



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

# Monroe County Board of Education Forsyth, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



**DOAA**  
Georgia Department  
of Audits & Accounts

# Monroe 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. Jim Finch, Superintendent and Members of the  
Monroe 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 aggregate remaining fund information of the Monroe 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 aggregate 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 January 16, 2026 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".

Greg S. Griffin  
State Auditor

January 16, 2026

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

## INTRODUCTION

The discussion and analysis of the Monroe County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2024 and June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

## FINANCIAL HIGHLIGHTS

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

- General revenues account for \$39.9 million in revenue or 50.6% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$39.0 million or 49.4% of total revenues of \$78.9 million.
- The School District had \$76.0 million in expenses related to governmental activities; however, \$39.0 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$39.9 million were adequate to provide for these programs.
- Among major funds, the general fund had \$65.3 million in revenues and \$65.0 million in expenditures. The fund balance for the general fund increased from \$10.8 million to approximately \$11.1 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.

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

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

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

## Government-Wide Statements

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

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

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

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

## Fund Financial Statements

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

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

Fiduciary Funds - The School District is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

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

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

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

**Table 1  
Net Position**

|   | Governmental Activities |                     |
|---|-------------------------|---------------------|
|   | Fiscal Year             | Fiscal Year         |
|   | 2024                    | 2023                |
| <b>Assets</b>                               |                         |                     |
| Current and Other Assets                    | \$ 61,404,511           | \$ 55,251,791       |
| Capital Assets, Net                         | 58,598,388              | 59,624,648          |
| <b>Total Assets</b>                         | <u>120,002,899</u>      | <u>114,876,439</u>  |
| <b>Deferred Outflows of Resources</b>       |                         |                     |
| Related to Defined Benefit Pension Plans    | 19,318,989              | 31,618,853          |
| Related to OPEB Plan                        | 8,401,463               | 7,897,217           |
| <b>Total Deferred Outflows of Resources</b> | <u>27,720,452</u>       | <u>39,516,070</u>   |
| <b>Liabilities</b>                          |                         |                     |
| Current and Other Liabilities               | 8,780,807               | 7,676,838           |
| Long-Term Liabilities                       | 115,294,138             | 123,396,669         |
| <b>Total Liabilities</b>                    | <u>124,074,945</u>      | <u>131,073,507</u>  |
| <b>Deferred Inflows of Resources</b>        |                         |                     |
| Related to Defined Benefit Pension Plans    | 1,536,884               | 846,180             |
| Related to OPEB Plan                        | 13,473,263              | 16,753,048          |
| <b>Total Deferred Inflows of Resources</b>  | <u>15,010,147</u>       | <u>17,599,228</u>   |
| <b>Net Position</b>                         |                         |                     |
| Net Investment in Capital Assets            | 54,079,611              | 55,936,500          |
| Restricted                                  | 17,839,824              | 10,439,840          |
| Unrestricted (Deficit)                      | (63,281,176)            | (60,656,566)        |
| <b>Total Net Position</b>                   | <u>\$ 8,638,259</u>     | <u>\$ 5,719,774</u> |

