parents are protected; assist states, localities, educational service agencies, and federal agencies to provide for the education of all children with disabilities; and assess and ensure the effectiveness of efforts to educate children with disabilities.

SEC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Education (ED). GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the expenditure of funds by LEAs. SEC funds totaling \$993,921.19 were expended and reported on the Meriwether County Board of Education's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

Criteria:

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Condition:

Internal controls over various compliance requirements associated with SEC were reviewed by the auditors. During our testing, it was determined the School District's internal controls were not properly designed as it was discovered that the SEC Bookkeeper was using a stamp of the Program Director's signature for approval of payment in the Director's absence.

Cause:

The deficiency resulted from a lack of awareness that the existence of a stamp bearing the Director's signature could compromise separation of duties controls.

Effect:

The School District is not in compliance with the Uniform Guidance and GaDOE guidance. Failure to adequately review expenditures for allowability exposes the School District to unnecessary risk of error and misuse of federal funds.

Recommendation:

The School District should review current internal control procedures related to the SEC programs. Where vulnerable, the School District should develop and/or modify its policies and procedures to ensure that all expenditures reflect appropriate evidence of review for associated compliance requirements. Furthermore, management should develop and implement a monitoring process to ensure that controls are operating appropriately.

Views of Responsible Officials:

We concur with this finding. Appropriate review and approval procedures have been consistently followed throughout the expenditure approval process. The use of a signature stamp did not compromise the Director's thorough review and authorization of expenditures. Under the established process, the Bookkeeper initiates approval by sending a detailed email to the Director. The signature stamp was applied only after the Director responded with explicit approval. Additionally, a printed copy of the Director's email approval was attached to the corresponding invoice, which the Accounts Payable

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

Clerk verified prior to processing payment. This procedure has been in place and closely monitored to ensure compliance. A sample of this process was provided as evidence to the reviewing auditor during the review.

Auditor's Concluding Remarks:

The use of a signature stamp constitutes a significant control weakness and raises concerns regarding the integrity and authenticity of transaction approvals. This practice does not provide an adequate audit trail related to the expenditure approval process and increases the risk of unauthorized approvals and fraudulent transactions. We reaffirm our finding and will review the status of the finding during our next audit.

Section V

Management's Corrective Action

Dr. Robert A. Griffin, Superintendent

Dr. Bob M. Patterson, Chair | Mr. Christopher Owens, Vice-Chair | Ms. Rebecca "Kay" King | Mr. Levi Fletcher | Mr. Willie A. Hinton, Jr.

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2024-001 Improve Controls over the Risk Assessment Process

Internal Control Impact: Significant Deficiency
Repeat of Prior Year Finding: FS 2023-001

Description:

The School District did not document a formal, entity-wide risk assessment to identify potential risks to design and implement internal controls to address those risks.

Corrective Action Plans:

The Meriwether County Board of Education regularly reviews its internal controls to identify potential risks and establish procedures to address them. A formal risk assessment has been documented and submitted to the Georgia Department of Audits and Accounts as of June 10, 2025.

Estimated Completion Date: June 10, 2025

Contact Person: Tomecka Woody, CFO

Telephone: 706-441-0601

Email: tomecka.woody@mcssga.org

FS 2024-002 Management Override of Internal Controls

Internal Control Impact: Material Weakness

Description:

The School District's controls over the procurement and travel reimbursement processes were overridden by members of management, resulting in purchases not following procurement policy and improper payments to an employee for meals reimbursement. These overrides bypassed established policies, required approvals and documentation procedures designed to ensure proper authorization and accountability.

Corrective Action Plans:

To strengthen internal controls, an additional layer of oversight has been implemented to monitor procurement activity by vendor on a project-specific basis. Additional documentation during the Purchase Justification approval process has been added. This measure is intended to reinforce and maintain compliance with established requirements—specifically those related to obtaining quotes, soliciting competitive bids, securing Board approval, and adhering to procurement thresholds.

