



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

Jackson County Board of Education

Jefferson, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Jackson County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Philip Brown, Superintendent and Members of the
Jackson County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 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

September 4, 2025

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

INTRODUCTION

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

FINANCIAL AND OPERATING HIGHLIGHTS

Key financial highlights for the fiscal year 2024 are as follows:

- The School District continues to experience rapid growth in a condensed part of the west part of the county. In fiscal year 2019, the School District had a Full-time Equivalency (FTE) enrollment of 7,938 students. In the FTE count for fiscal year 2024, enrollment had risen to 10,524 students. This is an astounding 32.58% growth in student population over this short period of time, making the School District the fastest growing school district in Georgia. At the same time, neighboring districts saw slight increases or decreases in student enrollment. To increase the challenge, this growth has mostly been evident in schools on one side of our School District. Jackson County High School has increased by over 1,000 students since 2019. Fortunately, over the past two years, the School District has built two schools, Legacy Knoll Middle School and Heroes Elementary School, using a combination of ESPLOST and general funds. Both of the new schools have been paid for without the assistance of bond funding. In March 2025, the School District will pay off three additional schools with the final payment of a General Obligation Bond.
- These schools have provided relief to our elementary and middle school on the west side of the county, but we continue to see significant student growth creating a need to build additional schools soon. We have seen continued growth in our ESPLOST revenue, which has allowed us to strategically improve our current facilities while planning for future needs.
- The School District had \$174,914,721.68 in expenses relating to governmental activities; \$97,696,464.77 of the expenses is offset by program specific charges for services and operating and capital grants and contributions. General revenues (primarily property and sales taxes) of \$96,019,948.09 provided the remaining funding for these programs.
- The Jackson County Board of Education, School District leaders, Staff and Community Stakeholders are committed to aligning all decisions with our strategic plan. The Jackson County School District continues to operate under their Strategic Waiver School System (SWSS) flexibility contract originally approved by the State Board of Education in December 2015. This contract has provided the flexibility to truly maximize funding and support innovation that aligns with the School District's goals and priorities.
- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short- term liabilities, was 2.21 for the fiscal year ended June 30, 2024. Generally, a ratio greater than 2.0 is considered very financially stable.
- Long-term debt decreased by \$7,557,378.23 for 2024. This decrease for 2024 was due primarily to the principal payments on outstanding debt.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-Wide Statements

Given that Jackson County School District has no operations that have been classified as "Business Activities," the government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question, are we in a better financial position than last year? The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The School District uses the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and any changes in that position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial environment of the School District has improved or diminished. The causes of this change may be the result of many factors, including those not under the School District's control, such as the property tax base, status of facility availability, required educational programs, student-teacher ratios, fluctuation in state and federal funding, and other circumstances.

The Statement of Net Position and the Statement of Activities reflect 100% of the School District's governmental activities.

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. The reader can think of the School District's net position as the difference between its assets (i.e., what the School District owns) and its liabilities (i.e., what the School District owes) at the end of a fiscal year. This balance represents one way to measure the School District's financial health or its financial position. In the case of the Jackson County School District, even with the pension liability reporting required by GASB No. 68 and the OPEB liability required by GASB No. 75, assets exceeded liabilities by \$111,165,667.79 at June 30, 2024.

To better understand the School District's actual financial position and ability to deliver services in future periods, the reader will need to review the various components of the net position total. For example, of the total net position balance of \$111,165,667.79, \$3,655,588.33 was restricted for capital projects, \$1,414,546.27 was restricted for debt service, \$2,969,119.63 was restricted for continuation of Federal grant programs and \$60,968.56 was restricted as permanent funds. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District had a net investment in capital assets (e.g., land, buildings and equipment) of \$222,294,994.60. The School District uses these capital assets to provide educational services to students within the geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the total net position is *not* available for future spending.

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

Table 1 provides a summary of the School District's net position for this fiscal year (fiscal year 2024) and a comparison to the previous fiscal year (fiscal year 2023).

Table 1
Summary of Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023 (1)
Assets		
Current and Other Assets	\$ 39,491,090.06	\$ 57,131,251.62
Capital Assets, Net	298,880,851.42	252,795,349.10
Total Assets	338,371,941.48	309,926,600.72
Deferred Outflows of Resources		
Loss of Refunding of Debt	393,605.02	918,411.74
Related to Defined Benefit Pension Plans	50,117,011.99	71,884,321.10
Related to OPEB Plan	28,882,688.00	21,094,542.00
Total Deferred Outflows of Resources	79,393,305.01	93,897,274.84
Liabilities		
Current and Other Liabilities	206,808,775.02	199,018,686.04
Long-Term Liabilities	73,452,133.71	85,202,964.94
Total Liabilities	280,260,908.73	284,221,650.98
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	1,001,859.00	1,467,819.00
Related to OPEB Plan	25,336,811.00	29,963,882.00
Total Deferred Inflows of Resources	26,338,670.00	31,431,701.00
Net Position		
Net Investments in Capital Assets	222,294,994.60	169,137,836.11
Restricted	8,216,918.54	17,152,116.59
Unrestricted (Deficit)	(119,346,245.38)	(98,119,429.12)
Total Net Position	\$ 111,165,667.76	\$ 88,170,523.58

(1) Fiscal Year 2023 balances do not reflect the effect of the restatement of balances.

See Note 15 in the Notes to the Basic Financial Statements for additional information.

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

Table 2 shows the Changes in Net Position for the current fiscal year (fiscal year 2024) and compares it to the previous fiscal year (fiscal year 2023).

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023 (1)
Revenues		
Program Revenues:		
Charges for Services	\$ 2,860,329.21	\$ 2,968,936.26
Operating Grants and Contributions	86,625,814.56	82,897,891.07
Capital Grants and Contributions	8,210,321.00	3,183,739.52
Total Program Revenues	97,696,464.77	89,050,566.85
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	63,907,171.57	50,565,523.52
For Debt Service	10,203,503.47	7,872,459.53
Railroad Cars	36,603.26	-
Other Taxes	513,392.26	520,277.00
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	14,199,978.59	13,993,688.70
Other Taxes	2,815,690.04	2,844,813.40
Investment Earnings	365,133.26	796,980.05
Miscellaneous	3,978,475.64	2,743,610.79
Total General Revenues	96,019,948.09	79,337,352.99
Special Item:		
Loss on Sale of Assets	-	(73,885.84)
Total Revenues and Special Item	193,716,412.86	168,314,034.00
Program Expenses:		
Instruction	107,301,379.23	97,088,253.70
Support Services		
Pupil Services	5,636,542.65	4,408,313.60
Improvement of Instructional Services	5,232,608.51	4,829,033.23
Educational Media Services	2,097,686.58	1,741,931.02
General Administration	2,674,840.06	2,221,899.57
School Administration	8,607,075.97	6,571,108.99
Business Administration	1,299,056.74	1,069,074.08
Maintenance and Operation of Plant	14,777,327.73	13,980,258.53
Student Transportation Services	13,428,724.60	9,991,483.92
Central Support Services	2,860,319.59	3,953,083.38
Other Support Services	494,199.00	768,979.54
Operations of Non-Instructional Services		
Enterprise Operations	925,776.93	670,450.52
Community Services	566,191.93	455,574.80
Food Services	6,991,537.20	5,751,960.54
Interest on Long-Term Debt	2,021,454.96	3,516,807.54
Total Expenses	174,914,721.68	157,018,212.96
Increase (Decrease) in Net Position	\$ 18,801,691.18	\$ 11,295,821.04

(1) Fiscal Year 2023 balances do not reflect the effect of the restatement of balances.
See Note 15 in the Notes to the Basic Financial Statements for additional information.