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

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

**Table 2**  
**Change in Net Position**

|  | Governmental Activities |                     |
|--|-------------------------|---------------------|
|  | Fiscal Year             | Fiscal Year         |
|  | 2024                    | 2023                |
| <b>Revenues</b>                          |                         |                     |
| Program Revenues:                        |                         |                     |
| Charges for Services                     | \$ 1,340,489            | \$ 1,277,924        |
| Operating Grants and Contributions       | 34,701,554              | 34,547,079          |
| Capital Grants and Contributions         | 2,932,842               | 664,571             |
|  | <b>38,974,885</b>       | <b>36,489,574</b>   |
| Total Program Revenues                   |                         |                     |
| General Revenues:                        |                         |                     |
| Taxes                                    |                         |                     |
| Property Taxes                           |                         |                     |
| For Maintenance and Operations           | 27,891,004              | 24,301,399          |
| Other Taxes                              | 108                     | 111                 |
| Sales Taxes                              |                         |                     |
| Special Purpose Local Option Sales Tax   |                         |                     |
| For Capital Projects                     | 7,892,067               | 7,598,847           |
| Other Taxes                              | 381,220                 | 400,105             |
| Investment Earnings                      | 2,291,472               | 791,649             |
| Miscellaneous                            | 1,479,543               | 1,713,819           |
|  | <b>39,935,414</b>       | <b>34,805,930</b>   |
| Total General Revenues                   |                         |                     |
| Total Revenues                           | <b>78,910,299</b>       | <b>71,295,504</b>   |
| <b>Program Expenses</b>                  |                         |                     |
| Instruction                              | 47,450,154              | 40,200,755          |
| Support Services                         |                         |                     |
| Pupil Services                           | 2,570,552               | 2,205,256           |
| Improvement of Instructional Services    | 2,088,358               | 1,889,262           |
| Educational Media Services               | 896,247                 | 823,070             |
| General Administration                   | 2,454,256               | 2,367,421           |
| School Administration                    | 2,851,302               | 2,607,415           |
| Business Administration                  | 647,760                 | 600,083             |
| Maintenance and Operation of Plant       | 5,974,970               | 6,416,901           |
| Student Transportation Services          | 5,615,339               | 4,470,822           |
| Central Support Services                 | 21,558                  | 21,646              |
| Other Support Services                   | 27,060                  | 17,724              |
| Operations of Non-Instructional Services |                         |                     |
| Enterprise Operations                    | 1,342,906               | 1,196,365           |
| Food Services                            | 2,872,759               | 3,047,312           |
| Interest on Long-Term Debt               | 1,178,593               | 94,233              |
|  | <b>75,991,814</b>       | <b>65,958,265</b>   |
| <b>Total Expenses</b>                    |                         |                     |
| <b>Increase in Net Position</b>          | <b>\$ 2,918,485</b>     | <b>\$ 5,337,239</b> |

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

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$2.5 million for governmental activities. This increase is largely due to capital grants received from the Technical College System of Georgia to offset certain construction projects.

General revenues increased by \$5.1 million during fiscal year 2024 and was due to a change in the current year tax digest.

**Governmental Activities**

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

**Table 3**  
**Governmental Activities**

|  | Total Cost of Services |                     | Net Cost of Services |                     |
|--|------------------------|---------------------|----------------------|---------------------|
|  | Fiscal Year<br>2024    | Fiscal Year<br>2023 | Fiscal Year<br>2024  | Fiscal Year<br>2023 |
| Instruction                              | \$ 47,450,154          | \$ 40,200,755       | \$ 18,842,721        | \$ 13,656,429       |
| Support Services                         |                        |                     |                      |                     |
| Pupil Services                           | 2,570,552              | 2,205,256           | 2,288,965            | 1,973,030           |
| Improvement of Instructional Services    | 2,088,358              | 1,889,262           | 1,296,847            | 1,216,572           |
| Educational Media Services               | 896,247                | 823,070             | 164,440              | 159,788             |
| General Administration                   | 2,454,256              | 2,367,420           | 1,382,547            | 1,297,443           |
| School Administration                    | 2,851,302              | 2,607,415           | 1,478,738            | 1,327,252           |
| Business Administration                  | 647,760                | 600,083             | 643,804              | 592,858             |
| Maintenance and Operation of Plant       | 5,974,970              | 6,416,901           | 4,112,932            | 4,533,846           |
| Student Transportation Services          | 5,615,339              | 4,470,822           | 4,312,150            | 3,245,501           |
| Central Support Services                 | 21,558                 | 21,646              | (11,822)             | (46,969)            |
| Other Support Services                   | 27,060                 | 17,724              | 26,201               | 17,472              |
| Operations of Non-Instructional Services |                        |                     |                      |                     |
| Enterprise Operations                    | 1,342,906              | 1,196,365           | 1,342,906            | 1,194,220           |
| Food Services                            | 2,872,759              | 3,047,313           | (42,093)             | 207,016             |
| Interest on Long-Term Debt               | 1,178,593              | 94,233              | 1,178,593            | 94,233              |
| Total Expenses                           | \$ 75,991,814          | \$ 65,958,265       | \$ 37,016,929        | \$ 29,468,691       |

Although program revenues make up less than half of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2024, 48.7% of instruction and support activities were supplemented by taxes and other general revenues compared to 44.7% in 2023.