Estimated Completion Date: June 30, 2025

Dr. Robert A. Griffin, Superintendent

Dr. Bob M. Patterson, Chair | Mr. Christopher Owens, Vice-Chair | Ms. Rebecca "Kay" King | Mr. Levi Fletcher | Mr. Willie A. Hinton, Jr.

Contact Person: Tomecka Woody, CFO

Telephone: 706-441-0601

Email: tomecka.woody@mcssga.org

FS 2024-003 Internal Controls at Central Office

Internal Control Impact: **Material Weakness**

Description:

The School District's accounting procedures at the Central Office were not sufficient to ensure prevention or timely detection of errors over key financial processes, specifically those related to cash management, expenditure documentation, capital assessment management and budget preparation.

Corrective Action Plans:

Additional measures have been implemented by management to reinforce internal control processes at the Central Office. Management has implemented a structured monthly reconciliation calendar with firm deadlines to ensure all bank accounts are reconciled within 30 days of month-end. The Accountant and Finance Director will continue to review and sign off on each reconciliation to confirm timeliness and accuracy.

The District has reinforced training for all staff involved in procurement to ensure understanding and compliance with policy requirements. The Finance Department has updated the pre-approval review (Purchase Justification form) to verify that quotes, bids, and Board approval (as applicable) are documented before purchases are processed.

A standardized budget entry process has been established, including a verification step in which the approved Board budget is cross-checked against system input by the CFO and Accountant. This ensures that all line items and fund codes are entered correctly. Any discrepancies will be resolved before finalizing the budget in the system.

An additional review of the backup for capital assets will be performed prior to the final submission to ensure each asset meets the capital asset threshold policy.

Estimated Completion Date: June 30, 2025

Contact Person: Tomecka Woody, CFO

Telephone: 706-441-0601

Email: tomecka.woody@mcssga.org

FS 2024-004 Internal Controls over Financial Reporting

Internal Control Impact: **Significant Deficiency**

Description:

The School District did not have procedures in places to ensure prevention or timely detection of errors

Dr. Robert A. Griffin, Superintendent

Dr. Bob M. Patterson, Chair | Mr. Christopher Owens, Vice-Chair | Ms. Rebecca "Kay" King | Mr. Levi Fletcher | Mr. Willie A. Hinton, Jr.
over the financial statement reporting process.

Corrective Action Plans:

The District will allocate resources to support the CFO in obtaining appropriate training on the preparation of financial statements and accompanying notes to ensure that the financial are prepared in accordance with GAAP.

Estimated Completion Date: June 30, 2025

Contact Person: Tomecka Woody, CFO

Telephone: 706-441-0601

Email: tomecka.woody@mcssga.org

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Internal Controls over Wage Rate Requirements

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	Georgia Department of Education
AL Number and Title:	COVID-19 – 84.425U – American Rescue Plan Elementary and Secondary School Emergency Relief Fund
Federal Award Number:	S425U210012 (Year: 2022)
Questioned Costs:	None Identified

Description:

A review of construction-related expenditures charged to the Elementary and Secondary School Emergency Relief Fund program revealed that the School District's internal control procedures were not operating to ensure that Wage Rate Requirements were followed appropriately.

Corrective Action Plans:

The Meriwether County School District is committed to maintaining full compliance with the Davis-Bacon Act and related Federal wage requirements for all construction projects funded with Federal dollars. To ensure compliance, we are implementing clear, documented procedures to verify that all construction-related contracts include the appropriate wage provisions and that certified payroll records are submitted weekly and in a timely manner by all contractors and subcontractors.

The following steps outline how the district will develop, implement, and monitor these procedures:
Development and Implementation Procedures

1. Contract Template Updates

All standard construction contract templates will be updated to include Davis-Bacon prevailing wage rate requirements, certified payroll provisions, and enforcement language.