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

GOVERNMENTAL ACTIVITIES

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2024	Fiscal Year 2023 (1)	Fiscal Year 2024	Fiscal Year 2023 (1)
Instruction	\$ 107,301,379.23	\$ 97,088,253.70	\$ 38,607,895.04	\$ 32,647,795.69
Support Services:				
Pupil Services	5,636,542.65	4,408,313.60	4,212,212.26	3,007,210.48
Improvement of Instructional Services	5,232,608.51	4,829,033.23	3,880,783.69	3,486,402.43
Educational Media Services	2,097,686.58	1,741,931.02	447,127.83	(163,940.02)
General Administration	2,674,840.06	2,221,899.57	216,018.48	229,131.21
School Administration	8,607,075.97	6,571,108.99	5,347,092.47	3,531,425.73
Business Administration	1,299,056.74	1,069,074.08	1,169,361.10	856,278.60
Maintenance and Operation of Plant	14,777,327.73	13,980,258.53	8,835,438.80	9,217,868.62
Student Transportation Services	13,428,724.60	9,991,483.92	8,305,951.13	7,998,452.49
Central Support Services	2,860,319.59	3,953,083.38	2,492,319.92	3,297,294.16
Other Support Services	494,199.00	768,979.54	476,429.15	375,347.26
Operations of Non-Instructional Services:				
Enterprise Operations	925,776.93	670,450.52	925,180.69	669,151.66
Community Services	566,191.93	455,574.80	(169,631.72)	(374,350.23)
Food Services	6,991,537.20	5,751,960.54	450,623.11	(327,229.51)
Interest on Long-Term Debt	2,021,454.96	3,516,807.54	2,021,454.96	3,516,807.54
Total Expenses	\$ 174,914,721.68	\$ 157,018,212.96	\$ 77,218,256.91	\$ 67,967,646.11

(1) Fiscal Year 2023 balances do not reflect the effect of the restatement of balances.
See Note 15 in the Notes to the Basic Financial Statements for additional information.

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2024, 44% of instruction and support activities were supplemented by taxes and other general revenues compared to 43% in 2023.

Expenses increased \$17,896,508.72 from the prior year, the net costs of providing services increased \$9,250,610.80. This situation occurred mostly because there was a large increase in instruction, school administration, and student transportation services.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of \$198,493,429.92 and total expenditures of \$218,497,142.58. Included in the amount of total expenditures was \$44,480,957.82 of capital outlay expenditures. These expenditures were funded with Education Special Purpose Local Option Sales Tax (ESPLOST) revenue, for which proceeds were received monthly, as well as the general fund in order to complete two schools in two years without issuing new long-term debt.

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

GENERAL FUND BUDGETING HIGHLIGHTS

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

For the general fund, the total actual expenditure amount of \$174,824,474.35 was more than the final budgeted expenditures amount of \$154,954,901.14 by \$19,869,573.21. This difference (final actual vs. final budget) can be attributed to several expenditure function areas being more than anticipated because of moving ESPLOST activity such as bus replacement, technology devices, and building improvements to the general fund. This was done in an effort to focus ESPLOST monies on addressing the growth and building additional facilities in the West Side Community. Also, a significant investment in capital outlay from general fund contributed to this difference.

The total final actual revenue amount of \$161,859,918.44 exceeded the total final budgeted revenue of \$150,300,860.15 by \$11,559,058.26. This difference (final budget vs. final actual) was mostly due to a \$4,512,081.14 increase in state funding due to mid-year adjustments related to enrollment growth, an increase in collection rate of local property tax, and \$3,632,400.64 in miscellaneous revenues related to school activity accounts not budgeted at the School District level.

CAPITAL ASSETS

At the fiscal year ended June 30, 2024, the School District had \$298,880,851.42 invested in capital assets, net of accumulated depreciation, all in governmental activities. Additional information on the School District's capital assets can be found in the Notes to the Basic Financial Statements.

As of June 30, 2024, the School District completed the purchase of several plots of land for future school sites. They also made significant progress on the following capital projects: new middle school on west side (Legacy Knoll Middle School), new elementary school on west side (Heroes Elementary School), and Empower Track & Field improvements.

DEBT ADMINISTRATION

For the fiscal year ended June 30, 2024, the School District had \$73,452,133.71 in long-term liabilities. Of this amount, \$11,519,735.09 represents compensated absences, finance purchase arrangements, and general obligation bonds due within one year; \$61,932,398.62 represents compensated absences, finance purchase arrangements, and general obligation bonds due in more than one year. Additional information can be found on the School District's debt in the Notes to the Basic Financial Statements.

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on financial positions or results of operations in future years are as follows:

- We would like to emphasize that the fund level statements and balances provide a much more accurate representation of the School District's financial position. At the government-wide reporting level there is a significant deficit in net position - unrestricted due to GASB No. 68 and GASB No. 75 reporting requirements. At the fund level, the fiscal year 2024 ending unrestricted balance decreased compared to the unrestricted balance reported for fiscal year 2023. This is due in part to general fund support of capital projects in order to complete two schools in two years without incurring additional long-term debt.

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

- The School District ended fiscal year 2024 with \$20,450,739.71 in the general fund's fund balance. The actual ending fund balance was approximately \$4.4 million less than projected during the final amended budget process. These results can be attributed to the support of capital projects using the general fund. The stability and growth in the fund balance over the past several years made this possible and is also greatly driven by the time, effort and detail put into the budgeting process. School System administrators ensure that all facets (maintenance, transportation, technology, instruction, special programs, facilities, etc.) of the School District are considered during the budget process. Members of the Finance Department and Administrative team meet with teacher advisory committees, parent advisory committees, school leaders, program leaders, community members, school board members and many others to receive information, input, and recommendations that aid in the development of the upcoming fiscal year's budget.
- The School District continues to reinforce the quality of the instructional program. It is imperative that financial resources are prioritized for instructional materials and professional learning. The School District is committed to providing students and the community remarkable learning experiences. Over the next generation, learning must be transformed to meet the needs of our students and future demands of a global economy. To truly shift the culture and be a future ready School District, significant professional learning and partnerships among community and business leaders will be paramount. The School District is committed to this work and efficiently supporting a strong return on our investment of resources.
- Jackson County Schools works closely with the community it serves. The commercial and industrial industries are invested partners. Jackson County is experiencing record growth with very specialized industries choosing to locate large manufacturing firms in the community. These leaders are vested in the programs that will be offered including industrial manufacturing, robotics, health sciences, logistics, entrepreneurship, and others that are directly aligned to the present and future needs of the community.
- In addition to strong business partnerships, Jackson County School District has prioritized the investment of the parents, students, and community stakeholders in the development of a unique Community Based Accountability effort. The Jackson County Board of Education meets regularly with a Parent Advisory Council, and the Superintendent serves on various community leadership boards and meets regularly with teacher advisories and student advisories. These stakeholders are valued and their expectations for a high performing school system drive the goals for success of our students.
- Jackson County is the fastest growing county in the State of Georgia and the fourth-fastest growing county in the nation. With the record growth, the Jackson County School District is committed to building top-tier school facilities to give our students the best environment to succeed academically, along with providing ample opportunities for our students to be involved in their school and community. Jackson County School District opened two new facilities in back-to-back years. Legacy Knoll Middle School is a \$38.0 million school that opened in August 2023 and has the ability to serve 1,100 middle school students. Legacy Knoll Middle School (LKMS) is located adjacent to Jackson County High School (JCHS) off Skelton Road in Hoschton. Heroes Elementary is a \$40.1 million school that opened in August 2024. The three-story elementary school is located off Highway 332 and Skelton Road, sharing the property with LKMS and JCHS. The construction of these two new schools required zero funding from a General Obligation Bond. Through State Capital Outlay Funding, SPLOST revenues, and some contributions from the general fund, the Jackson County School District had both Legacy Knoll Middle School and Heroes Elementary School paid off by the completion of their construction schedules.

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

- House Bill 581, passed during the 2024 legislative session and signed by Governor Kemp, introduces key changes that will impact local government revenue. This bill includes procedural modifications to property tax assessments, assessment notices and appeals, and a new statewide floating homestead exemption. Jackson County Board of Education is evaluating the potential impact of HB 581 on property tax revenue for the school district. If it is found to have a negative impact, we will begin the process to opt out of HB 581 beginning on January 1, 2025.
- Two senior tax exemptions were approved by Jackson County voters in the November 2024 election. The impact on property tax revenue is uncertain as an exact number of qualifying senior citizens and their current income is unavailable; however, the best estimate at this time is a decrease to the tax digest of \$6,000,000.00.
- In fiscal year 2025, the cost of the employer portion of TRS pension will increase approximately \$636,329.00, and an increase in health insurance premiums for classified/non-certified employees is expected to add another \$1,824,000.00 with an increase in unfunded certified staff adding another \$908,520.00.
- Approximately 77% of general fund expenses, the main operating fund for the School District, were related to salaries and employee benefits for the year ended June 30, 2024 when capital outlay expenses are excluded. With such personnel-heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that County students receive a quality education from effective personnel.
- The School District's M&O millage rate for fiscal year 2024 was 18.095; M&O is 15.495 and Debt service is 2.600. The net digest has been increasing with the explosive growth in new homes added to the digest in addition to the rise of property values. The net digest for fiscal year 2024 was \$3.910 billion, which produced approximately \$74.5 million. Property tax and sales tax are responsible for covering 38% of the School District's general fund expenses. It is anticipated that this pressure to provide local monies to meet mandated educational requirements and operational costs will continue.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Erin Bryant, Finance Director for the Jackson County Board of Education, 1660 Winder Highway, Jefferson, GA 30549. You may also email your questions to Ms. Bryant at ebryant@jcass.us.