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

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$81.1 million and expenditures and other financing uses of \$76.6 million. The capital projects fund had an overall increase of \$4.2 million due to construction reimbursements from the state. The general fund had an overall increase of \$0.3 million. The increase in the general fund for the year is due mostly to increase local property tax revenue.

### General Fund Budgeting Highlights

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

For the general fund, the final budgeted revenues and other financing sources of \$62.7 million increased from the original budgeted amount of \$57.2 million by \$5.5 million. This difference was mainly due to increase in state and federal grant funds. The actual revenue was more than the budgeted amount by \$2.7 million. The majority of the variances between final budget and actual revenue are due to increase in local property tax revenue.

The final budgeted expenditures and other financial uses of \$65.9 million was more than the original budgeted amount of \$62.3 million by \$3.6 million. This difference was due mainly to increase in salaries and benefits. The actual expenditures and other financing uses of \$65.0 million was \$0.7 million less than budgeted.

## CAPITAL ASSETS

At the fiscal years ended June 30, 2024 and June 30, 2023, the School District had \$58.6 million and \$59.6 million, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land; buildings; transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

Table 4  
Capital Assets  
(Net of Depreciation)

|                            | Governmental Activities |                     |
|----------------------------|-------------------------|---------------------|
|                            | Fiscal Year<br>2024     | Fiscal Year<br>2023 |
| Land                       | \$ 3,165,429            | \$ 3,165,429        |
| Construction in Progress   | 4,182,398               | 2,785,256           |
| Buildings and Improvements | 44,537,360              | 47,198,978          |
| Equipment                  | 3,503,960               | 2,956,090           |
| Land Improvements          | 3,209,241               | 3,518,895           |
| <br>Total                  | <br>\$ 58,598,388       | <br>\$ 59,624,648   |

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

The overall capital assets decreased in fiscal year 2024 by \$1.0 million due to the removal of buildings that have been demolished.

## DEBT ADMINISTRATION

At June 30, 2024, the School District had \$28.7 million in total debt outstanding with \$7.0 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2024 and 2023.

**Table 5**  
**Debt at June 30**

|                           | Governmental Activities |                      |
|---------------------------|-------------------------|----------------------|
|                           | Fiscal Year<br>2024     | Fiscal Year<br>2023  |
| Bonds Payable             | \$ 26,895,000           | \$ 28,755,000        |
| Unamortized Bond Premiums | <u>1,783,088</u>        | <u>2,228,859</u>     |
| Total                     | <u>\$ 28,678,088</u>    | <u>\$ 30,983,859</u> |

## CURRENT ISSUES

The School District remains financially stable. With continued enrollment growth, our QBE funding has increased. Combined with the final year of the CARES federal stimulus funds and an increase to our local tax digest, it has allowed the district to increase our fund balance to the point that Tax Anticipation Notes have not been needed. The School District also increased its millage rate for the first time in several years in anticipation of greater needs in the future.

The School District anticipates challenges going forward, but with an increasing tax base and increase in enrollment, the School District feels encouraged in its ability to be good stewards of the tax dollars while continuing to provide a quality education for its students.

## 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 Chris Johnson, CGFM, at the Monroe County Board of Education, 25 Brooklyn Ave., Forsyth, GA 31029. You may also email your questions to [chris.johnson@mcschools.org](mailto:chris.johnson@mcschools.org).

**Monroe County Board of Education**

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

EXHIBIT "A"