2. Inclusion in Bid Documents and RFPs

All bid solicitations and RFPs for federally funded construction projects will explicitly reference the

Dr. Robert A. Griffin, Superintendent

Dr. Bob M. Patterson, Chair | Mr. Christopher Owens, Vice-Chair | Ms. Rebecca "Kay" King | Mr. Levi Fletcher | Mr. Willie A. Hinton, Jr.
applicable Federal wage determinations and required payroll documentation.

3. Pre-Award Contractor Communication

Contractors will be notified in writing of their obligations under the Davis-Bacon Act during the bid process and again at contract award.

4. Pre-Construction Orientation

Pre-construction meetings will be held with contractors and subcontractors to review Davis-Bacon requirements, wage determinations, and payroll submission expectations.

Monitoring and Enforcement Procedures

1. Certified Payroll Collection

Contractors will be required to submit certified payrolls weekly for each week of work performed. A checklist and calendar will be maintained by the project manager to track submissions.

2. Payroll Verification Process

Submitted certified payrolls will be reviewed for completeness, accuracy, and compliance with wage rates. Spot checks (e.g., worker interviews or site visits) will be conducted periodically.

3. Centralized Document Storage

All certified payrolls and compliance records will be stored in a centralized, secure digital file system accessible by authorized district staff and available for audit or federal review.

4. Compliance Reporting and Follow-Up

Any instances of non-compliance will be documented and addressed promptly. Corrective actions may include written warnings, payment withholdings, or notification to oversight agencies.

5. Internal Audits and Staff Training

The district's Federal Programs Director will conduct internal quarterly audits as necessary when Federal funds are being used to verify proper procedures are being followed, and ongoing training will be provided to staff involved in procurement, contracting, and facilities management.

By implementing these procedures, the district will ensure that all federally funded construction contracts fully comply with applicable wage laws and that payroll records are collected, reviewed, and maintained in a timely and transparent manner. Regular monitoring and staff accountability will help ensure continued legal compliance and project integrity.

Estimated Completion Date: June 30, 2025

Contact Person: Carrie Chambers, Federal Programs Director

Telephone: 706-441-0601

Email: carrie.chambers@mcssga.org

FA 2024-002 Improve Internal Control Activities

Compliance Requirement:

Activities Allowed or Unallowed

Allowable Costs/Cost Principles

Period of Performance

Procurement and Suspension and Debarment

Internal Control Impact:

Significant Deficiency

Compliance Impact:

Nonmaterial Noncompliance

Federal Awarding Agency:

U.S. Department of Education

Pass-Through Entity:

Georgia Department of Education

AL Numbers and Titles:

84.027 – Special Education Grants to States

Dr. Robert A. Griffin, Superintendent

Dr. Bob M. Patterson, Chair | Mr. Christopher Owens, Vice-Chair | Ms. Rebecca "Kay" King | Mr. Levi Fletcher | Mr. Willie A. Hinton, Jr.

84.173 – Special Education Preschool Grants

Federal Award Numbers: H027A220073 (Year: 2023), H027A230073 (Year: 2024),
H173A220081 (Year: 2023), H173A230081 (Year: 2024),
H027X210073 (Year: 2022). H173X210081 (Year: 2022)

Questioned Costs: None Identified

Description:

A review of expenditures recorded in and related to the Special Education Cluster revealed that the School District's internal control procedures were not designed appropriately to ensure that appropriate reviews and approvals occurred.

Corrective Action Plans:

The use of signature stamps has been discontinued. However, the underlying approval process remains unchanged. The Director will continue to review all expenditures to ensure allowability and to mitigate the risk of improper use of federal funds.

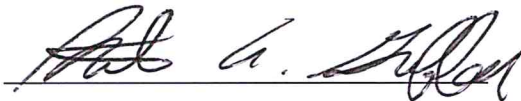
Estimated Completion Date: June 30, 2025

Contact Person: Tonya Waller, Special Education Director

Telephone: 706-441-0601

Email: tonya.waller@mcssga.org

Signature:



Title:

MCSS Supt. of E.D.