Jackson County Board of Education

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

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 21,356,424.53
Accounts Receivable, Net	
Taxes	4,394,270.92
State Government	10,772,858.16
Federal Government	1,318,870.31
Local	1,077,191.12
Other	409,994.89
Inventories	152,530.13
Prepaid Items	8,950.00
Capital Assets, Non-Depreciable	93,696,072.68
Capital Assets, Depreciable (Net of Accumulated Depreciation)	205,184,778.74
Total Assets	<u>338,371,941.48</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Charge on Debt Refunding	393,605.02
Related to Defined Benefit Pension Plans	50,117,011.99
Related to OPEB Plan	28,882,688.00
Total Deferred Outflows of Resources	<u>79,393,305.01</u>
<u>LIABILITIES</u>	
Accounts Payable	2,713,134.74
Salaries and Benefits Payable	8,529,944.96
Payroll Withholdings Payable	1,906,765.99
Interest Payable	1,028,250.00
Contracts Payable	1,897,523.39
Retainages Payable	1,758,064.94
Net Pension Liability	127,689,544.00
Net OPEB Liability	61,285,547.00
Long-Term Liabilities	
Due Within One Year	11,519,735.09
Due in More Than One Year	61,932,398.62
Total Liabilities	<u>280,260,908.73</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	1,001,859.00
Related to OPEB Plan	25,336,811.00
Total Deferred Inflows of Resources	<u>26,338,670.00</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	222,294,994.60
Restricted for	
Continuation of Federal Programs	2,969,119.63
Debt Service	1,414,546.27
Capital Projects	3,655,588.33
Permanent Funds	60,968.56
Other	116,695.75
Unrestricted (Deficit)	<u>(119,346,245.38)</u>
Total Net Position	<u>\$ 111,165,667.76</u>

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

EXHIBIT "B"

	PROGRAM REVENUES				NET (EXPENSES)	
		CHARGES FOR	OPERATING	CAPITAL	REVENUES	
	EXPENSES	SERVICES	GRANTS AND	GRANTS AND	AND CHANGES IN	
			CONTRIBUTIONS	CONTRIBUTIONS	NET POSITION	
<u>GOVERNMENTAL ACTIVITIES</u>						
Instruction	\$ 107,301,379.23	\$ 585,532.33	\$ 64,343,952.45	\$ 3,763,999.41	\$ (38,607,895.04)	
Support Services						
Pupil Services	5,636,542.65	195,186.54	1,190,035.96	39,107.89	(4,212,212.26)	
Improvement of Instructional Services	5,232,608.51	2,651.91	1,348,011.65	1,161.26	(3,880,783.69)	
Educational Media Services	2,097,686.58	-	1,649,759.51	799.24	(447,127.83)	
General Administration	2,674,840.06	-	2,435,226.24	23,595.34	(216,018.48)	
School Administration	8,607,075.97	-	3,256,190.23	3,793.27	(5,347,092.47)	
Business Administration	1,299,056.74	86,219.27	40,811.56	2,664.81	(1,169,361.10)	
Maintenance and Operation of Plant	14,777,327.73	41,656.62	4,235,224.76	1,665,007.55	(8,835,438.80)	
Student Transportation Services	13,428,724.60	-	2,733,360.92	2,389,412.55	(8,305,951.13)	
Central Support Services	2,860,319.59	-	132,268.70	235,730.97	(2,492,319.92)	
Other Support Services	494,199.00	-	17,769.85	-	(476,429.15)	
Operations of Non-Instructional Services						
Enterprise Operations	925,776.93	-	69.49	526.75	(925,180.69)	
Community Services	566,191.93	715,245.14	20,578.51	-	169,631.72	
Food Services	6,991,537.20	1,233,837.40	5,222,554.73	84,521.96	(450,623.11)	
Interest on Long-Term Debt	2,021,454.96	-	-	-	(2,021,454.96)	
Total Governmental Activities	\$ <u>174,914,721.68</u>	\$ <u>2,860,329.21</u>	\$ <u>86,625,814.56</u>	\$ <u>8,210,321.00</u>	<u>(77,218,256.91)</u>	
General Revenues						
Taxes						
Property Taxes						
For Maintenance and Operations						63,907,171.57
For Debt Services						10,203,503.47
Railroad Cars						36,603.26
Other Taxes						513,392.26
Sales Taxes						
Special Purpose Local Option Sales Tax						
For Capital Projects						14,199,978.59
Other Sales Tax						2,815,690.04
Investment Earnings						365,133.26
Miscellaneous						3,978,475.64
Total General Revenues						<u>96,019,948.09</u>
Change in Net Position						18,801,691.18
Net Position, as Previously Presented						<u>88,170,523.58</u>
Error Correction						<u>4,193,453.00</u>
Net Position, as Restated						<u>92,363,976.58</u>
Net Position - End of Year						\$ 111,165,667.76

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 20,724,883.91	\$ -	\$ 570,572.06	\$ 60,968.56	\$ 21,356,424.53
Accounts Receivable, Net					
Taxes	2,850,732.57	1,194,507.92	349,030.43	-	4,394,270.92
State Government	10,772,858.16	-	-	-	10,772,858.16
Federal Government	1,318,870.31	-	-	-	1,318,870.31
Local	1,077,191.12	-	-	-	1,077,191.12
Other	409,994.89	-	-	-	409,994.89
Due from Other Funds	-	2,461,080.41	16,186.80	-	2,477,267.21
Inventories	152,530.13	-	-	-	152,530.13
Prepaid Items	8,950.00	-	-	-	8,950.00
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>37,316,011.09</u>	\$ <u>3,655,588.33</u>	\$ <u>935,789.29</u>	\$ <u>60,968.56</u>	\$ <u>41,968,357.27</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 2,713,134.74	\$ -	\$ -	\$ -	\$ 2,713,134.74
Salaries and Benefits Payable	8,529,944.96	-	-	-	8,529,944.96
Payroll Withholdings Payable	1,906,765.99	-	-	-	1,906,765.99
Due to Other Funds	2,477,267.21	-	-	-	2,477,267.21
Contracts Payable	-	1,897,523.39	-	-	1,897,523.39
Retainages Payable	-	1,758,064.94	-	-	1,758,064.94
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	15,627,112.90	3,655,588.33	-	-	19,282,701.23
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Revenue - Property Taxes	903,245.91	-	203,029.64	-	1,106,275.55
Unavailable Revenue - State Funds	285,898.00	-	-	-	285,898.00
Unavailable Revenue - Federal Funds	48,514.57	-	-	-	48,514.57
Unavailable Revenue - Business Donation	500.00	-	-	-	500.00
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	1,238,158.48	-	203,029.64	-	1,441,188.12
<u>FUND BALANCES</u>					
Nonspendable	161,480.13	-	-	25,000.00	186,480.13
Restricted	4,440,292.23	-	732,759.65	35,968.56	5,209,020.44
Assigned	1,849,702.04	-	-	-	1,849,702.04
Unassigned	13,999,265.31	-	-	-	13,999,265.31
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	20,450,739.71	-	732,759.65	60,968.56	21,244,467.92
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances					
	\$ <u>37,316,011.09</u>	\$ <u>3,655,588.33</u>	\$ <u>935,789.29</u>	\$ <u>60,968.56</u>	\$ <u>41,968,357.27</u>

JACKSON 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")	\$	21,244,467.92
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Land	\$	15,381,139.55	
Construction in progress		78,314,933.13	
Buildings and improvements		257,312,474.04	
Equipment		27,283,246.06	
Land improvements		7,008,205.66	
Accumulated depreciation		<u>(86,419,147.02)</u>	298,880,851.42

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

Net pension liability	\$	(127,689,544.00)	
Net OPEB liability		<u>(61,285,547.00)</u>	(188,975,091.00)

Deferred charges or credits on debt refundings are applicable to future periods and are therefore not reported in the funds and are amortized over the life of the new debt.

393,605.02

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	\$	49,115,152.99	
Related to OPEB		<u>3,545,877.00</u>	52,661,029.99

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

1,106,275.55

State and federal revenues that are not available to pay for current period expenditures are deferred in the funds.