|   | GOVERNMENTAL<br>ACTIVITIES |
|---|----------------------------|
| <b>ASSETS</b>   |                            |
| Cash and Cash Equivalents                                     | \$ 50,735,190.79           |
| Investments   | 75,209.05                  |
| Accounts Receivable, Net                                      |                            |
| Taxes   | 2,352,048.71               |
| State Government  | 6,653,942.37               |
| Federal Government  | 1,460,116.03               |
| Other   | 53,778.22                  |
| Inventories   | 74,225.93                  |
| Capital Assets, Non-Depreciable                               | 7,347,827.31               |
| Capital Assets, Depreciable (Net of Accumulated Depreciation) | 51,250,560.72              |
| Total Assets  | <u>120,002,899.13</u>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                         |                            |
| Related to Defined Benefit Pension Plans                      | 19,318,988.98              |
| Related to OPEB Plan  | <u>8,401,463.00</u>        |
| Total Deferred Outflows of Resources                          | <u>27,720,451.98</u>       |
| <b>LIABILITIES</b>  |                            |
| Accounts Payable  | 252,888.25                 |
| Salaries and Benefits Payable                                 | 5,455,734.16               |
| Payroll Withholdings Payable                                  | 1,446,082.02               |
| Contracts Payable   | 1,204,442.44               |
| Retainages Payable  | 317,666.81                 |
| Deposits and Unearned Revenues                                | 103,992.95                 |
| Net Pension Liability   | 56,489,129.00              |
| Net OPEB Liability  | 30,126,922.00              |
| Long-Term Liabilities   |                            |
| Due Within One Year   | 7,030,771.89               |
| Due in More Than One Year                                     | <u>21,647,315.67</u>       |
| Total Liabilities   | <u>124,074,945.19</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                          |                            |
| Related to Defined Benefit Pension Plans                      | 1,536,884.00               |
| Related to OPEB Plan  | <u>13,473,263.00</u>       |
| Total Deferred Inflows of Resources                           | <u>15,010,147.00</u>       |
| <b>NET POSITION</b>   |                            |
| Net Investment in Capital Assets                              | 54,079,611.23              |
| Restricted for  |                            |
| Bus Replacement   | 231,660.00                 |
| Continuation of Federal Programs                              | 688,874.45                 |
| Debt Service  | 2,540,103.85               |
| Capital Projects  | 14,360,946.34              |
| Permanent Funds   | 18,239.30                  |
| Unrestricted (Deficit)  | <u>(63,281,176.25)</u>     |
| Total Net Position  | <u>\$ 8,638,258.92</u>     |

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

EXHIBIT "B"

|  | PROGRAM REVENUES        |                        |                          |                          | NET (EXPENSES)            |              |
|--|-------------------------|------------------------|--------------------------|--------------------------|---------------------------|--------------|
|  | EXPENSES                | CHARGES FOR SERVICES   | OPERATING                | CAPITAL                  | REVENUES                  |              |
|  |                         |                        | GRANTS AND CONTRIBUTIONS | GRANTS AND CONTRIBUTIONS | AND CHANGES IN            | NET POSITION |
| <b><u>GOVERNMENTAL ACTIVITIES</u></b>    |                         |                        |                          |                          |                           |              |
| Instruction                              | \$ 47,450,153.67        | \$ 661,766.12          | \$ 25,137,856.80         | \$ 2,807,809.46          | \$ (18,842,721.29)        |              |
| Support Services                         |                         |                        |                          |                          |                           |              |
| Pupil Services                           | 2,570,552.07            | -                      | 281,587.18               | -                        | (2,288,964.89)            |              |
| Improvement of Instructional Services    | 2,088,358.09            | -                      | 791,511.21               | -                        | (1,296,846.88)            |              |
| Educational Media Services               | 896,246.88              | -                      | 731,806.57               | -                        | (164,440.31)              |              |
| General Administration                   | 2,454,255.85            | -                      | 1,073,943.22             | (2,233.89)               | (1,382,546.52)            |              |
| School Administration                    | 2,851,302.33            | -                      | 1,372,564.18             | -                        | (1,478,738.15)            |              |
| Business Administration                  | 647,759.73              | -                      | 3,998.79                 | (43.28)                  | (643,804.22)              |              |
| Maintenance and Operation of Plant       | 5,974,970.53            | 29,443.88              | 1,790,781.88             | 41,812.48                | (4,112,932.29)            |              |
| Student Transportation Services          | 5,615,338.68            | -                      | 1,217,673.97             | 85,514.86                | (4,312,149.85)            |              |
| Central Support Services                 | 21,558.00               | -                      | 33,379.72                | -                        | 11,821.72                 |              |
| Other Support Services                   | 27,060.36               | -                      | 860.00                   | -                        | (26,200.36)               |              |
| Operations of Non-Instructional Services |                         |                        |                          |                          |                           |              |
| Enterprise Operations                    | 1,342,906.13            | -                      | -                        | -                        | (1,342,906.13)            |              |
| Food Services                            | 2,872,759.33            | 649,278.93             | 2,265,590.54             | (17.13)                  | 42,093.01                 |              |
| Interest on Long-Term Debt               | 1,178,592.77            | -                      | -                        | -                        | (1,178,592.77)            |              |
| <b>Total Governmental Activities</b>     | <b>\$ 75,991,814.42</b> | <b>\$ 1,340,488.93</b> | <b>\$ 34,701,554.06</b>  | <b>\$ 2,932,842.50</b>   | <b>\$ (37,016,928.93)</b> |              |
| <b>General Revenues</b>                  |                         |                        |                          |                          |                           |              |
| Taxes                                    |                         |                        |                          |                          |                           |              |
| Property Taxes                           |                         |                        |                          |                          |                           |              |
| For Maintenance and Operations           |                         |                        |                          |                          | 27,891,004.23             |              |
| Other Taxes                              |                         |                        |                          |                          | 108.20                    |              |
| Sales Taxes                              |                         |                        |                          |                          |                           |              |
| Special Purpose Local Option Sales Tax   |                         |                        |                          |                          |                           |              |
| For Capital Projects                     |                         |                        |                          |                          | 7,892,066.87              |              |
| Other Sales Tax                          |                         |                        |                          |                          | 381,219.61                |              |
| Investment Earnings                      |                         |                        |                          |                          | 2,291,471.70              |              |
| Miscellaneous                            |                         |                        |                          |                          | 1,479,543.14              |              |
| Total General Revenues                   |                         |                        |                          |                          | <b>39,935,413.75</b>      |              |
| Change in Net Position                   |                         |                        |                          |                          | 2,918,484.82              |              |
| Net Position - Beginning of Year         |                         |                        |                          |                          | <b>5,719,774.10</b>       |              |
| Net Position - End of Year               |                         |                        |                          |                          | <b>\$ 8,638,258.92</b>    |              |