334,412.57

Local donation revenues that are not available to pay current period expenditures are deferred in the funds.

500.00

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	\$	(61,695,000.00)	
Accrued interest payable		(1,028,250.00)	
Financed purchase arrangement payable		(2,606,322.91)	
Compensated absences payable		(128,260.20)	
Unamortized bond premiums		<u>(9,022,550.60)</u>	(74,480,383.71)

Net position of governmental activities (Exhibit "A")	\$	<u><u>111,165,667.76</u></u>
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JACKSON 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	NONMAJOR GOVERNMENTAL FUND	TOTAL
<u>REVENUES</u>					
Property Taxes	\$ 64,361,203.03	\$ -	\$ 10,160,707.75	\$ -	\$ 74,521,910.78
Sales Taxes	2,455,157.00	14,199,978.59	360,533.04	-	17,015,668.63
State Funds	77,208,729.29	7,236,226.61	-	-	84,444,955.90
Federal Funds	10,780,390.00	-	-	-	10,780,390.00
Charges for Services	2,860,329.21	-	-	-	2,860,329.21
Investment Earnings	276,709.27	60,197.12	27,250.25	976.62	365,133.26
Miscellaneous	3,917,400.64	29,000.00	-	-	3,946,400.64
Total Revenues	<u>161,859,918.44</u>	<u>21,525,402.32</u>	<u>10,548,491.04</u>	<u>976.62</u>	<u>193,934,788.42</u>
<u>EXPENDITURES</u>					
Current					
Instruction	94,997,427.67	119,837.34	-	1,799.20	95,119,064.21
Support Services					
Pupil Services	5,104,331.27	-	-	-	5,104,331.27
Improvement of Instructional Services	4,709,981.07	-	-	-	4,709,981.07
Educational Media Services	1,831,399.94	79,994.34	-	-	1,911,394.28
General Administration	2,402,676.98	7,868.12	-	-	2,410,545.10
School Administration	7,759,339.75	-	-	-	7,759,339.75
Business Administration	1,164,994.40	-	-	-	1,164,994.40
Maintenance and Operation of Plant	14,549,661.26	-	-	-	14,549,661.26
Student Transportation Services	16,094,542.99	-	-	-	16,094,542.99
Central Support Services	3,034,142.31	-	-	-	3,034,142.31
Other Support Services	494,199.00	-	-	-	494,199.00
Enterprise Operations	925,674.96	-	-	-	925,674.96
Community Services	566,191.93	-	-	-	566,191.93
Food Services Operation	7,586,774.23	-	-	-	7,586,774.23
Capital Outlay	12,780,288.59	31,700,669.23	-	-	44,480,957.82
Debt Services					
Principal	796,635.19	-	8,260,000.00	-	9,056,635.19
Dues and Fees	-	-	4,750.00	-	4,750.00
Interest	26,212.81	1,376,901.73	2,120,848.27	-	3,523,962.81
Total Expenditures	<u>174,824,474.35</u>	<u>33,285,270.76</u>	<u>10,385,598.27</u>	<u>1,799.20</u>	<u>218,497,142.58</u>
Revenues over (under) Expenditures	<u>(12,964,555.91)</u>	<u>(11,759,868.44)</u>	<u>162,892.77</u>	<u>(822.58)</u>	<u>(24,562,354.16)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Sale of Capital Assets	341,033.40	783,075.00	-	-	1,124,108.40
Insurance Proceeds	31,575.00	-	-	-	31,575.00
Financed Purchase Arrangement Proceeds	3,402,958.10	-	-	-	3,402,958.10
Total Other Financing Sources (Uses)	<u>3,775,566.50</u>	<u>783,075.00</u>	<u>-</u>	<u>-</u>	<u>4,558,641.50</u>
Net Change in Fund Balances	(9,188,989.41)	(10,976,793.44)	162,892.77	(822.58)	(20,003,712.66)
Fund Balances - Beginning	<u>29,639,729.12</u>	<u>10,976,793.44</u>	<u>569,866.88</u>	<u>61,791.14</u>	<u>41,248,180.58</u>
Fund Balances - Ending	<u>\$ 20,450,739.71</u>	<u>\$ -</u>	<u>\$ 732,759.65</u>	<u>\$ 60,968.56</u>	<u>\$ 21,244,467.92</u>

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	(20,003,712.66)
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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	\$ 56,067,634.83	
Depreciation expense	<u>(8,470,540.86)</u>	47,597,093.97

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.	(1,511,591.65)
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Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	138,759.78
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State and Federal revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenues in the funds.	222,335.12
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Miscellaneous revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.	500.00
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Georgia State Financing and Investment Commission grants revenue deferred in the funds in the prior year but recognized as revenue in the current year.	(651,502.45)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

Financed purchase arrangement proceeds	\$ (3,402,958.10)	
Financed purchase arrangement payments	796,635.19	
Bond principal retirements	8,260,000.00	
Amortization of bond premiums	1,894,397.90	
Amortization of deferred loss on refunding of bonds	<u>(524,806.72)</u>	7,023,268.27

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	\$ (15,156,086.11)	
OPEB expense	<u>995,657.00</u>	(14,160,429.11)

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.

Accrued interest on issuance of bonds	\$ 137,666.67	
Compensated absences	<u>9,303.24</u>	<u>146,969.91</u>

Change in net position of governmental activities (Exhibit "B")	\$	<u><u>18,801,691.18</u></u>
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JACKSON 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 Jackson 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.

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

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

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

Fund Financial Statements

The fund financial statements provide information about the School District's funds. 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. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and 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.

All governmental funds not meeting the criteria established for major funds are presented in the nonmajor governmental column of the fund financial statements.

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.

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

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

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EXHIBIT "G"

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	\$ 5,000.00	20 years
Buildings and Improvements	\$ 5,000.00	15 to 50 years
Equipment	\$ 5,000.00	5 to 20 years
Intangible Assets		
Software	\$ 100,000.00	10 years
Other	\$ 20,000.00	20 years

During the fiscal year, management decreased the capital asset threshold to \$100,000.00 from \$200,000.00 for software. The change in threshold did not have a material or significant impact on the financial statements.

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Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

Vacation leave of 10 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 20 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees that were hired before November 10, 2014. 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

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on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

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Property Taxes

The Jackson County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on September 25, 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 Jackson County Tax Commissioner bills and collects the property taxes for the School District, withholds 2% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$58,378,403.54 and for school bonds amounted to \$10,093,570.24.

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

School Operations	15.495 mills
School Bonds	<u>2.600 mills</u>
	<u>18.095 mills</u>

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$6,013,333.74 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 \$14,199,978.59 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 and function. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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The Superintendent has the authority to amend the budget without Board approval. Financial statements are presented to the Board monthly for review, discussion and approval of actual revenues, expenditures and changes in fund balances as compared to the budget balances.

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 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 \$21,356,424.53, and a bank balance of \$24,502,664.42. The bank balances insured by Federal depository insurance were \$18,174,087.02 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$907,706.72.

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At June 30, 2024, \$5,420,870.68 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.

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

NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2023	Increases	Decreases	Balances July 1, 2024
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 9,576,505.22	\$ 5,899,197.33	\$ 94,563.00	\$ 15,381,139.55
Construction in Progress	38,581,483.43	46,035,328.36	6,301,878.66	78,314,933.13
Total Capital Assets				
Not Being Depreciated	48,157,988.65	51,934,525.69	6,396,441.66	93,696,072.68
Capital Assets,				
Being Depreciated:				
Buildings and Improvements	259,860,811.06	456,927.92	3,005,264.94	257,312,474.04
Equipment	21,168,581.24	9,456,705.03	3,342,040.21	27,283,246.06
Land Improvements	6,486,850.81	521,354.85	-	7,008,205.66
Less Accumulated				
Depreciation:				
Buildings and Improvements	67,126,360.45	6,349,415.53	1,750,163.39	71,725,612.59
Equipment	12,717,942.03	1,862,063.76	3,180,113.11	11,399,892.68
Land Improvements	3,034,580.18	259,061.57	-	3,293,641.75
Total Capital Assets,				
Being Depreciated, Net	204,637,360.45	1,964,446.94	1,417,028.65	205,184,778.74
Governmental Activities				
Capital Assets - Net	\$ 252,795,349.10	\$ 53,898,972.63	\$ 7,813,470.31	\$ 298,880,851.42

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Current year depreciation expense by function is as follows:

Instruction		\$ 4,692,227.83
Support Services		
Pupil Services	\$ 53,702.63	
Improvements of Instructional Services	1,507.12	
Educational Media Services	908.00	
General Administration	31,061.36	
School Administration	4,726.74	
Business Administration	3,778.87	
Maintenance and Operation of Plant	2,107,501.37	
Student Transportation Services	1,221,681.48	
Central Support Services	267,886.78	3,692,754.35
Enterprise Operations		529.91
Food Services		85,028.77
		<u>\$ 8,470,540.86</u>

NOTE 6: 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	\$ -	\$ 2,477,267.21
Capital Projects Fund	2,461,080.41	-
Debt Service Fund	16,186.80	-
	<u>\$ 2,477,267.21</u>	<u>\$ 2,477,267.21</u>

General fund owes the capital projects fund for multiple capital projects that were in progress or completed in the fiscal year. Additionally, the general fund owes the debt service fund for property tax receivables owed with the bond millage rate and initially deposited in the general fund but not yet transferred at year-end.

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 (Restated)	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation (G.O.) Bonds	\$ 69,955,000.00	\$ -	\$ 8,260,000.00	\$ 61,695,000.00	\$ 9,035,000.00
Unamortized Bond Premiums	10,916,948.50	-	1,894,397.90	9,022,550.60	1,695,560.60
Financed Purchase Arrangements	-	3,402,958.10	796,635.19	2,606,322.91	697,391.63
Compensated Absences	137,563.44	112,154.95	121,458.19	128,260.20	91,782.86
	<u>\$ 81,009,511.94</u>	<u>\$ 3,515,113.05</u>	<u>\$ 11,072,491.28</u>	<u>\$ 73,452,133.71</u>	<u>\$ 11,519,735.09</u>

**JACKSON COUNTY BOARD OF EDUCATION
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EXHIBIT "G"

General Obligation Bonds

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

In the event that the School District would default on their G.O. bond principal and interest payments, the underwriter or beneficial owner may take actions (including court orders) to cause the School District to comply with its obligations, and the cost to the School District to perform its obligations would be paid solely from funds lawfully available for this purpose.

Additional security is provided by the State of Georgia Intercept Program, for which in the event of default of untimely payments, pursuant to O.C.G.A. §20-2-170, the State Board will transfer amounts from any state appropriation to the Debt Service Account Custodian necessary for the payment of debt.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Refunding - Series 2012	3.00% - 5.00%	5/10/2012	3/1/2025	\$ 58,525,000.00	\$ 9,035,000.00
General Government - Series 2019	5.00%	7/24/2019	3/1/2032	52,660,000.00	52,660,000.00
				<u>\$ 111,185,000.00</u>	<u>\$ 61,695,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2025	\$ 9,035,000.00	\$ 3,084,750.00	\$ 1,695,560.60
2026	6,470,000.00	2,633,000.00	1,099,048.50
2027	6,790,000.00	2,309,500.00	1,099,048.50
2028	7,130,000.00	1,970,000.00	1,099,048.50
2029	7,485,000.00	1,613,500.00	1,099,048.50
2030 - 2032	<u>24,785,000.00</u>	<u>2,519,000.00</u>	<u>2,930,796.00</u>
Total Principal and Interest	<u>\$ 61,695,000.00</u>	<u>\$ 14,129,750.00</u>	<u>\$ 9,022,550.60</u>

Financed Purchase Arrangements

The School District has acquired equipment under the provisions of various long-term agreements classified as financed purchases for accounting purposes. An agreement dated October 12, 2023 was executed by and between the School District and Santander. The agreement authorized the borrowing of \$2,855,000.00 for the purchase of buses. Payments of the agreement shall be made from the general fund and capital projects fund. The balance as of June 30, 2024 is \$2,250,630.81.

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An agreement dated June 24, 2024 was executed by and between the School District and Jackson County Government. The agreement authorized the borrowing of \$547,958.10 for the upgrade of radio communications system. Payments of the agreement shall be made from the School District's general fund. The balance as of June 30, 2024 is \$355,692.10.

In the event that the School District would default on their financed purchase arrangement payments, the seller may declare all sums due, sue for and recover all payments then accrued, take possession of the assets, terminate the agreement, or pursue any other lawful remedy.

Debt currently outstanding is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Purchase of buses	4.70%	10/12/2023	10/12/2027	\$ 2,855,000.00	\$ 2,250,630.81
Radio system upgrade	5.00%	6/24/2024	6/24/2026	547,958.10	355,692.10
				<u>\$ 3,402,958.10</u>	<u>\$ 2,606,322.91</u>

The following is a schedule of total financed purchase agreement payments:

<u>Fiscal Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 697,391.63	\$ 125,456.37
2026	731,754.35	91,093.65
2027	575,019.25	55,562.75
2028	602,157.68	28,424.32
	<u>\$ 2,606,322.91</u>	<u>\$ 300,537.09</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

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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.

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. Claims are accounted for within the same fund that the employee's salary and benefits are paid. The School District accounts for claims with expenses/expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not incurred any liabilities for unemployment compensation claims during the last two fiscal years.

Surety Bond

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

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 50,000.00

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NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable			
Inventories	\$	152,530.13	
Permanent Funds Principal		25,000.00	
Prepaid Assets		<u>8,950.00</u>	\$ 186,480.13
Restricted			
Continuation of Federal Programs	\$	2,816,589.50	
Debt Service		2,239,766.63	
Permanent Funds		35,968.56	
Empower Program		<u>116,695.75</u>	5,209,020.44
Assigned			
School Activity Accounts			1,849,702.04
Unassigned			<u>13,999,265.31</u>
Fund Balance, June 30, 2024			<u>\$ 21,244,467.92</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: BROADBAND SPECTRUM AGREEMENT

Effective October 1, 2008, the School District entered into a 30-year use agreement with Sprint/Clearwire for the use of excess spectrum capacity on Education Broadband Service licenses currently held by the School District. These licenses were granted to the School District by the Federal Communications Commission. The agreement requires monthly payments over the term of the agreement, of which \$43,200.00 was recognized during fiscal year 2024 as a general revenue on the Statement of Activities.

NOTE 11: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

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

Project	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)	Funding Available From State (1)
New Middle School (LKMS)	\$ 876,104.51	\$ 37,063,479.57	\$ -
New Elementary School (HES) 24RA-678-001	2,898,352.55	37,210,592.12	904,421.20
Automotive Lab	<u>89,325.00</u>	<u>92,925.00</u>	<u>-</u>
	<u>\$ 3,863,782.06</u>	<u>\$ 74,366,996.69</u>	<u>\$ 904,421.20</u>

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

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

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NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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 \$2,430,454.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2024, the School District reported a liability of \$61,285,547.00 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.

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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 0.559511%, which was an increase of 0.055976% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$1,434,797.00. 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	\$ 1,786,372.00	\$ 17,601,929.00
Changes of assumptions	11,134,379.00	7,653,635.00
Net difference between projected and actual earnings on OPEB plan investments	36,768.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	13,494,715.00	81,247.00
School District contributions subsequent to the measurement date	<u>2,430,454.00</u>	<u>-</u>
Total	<u>\$ 28,882,688.00</u>	<u>\$ 25,336,811.00</u>

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	\$ (1,057,495.00)
2026	\$ 79,386.00
2027	\$ (1,055,594.00)
2028	\$ 916,056.00
2029	\$ 1,957,442.00
Thereafter	\$ 275,628.00

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

OPEB:

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

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

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

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

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

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

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

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

* Net of inflation

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

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Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:

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

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the Net OPEB liability	\$ 69,469,995.00	\$ 61,285,547.00	\$ 54,392,511.00

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	\$ 52,789,373.00	\$ 61,285,547.00	\$ 71,759,497.00

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

NOTE 14: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. 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. For the current fiscal year, employer contributions to the pension plan were \$14,179,657.01 from the School District.

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.

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

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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 \$1,225.98 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.

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 \$204,668.01.

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 \$127,689,544.00 for its proportionate share of the net pension liability for TRS (\$127,581,269.00) and ERS (\$108,275.00).

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

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At June 30, 2023, the School District's TRS proportion was 0.432123%, which was an increase of 0.020401% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.001815%, which was an a decrease of 0.000292% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$1,363,044.00.

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 \$29,337,913.70 for TRS, (\$2,328.00) for ERS and \$246,009.00 for PSERS and revenue of (\$1,384.00) for TRS and \$246,009.00 for PSERS. The revenue is support provided by the State of Georgia.