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

EXHIBIT "C"

|  | GENERAL<br>FUND             | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | NONMAJOR<br>GOVERNMENTAL<br>FUND | TOTAL                       |
|--|-----------------------------|-----------------------------|-------------------------|----------------------------------|-----------------------------|
| <b>ASSETS</b>  |                             |                             |                         |                                  |                             |
| Cash and Cash Equivalents  | \$ 12,413,840.78            | \$ 38,302,146.36            | \$ 964.35               | \$ 18,239.30                     | \$ 50,735,190.79            |
| Investments  | 75,209.05                   | -                           | -                       | -                                | 75,209.05                   |
| Accounts Receivable, Net   |                             |                             |                         |                                  | -                           |
| Taxes  | 1,713,812.27                | 638,236.44                  | -                       | -                                | 2,352,048.71                |
| State Government   | 3,794,941.07                | 2,859,001.30                | -                       | -                                | 6,653,942.37                |
| Federal Government   | 1,460,116.03                | -                           | -                       | -                                | 1,460,116.03                |
| Other  | 53,778.22                   | -                           | -                       | -                                | 53,778.22                   |
| Inventories  | <u>74,225.93</u>            | <u>-</u>                    | <u>-</u>                | <u>-</u>                         | <u>74,225.93</u>            |
| <b>Total Assets</b>  | <b>\$ 19,585,923.35</b>     | <b>\$ 41,799,384.10</b>     | <b>\$ 964.35</b>        | <b>\$ 18,239.30</b>              | <b>\$ 61,404,511.10</b>     |
| <b>LIABILITIES</b>   |                             |                             |                         |                                  |                             |
| Accounts Payable   | \$ 222,486.31               | \$ 30,401.94                | \$ -                    | \$ -                             | \$ 252,888.25               |
| Salaries and Benefits Payable  | 5,455,734.16                | -                           | -                       | -                                | 5,455,734.16                |
| Payroll Withholdings Payable   | 1,446,082.02                | -                           | -                       | -                                | 1,446,082.02                |
| Contracts Payable  | -                           | 1,204,442.44                | -                       | -                                | 1,204,442.44                |
| Retainages Payable   | -                           | 317,666.81                  | -                       | -                                | 317,666.81                  |
| Deposits and Unearned Revenues   | <u>103,992.95</u>           | <u>-</u>                    | <u>-</u>                | <u>-</u>                         | <u>103,992.95</u>           |
| <b>Total Liabilities</b>   | <b><u>7,228,295.44</u></b>  | <b><u>1,552,511.19</u></b>  | <b><u>-</u></b>         | <b><u>-</u></b>                  | <b><u>8,780,806.63</u></b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                             |                             |                         |                                  |                             |
| Unavailable Revenue - Property Taxes   | <u>1,264,244.33</u>         | <u>-</u>                    | <u>-</u>                | <u>-</u>                         | <u>1,264,244.33</u>         |
| <b>FUND BALANCES</b>   |                             |                             |                         |                                  |                             |
| Nonspendable   | 74,225.93                   | -                           | -                       | 10,000.00                        | 84,225.93                   |
| Restricted   | 846,308.52                  | 40,246,872.91               | 964.35                  | 8,239.30                         | 41,102,385.08               |
| Assigned   | 427,911.49                  | -                           | -                       | -                                | 427,911.49                  |
| Unassigned   | <u>9,744,937.64</u>         | <u>-</u>                    | <u>-</u>                | <u>-</u>                         | <u>9,744,937.64</u>         |
| <b>Total Fund Balances</b>   | <b><u>11,093,383.58</u></b> | <b><u>40,246,872.91</u></b> | <b><u>964.35</u></b>    | <b><u>18,239.30</u></b>          | <b><u>51,359,460.14</u></b> |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</b> | <b>\$ 19,585,923.35</b>     | <b>\$ 41,799,384.10</b>     | <b>\$ 964.35</b>        | <b>\$ 18,239.30</b>              | <b>\$ 61,404,511.10</b>     |