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	\$ 6,478,405.00	\$ 527,506.00	\$ 1,645.00	\$ 254.00
Changes of assumptions	13,125,373.00	-	4,166.00	-
Net difference between projected and actual earnings on pension plan investments	8,973,133.00	-	4,411.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	7,348,996.00	455,697.00	-	18,402.00
School District contributions subsequent to the measurement date	14,179,657.01	-	1,225.98	-
Total	<u>\$ 50,105,564.01</u>	<u>\$ 983,203.00</u>	<u>\$ 11,447.98</u>	<u>\$ 18,656.00</u>

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

Year Ended June 30:	TRS	ERS
	<hr/>	<hr/>
2025	\$ 11,272,552.00	\$ (12,575.00)
2026	\$ 7,333,515.00	\$ (2,656.00)
2027	\$ 19,021,019.00	\$ 8,814.00
2028	\$ (2,684,382.00)	\$ (2,017.00)

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 increase:	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.

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The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 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

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 increase:	1.50%, semi-annually

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Mortality rates are as follows:

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

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

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

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

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

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

EXHIBIT "G"

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.

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	\$ 201,720,828.00	\$ 127,581,269.00	\$ 67,036,339.00
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	\$ 148,576.00	\$ 108,275.00	\$ 74,361.00

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 <http://www.ers.ga.gov/financials>.

Defined Contribution Plan

In October 2022, the School District began employer paid 403(b) and 457(b) annuity plans for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School District selected AIG and Corebridge Financial as the providers of the plans. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to the employee's contribution up to \$50.00 per month.

The employee becomes vested in the plan upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment.

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

Fiscal Year	Required Contribution
2024	\$ 48,380.11
2023	\$ 25,437.05

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

EXHIBIT "G"

NOTE 15: RESTATEMENT OF PRIOR YEAR NET POSITION

During fiscal year 2024, the School District identified errors in the reporting of its financial statements for fiscal year 2023. The bond premium for the 2019 general obligation bond issuance was not amortized and bond issuance costs were reported as unamortized bond discount. This resulted in the understatement of long-term liabilities due within one year by \$1,099,048.50, and the overstatement of long-term liabilities due in more than one year by \$5,697,983.50 and Interest on long-term debt by \$1,099,048.50.

Net Position, July 1, 2023, as previously reported	\$ 88,170,523.58
Error Corrections:	
Correction of amortization of bond premium	4,396,194.00
Correction for bond issuance costs	<u>(202,741.00)</u>
Net Position, July 1, 2023, as restated	<u>\$ 92,363,976.58</u>

NOTE 16: TAX ABATEMENTS

The School District property tax revenues were reduced by \$792,572.00 under agreements entered into by Jackson County Industrial Development Authority. Under the Jackson County Industrial Development Authority annual budget for fiscal year 2024, Jackson County Industrial Development Authority reimburses the School District for a portion of the reduction in tax revenues. The School District received \$476,789.00 in fiscal year 2024.

NOTE 17: SUBSEQUENT EVENTS

In the subsequent fiscal year, voters authorized the School District to issue general obligation bonds in the amount of \$200,000,000.00. The proceeds from these bonds will be used for (i) acquiring, constructing and equipping new schools, including a new high school, new middle school, new elementary school and a replacement building for the existing North Jackson Elementary School facility; (ii) acquiring, constructing and equipping new educational facilities; (iii) acquiring real property; (iv) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing school system locations, including but not limited to East Jackson Elementary School and East Jackson Middle School; (v) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology equipment and infrastructure; and safety and security equipment and infrastructure; (vi) acquiring school buses, school vehicles and transportation and maintenance equipment; (vii) acquiring band instruments, band uniforms and athletic related equipment for; (viii) acquiring school buses, school vehicles and transportation, and maintenance equipment; (ix) paying a portion of the debt service on the Series 2019 general obligation bonds of the Jackson County School District, with a maximum payment amount of \$20,000,000.00; (x) paying a portion of the debt service on the general obligation bonds of the Jackson County School District to be issued in 2025, 2026 and/or 2027, with a maximum payment amount of \$20,000,000.00; (xi) paying expenses incident thereto including capitalized interest; the estimated aggregate cost of such projects and debt service payments to be financed from funds raised by the Sales Tax being \$128,620,000.00. The School District has issued \$200,000,000.00 of these bonds as of the report date.

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JACKSON 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	0.432123%	\$ 127,581,269.00	\$ -	\$ 127,581,269.00	\$ 62,976,884.30	202.58%	76.29%
2023	0.411722%	\$ 133,694,092.00	\$ -	\$ 133,694,092.00	\$ 55,670,193.16	240.15%	72.85%
2022	0.381263%	\$ 33,720,169.00	\$ -	\$ 33,720,169.00	\$ 49,605,662.12	67.98%	92.03%
2021	0.387534%	\$ 93,875,903.00	\$ -	\$ 93,875,903.00	\$ 50,003,435.20	187.74%	77.01%
2020	0.348860%	\$ 75,014,333.00	\$ -	\$ 75,014,333.00	\$ 42,578,778.76	176.18%	78.56%
2019	0.338346%	\$ 62,804,265.00	\$ 3,341.00	\$ 62,807,606.00	\$ 40,374,690.66	155.55%	80.27%
2018	0.333529%	\$ 61,987,392.00	\$ 43,861.00	\$ 62,031,253.00	\$ 38,323,920.47	161.75%	79.33%
2017	0.334080%	\$ 68,924,429.00	\$ 160,510.00	\$ 69,084,939.00	\$ 36,739,204.28	187.60%	76.06%
2016	0.332822%	\$ 50,668,845.00	\$ 134,885.00	\$ 50,803,730.00	\$ 35,266,439.96	143.67%	81.44%
2015	0.350825%	\$ 44,322,111.00	\$ 112,566.00	\$ 44,434,677.00	\$ 35,882,020.61	123.52%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 14,179,657.01	\$ 14,179,657.01	\$ -	\$ 70,969,254.31	19.98%
2023	\$ 12,582,585.53	\$ 12,582,585.53	\$ -	\$ 62,976,884.30	19.98%
2022	\$ 11,025,689.55	\$ 11,025,689.55	\$ -	\$ 55,670,193.16	19.81%
2021	\$ 9,454,839.20	\$ 9,454,839.20	\$ -	\$ 49,605,662.12	19.06%
2020	\$ 10,570,726.18	\$ 10,570,726.18	\$ -	\$ 50,003,435.20	21.14%
2019	\$ 8,910,893.90	\$ 8,910,893.90	\$ -	\$ 42,578,776.76	20.93%
2018	\$ 6,786,487.63	\$ 6,786,487.63	\$ -	\$ 40,374,690.66	16.81%
2017	\$ 5,464,956.13	\$ 5,464,956.13	\$ -	\$ 38,323,920.47	14.26%
2016	\$ 5,230,503.67	\$ 5,230,503.67	\$ -	\$ 36,739,204.28	14.24%
2015	\$ 4,625,215.41	\$ 4,625,215.41	\$ -	\$ 35,266,439.96	13.12%

JACKSON 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	0.001815%	\$ 108,275.00	\$ 49,827.64	217.30%	71.20%
2023	0.002107%	\$ 140,715.00	\$ 51,587.94	272.77%	67.44%
2022	0.001859%	\$ 100,713.00	\$ 103,218.00	97.57%	87.62%
2021	0.002447%	\$ 103,140.00	\$ 61,684.30	167.21%	76.21%
2020	0.002264%	\$ 93,425.00	\$ 57,068.20	163.71%	76.74%
2019	0.002219%	\$ 91,224.00	\$ 56,602.66	161.17%	76.68%
2018	0.002202%	\$ 89,431.00	\$ 54,021.62	165.55%	76.33%
2017	0.002312%	\$ 109,367.00	\$ 53,760.88	203.43%	72.34%
2016	0.002230%	\$ 90,346.00	\$ 50,989.99	177.18%	76.20%
2015	0.002155%	\$ 80,826.00	\$ 48,516.64	166.59%	77.99%

JACKSON 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	\$ 1,225.98	\$ 1,225.98	\$ -	\$ 4,177.10	29.35%
2023	\$ 15,451.57	\$ 15,451.57	\$ -	\$ 49,827.64	31.01%
2022	\$ 12,706.10	\$ 12,706.10	\$ -	\$ 51,587.94	24.63%
2021	\$ 25,454.00	\$ 25,454.00	\$ -	\$ 103,218.33	24.66%
2020	\$ 15,211.39	\$ 15,211.39	\$ -	\$ 61,684.30	24.66%
2019	\$ 14,141.54	\$ 14,141.54	\$ -	\$ 57,068.20	24.78%
2018	\$ 14,043.10	\$ 14,043.10	\$ -	\$ 56,602.66	24.81%
2017	\$ 13,402.80	\$ 13,402.80	\$ -	\$ 54,021.62	24.81%
2016	\$ 13,289.67	\$ 13,289.67	\$ -	\$ 53,760.88	24.72%
2015	\$ 11,197.42	\$ 11,197.42	\$ -	\$ 50,989.99	21.96%

JACKSON 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%	\$ -	\$ 1,363,044.00	\$ 1,363,044.00	\$ 4,282,705.30	N/A	85.67%
2023	0.00%	\$ -	\$ 1,685,497.00	\$ 1,685,497.00	\$ 3,684,134.07	N/A	81.21%
2022	0.00%	\$ -	\$ 151,281.00	\$ 151,281.00	\$ 2,795,760.91	N/A	98.00%
2021	0.00%	\$ -	\$ 1,122,790.00	\$ 1,122,790.00	\$ 3,012,443.90	N/A	84.45%
2020	0.00%	\$ -	\$ 1,088,015.00	\$ 1,088,015.00	\$ 4,080,053.74	N/A	85.02%
2019	0.00%	\$ -	\$ 953,958.00	\$ 953,958.00	\$ 4,495,071.13	N/A	85.26%
2018	0.00%	\$ -	\$ 812,773.00	\$ 812,773.00	\$ 3,079,223.28	N/A	85.69%
2017	0.00%	\$ -	\$ 1,108,414.00	\$ 1,108,414.00	\$ 2,935,321.54	N/A	81.00%
2016	0.00%	\$ -	\$ 697,001.00	\$ 697,001.00	\$ 2,769,846.73	N/A	87.00%
2015	0.00%	\$ -	\$ 608,052.00	\$ 608,052.00	\$ 2,568,194.77	N/A	88.29%

JACKSON 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	0.559511%	\$ 61,285,547.00	\$ -	\$ 61,285,547.00	\$ 55,105,232.51	111.22%	6.05%
2023	0.503535%	\$ 49,865,987.00	\$ -	\$ 49,865,987.00	\$ 47,989,848.36	103.91%	6.17%
2022	0.453853%	\$ 49,156,035.00	\$ -	\$ 49,156,035.00	\$ 41,297,237.52	119.03%	6.14%
2021	0.442839%	\$ 65,042,736.00	\$ -	\$ 65,042,736.00	\$ 43,241,029.93	150.42%	3.99%
2020	0.426685%	\$ 52,363,404.00	\$ -	\$ 52,363,404.00	\$ 36,454,558.71	143.64%	4.63%
2019	0.417397%	\$ 53,049,878.00	\$ -	\$ 53,049,878.00	\$ 32,816,203.02	161.66%	2.93%
2018	0.424018%	\$ 59,574,358.00	\$ -	\$ 59,574,358.00	\$ 31,338,069.57	190.10%	1.61%

JACKSON 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	\$ 2,430,454.00	\$ 2,430,454.00	\$ -	\$ 62,390,478.74	3.90%
2023	\$ 2,151,004.00	\$ 2,151,004.00	\$ -	\$ 55,105,232.51	3.90%
2022	\$ 1,820,658.00	\$ 1,820,658.00	\$ -	\$ 47,989,848.36	3.79%
2021	\$ 1,688,255.00	\$ 1,688,255.00	\$ -	\$ 41,297,237.52	4.09%
2020	\$ 1,497,578.00	\$ 1,497,578.00	\$ -	\$ 43,241,029.93	3.46%
2019	\$ 2,297,993.00	\$ 2,297,993.00	\$ -	\$ 36,454,558.71	6.30%
2018	\$ 2,163,332.00	\$ 2,163,332.00	\$ -	\$ 32,816,203.02	6.59%
2017	\$ 2,210,867.00	\$ 2,210,867.00	\$ -	\$ 31,338,069.57	7.05%

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 forward 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.

JACKSON 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.

JACKSON 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)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	\$ 61,625,273.00	\$ 61,625,273.00	\$ 64,361,203.03	\$ 2,735,930.03
Sales Taxes	2,000,000.00	2,000,000.00	2,455,157.00	455,157.00
State Funds	68,008,064.15	72,696,648.15	77,208,729.29	4,512,081.14
Federal Funds	2,659,270.00	11,408,524.00	10,780,390.00	(628,134.00)
Charges for Services	665,415.00	2,035,415.00	2,860,329.21	824,914.21
Investment Earnings	250,000.00	250,000.00	276,709.27	26,709.27
Miscellaneous	285,000.00	285,000.00	3,917,400.64	3,632,400.64
Total Revenues	135,493,022.15	150,300,860.15	161,859,918.44	11,559,058.29
EXPENDITURES				
Current				
Instruction	84,775,891.13	86,525,699.13	94,997,427.67	(8,471,728.54)
Support Services				
Pupil Services	4,364,127.25	5,178,931.36	5,104,331.27	74,600.09
Improvement of Instructional Services	4,809,446.56	4,813,348.00	4,709,981.07	103,366.93
Educational Media Services	1,762,412.00	1,809,412.00	1,831,399.94	(21,987.94)
General Administration	2,246,949.00	2,336,900.00	2,402,676.98	(65,776.98)
School Administration	7,346,129.21	7,578,080.00	7,759,339.75	(181,259.75)
Business Administration	1,095,987.00	1,169,822.00	1,164,994.40	4,827.60
Maintenance and Operation of Plant	11,844,263.00	12,481,848.00	14,549,661.26	(2,067,813.26)
Student Transportation Services	12,366,140.00	13,679,231.65	16,094,542.99	(2,415,311.34)
Central Support Services	4,957,956.00	3,029,121.00	3,034,142.31	(5,021.31)
Other Support Services	925,000.00	495,000.00	494,199.00	801.00
Enterprise Operation	-	-	925,674.96	(925,674.96)
Community Services	500,000.00	550,000.00	566,191.93	(16,191.93)
Food Services Operation	3,299,298.00	8,307,508.00	7,586,774.23	720,733.77
Capital Outlay	7,000,000.00	7,000,000.00	12,780,288.59	(5,780,288.59)
Debt Service				
Principal	-	-	796,635.19	(796,635.19)
Interest	-	-	26,212.81	(26,212.81)
Total Expenditures	147,293,599.15	154,954,901.14	174,824,474.35	(19,869,573.21)
Excess of Revenues over (under) Expenditures	(11,800,577.00)	(4,654,040.99)	(12,964,555.91)	(8,310,514.92)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	341,033.40	341,033.40
Insurance Proceeds	-	-	31,575.00	31,575.00
Financed Purchase Arrangement Proceeds	-	-	3,402,958.10	3,402,958.10
Other Sources	126,868,790.00	127,850,442.77	-	(127,850,442.77)
Other Uses	(126,868,790.00)	(127,850,442.77)	-	127,850,442.77
Total Other Financing Sources (Uses)	-	-	3,775,566.50	3,775,566.50
Net Change in Fund Balances	(11,800,577.00)	(4,654,040.99)	(9,188,989.41)	(4,534,948.42)
Fund Balances - Beginning	29,575,260.14	29,575,260.14	29,639,729.12	64,468.98
Adjustments	110,127.04	(20,559.48)	-	20,559.48
Fund Balances - Ending	\$ 17,884,810.18	\$ 24,900,659.67	\$ 20,450,739.71	\$ (4,449,919.96)

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 \$3,456,084.27 and \$3,318,215.25, respectively.

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

See notes to the basic financial statements.

JACKSON COUNTY BOARD OF EDUCATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

SCHEDULE "10"

	BAND INSTRUMENT FUND	PHYSICAL ED EQUIPMENT AND SUPPLY FUND	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 26,768.64	\$ 34,199.92	\$ 60,968.56
<u>FUND BALANCES</u>			
Nonspendable	\$ 25,000.00	-	\$ 25,000.00
Restricted	1,768.64	\$ 34,199.92	35,968.56
Total Fund Balances	\$ 26,768.64	\$ 34,199.92	\$ 60,968.56

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

SCHEDULE "11"

	BAND INSTRUMENT FUND	PHYSICAL ED EQUIPMENT AND SUPPLY FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
<u>REVENUES</u>			
Investment Earnings	\$ 417.68	\$ 558.94	\$ 976.62
	<u> </u>	<u> </u>	<u> </u>
<u>EXPENDITURES</u>			
Current			
Instruction	-	1,799.20	1,799.20
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	417.68	(1,240.26)	(822.58)
	<u> </u>	<u> </u>	<u> </u>
Fund Balances - Beginning	26,350.96	35,440.18	61,791.14
	<u> </u>	<u> </u>	<u> </u>
Fund Balances - Ending	\$ 26,768.64	\$ 34,199.92	\$ 60,968.56
	<u> </u>	<u> </u>	<u> </u>

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

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	245GA324N1199	\$ 1,249,685.66
National School Lunch Program	10.555	245GA324N1199	5,895,491.32
COVID-19 - National School Lunch Program	10.555	225GA324N1099	251,380.01
Total Child Nutrition Cluster			<u>7,396,556.99</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	22,925.18
Total U.S. Department of Agriculture			<u>7,419,482.17</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	S452D210012	38,754.00
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	993,710.85
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	28,443.12
Total Education Stabilization Fund			<u>1,060,907.97</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	425,406.00
Grants to States	84.027A	H027A230073	1,627,421.69
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	22,323.72
Preschool Grants	84.173A	H173A220081	17,459.00
Preschool Grants	84.173A	H173A230081	67,242.00
Total Special Education Cluster			<u>2,159,852.41</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	104,314.00
English Language Acquisition State Grants	84.365A	S365A220010	5,355.00
English Language Acquisition State Grants	84.365A	S365A230010	105,199.63
Migrant Education State Grant Program	84.011A	S011A220011	417.00
Migrant Education State Grant Program	84.011A	S011A230011	25,796.83
Student Support and Academic Enrichment Program	84.424A	S424A220011	36,092.00
Student Support and Academic Enrichment Program	84.424A	S424A230011	84,616.99
Supporting Effective Instruction State Grants	84.367A	S367A220001	32,353.00
Supporting Effective Instruction State Grants	84.367A	S367A230001	287,695.30
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,503,975.07
Total Other Programs			<u>2,185,814.82</u>
Total U.S. Department of Education			<u>5,406,575.20</u>

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

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Health and Human Services, U.S. Department of Child Care and Development Fund Cluster Pass-Through From Bright From the Start Georgia Department of Early Care and Learning COVID-19 - Child Care and Development Block Grant	93.575	2210GACCC5	77,205.90
Other Programs Pass-Through From Georgia Department of Education Substance Abuse and Mental Health Services Projects of Regional and National Significance Total U.S. Department of Health and Human Services	93.243	1H79SM061877	163,691.54 240,897.44
Defense, U.S. Department of Direct Department of the Army R.O.T.C. Program Total Expenditures of Federal Awards	12. UNKNOWN		118,589.77 \$ 13,185,544.58

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 Jackson 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. Schoolwide Consolidation of Funds

Federal, state, and local funds were consolidated into one fund to support Title I schools operating a schoolwide program. The following federal programs and amounts were included in this schoolwide consolidation of funds:

ALN	Program Name	Amount
84.010A	Title I Grants to Local Educational Agencies	\$ 1,316,370.07

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

SCHEDULE "13"

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	\$ 2,377,932.86	\$ -	\$ 2,377,932.86
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,911,984.00	-	2,911,984.00
Kindergarten Program - Early Intervention Program	1,242,064.00	-	1,242,064.00
Primary Grades (1-3) Program	6,330,842.00	-	6,330,842.00
Primary Grades - Early Intervention (1-3) Program	3,797,170.00	-	3,797,170.00
Upper Elementary Grades (4-5) Program	2,735,097.00	-	2,735,097.00
Upper Elementary Grades - Early Intervention (4-5) Program	2,435,310.00	-	2,435,310.00
Middle School (6-8) Program	6,890,903.00	-	6,890,903.00
High School General Education (9-12) Program	6,647,516.00	-	6,647,516.00
Vocational Laboratory (9-12) Program	2,398,919.00	-	2,398,919.00
Students with Disabilities	14,857,181.00	-	14,857,181.00
Gifted Student - Category VI	5,576,259.00	-	5,576,259.00
Remedial Education Program	1,186,669.00	-	1,186,669.00
Alternative Education Program	530,843.00	-	530,843.00
English Speakers of Other Languages (ESOL)	2,268,660.00	-	2,268,660.00
Media Center Program	1,347,691.00	-	1,347,691.00
20 Days Additional Instruction	389,264.00	-	389,264.00
Staff and Professional Development	262,928.00	-	262,928.00
Principal Staff and Professional Development	2,985.00	-	2,985.00
Indirect Cost			
Central Administration	1,846,227.00	-	1,846,227.00
School Administration	2,429,413.00	-	2,429,413.00
Facility Maintenance and Operations	2,529,838.00	-	2,529,838.00
Amended Formula Adjustment	1,282,479.00	-	1,282,479.00
Categorical Grants			
Pupil Transportation			
Regular	1,108,820.00	-	1,108,820.00
Bus Replacement	1,409,760.00	-	1,409,760.00
Nursing Services	221,345.00	-	221,345.00
Other State Programs			
Agriculture Construction Related Equipment - State Bonds	138,000.00	-	138,000.00
Career, Technical and Agricultural Education (CTAE)	342,596.61	-	342,596.61
Computer Science Capacity Grant (CS4GA) Grant	1,999.50	-	1,999.50
Dyslexia Screening Grant	19,224.00	-	19,224.00
Food Services	174,014.00	-	174,014.00
Hygiene Products	7,932.00	-	7,932.00
Math and Science Supplements	92,606.15	-	92,606.15
One Time QBE Adjustment	2,038.00	-	2,038.00
Preschool Disability Services	241,806.00	-	241,806.00
School Bus Safety Incentive Funding	313,888.00	-	313,888.00
School Safety Grant	500,000.00	-	500,000.00
Vocational Construction Related Equipment - State Bonds	77,836.84	-	77,836.84
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	7,236,226.61	7,236,226.61

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

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	
Office of the State Treasurer			
Public School Employees Retirement	204,668.01	-	204,668.01
Public Health, Georgia Department of			
Lead Nurse Grant	70,264.09	-	70,264.09
CONTRACT			
Education, Georgia Department of			
Science Teacher Equipment Grant	3,756.23	-	3,756.23
	<u>77,208,729.29</u>	<u>7,236,226.61</u>	<u>84,444,955.90</u>
	\$	\$	\$

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

SCHEDULE "14"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
SPLOST VI			
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds and Series 2019 General Obligation Bonds previously issued.	\$ 30,000,000.00	\$ 30,000,000.00	6/30/2027
All Projects Below:			
(2) Acquiring, constructing and equipping new schools including a new middle school and new elementary schools;	30,128,000.00	55,300,000.00	6/30/2027
(3) acquiring, constructing and equipping new educational facilities;	-	-	6/30/2027
(4) acquiring real property;	-	-	6/30/2027
(5) remodeling, renovating and equipping classrooms, instructional and support space, and other School District facilities at existing School District facilities; and	-	-	6/30/2027
(6) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology, equipment, infrastructure and safety and security.	-	-	6/30/2027
Total	\$ <u>60,128,000.00</u>	\$ <u>85,300,000.00</u>	

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

SCHEDULE "14"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST VI				
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds and Series 2019 General Obligation Bonds previously issued.	\$ 11,764,337.87	\$ 2,634,433.91	\$ -	\$ -
All Projects Below:				
(2) Acquiring, constructing and equipping new schools including a new middle school and new elementary schools;	36,651,610.20	4,456,216.09	-	-
(3) acquiring, constructing and equipping new educational facilities;	1,937,649.67	-	-	-
(4) acquiring real property;	-	75,014.95	-	-
(5) remodeling, renovating and equipping classrooms, instructional and support space, and other School District facilities at existing School District facilities; and	-	-	-	-
(6) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology, equipment, infrastructure and safety and security.	10,851.70	568,434.62	-	-
Total	\$ 50,364,449.44	\$ 7,734,099.57	\$ -	\$ -

- (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 Jackson County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.
- (4) The excess SPLOST proceeds will be applied to ongoing 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. Philip Brown, Superintendent and Members of the
Jackson County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and remaining fund information of the Jackson 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 September 4, 2025. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is fluid and cursive, with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

September 4, 2025



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Philip Brown, Superintendent and Members of the
Jackson County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin", with a stylized flourish at the end.

Greg S. Griffin
State Auditor

September 4, 2025

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

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

Noncompliance material to financial statements noted: No

Federal Awards

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

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
10.553, 10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? No

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.