MONROE 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") \$ 51,359,460.14

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                       | \$ 3,165,429.20        |
| Construction in progress   | 4,182,398.11           |
| Buildings and improvements | 78,333,247.41          |
| Equipment                  | 10,285,432.70          |
| Land improvements          | 7,660,603.54           |
| Accumulated depreciation   | <u>(45,028,722.93)</u> |
|                            | 58,598,388.03          |

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

|                       |                        |
|-----------------------|------------------------|
| Net pension liability | \$ (56,489,129.00)     |
| Net OPEB liability    | <u>(30,126,922.00)</u> |

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 | \$ 17,782,104.98      |
| Related to OPEB     | <u>(5,071,800.00)</u> |

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

1,264,244.33

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

|                           |                       |
|---------------------------|-----------------------|
| Bonds payable             | \$ (26,895,000.00)    |
| Unamortized bond premiums | <u>(1,783,087.56)</u> |

Net position of governmental activities (Exhibit "A")

\$ 8,638,258.92

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

EXHIBIT "E"

|  | GENERAL<br>FUND         | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | NONMAJOR<br>GOVERNMENTAL<br>FUND | TOTAL                   |
|--|-------------------------|-----------------------------|-------------------------|----------------------------------|-------------------------|
| <b><u>REVENUES</u></b>                       |                         |                             |                         |                                  |                         |
| Property Taxes                               | \$ 27,337,631.87        | \$ -                        | \$ -                    | \$ -                             | \$ 27,337,631.87        |
| Sales Taxes                                  | 381,219.61              | 7,892,066.87                | -                       | -                                | 8,273,286.48            |
| State Funds                                  | 27,966,994.91           | 2,932,842.50                | -                       | -                                | 30,899,837.41           |
| Federal Funds                                | 6,416,243.16            | -                           | -                       | -                                | 6,416,243.16            |
| Charges for Services                         | 1,340,488.93            | -                           | -                       | -                                | 1,340,488.93            |
| Investment Earnings                          | 370,350.60              | 1,921,080.55                | 31.40                   | 9.15                             | 2,291,471.70            |
| Miscellaneous                                | 1,479,543.14            | -                           | -                       | -                                | 1,479,543.14            |
| <b>Total Revenues</b>                        | <b>65,292,472.22</b>    | <b>12,745,989.92</b>        | <b>31.40</b>            | <b>9.15</b>                      | <b>78,038,502.69</b>    |
| <b><u>EXPENDITURES</u></b>                   |                         |                             |                         |                                  |                         |
| Current                                      |                         |                             |                         |                                  |                         |
| Instruction                                  | 40,541,752.43           | 230,360.22                  | -                       | -                                | 40,772,112.65           |
| Support Services                             |                         |                             |                         |                                  |                         |
| Pupil Services                               | 2,416,412.50            | -                           | -                       | -                                | 2,416,412.50            |
| Improvement of Instructional Services        | 1,926,338.40            | -                           | -                       | -                                | 1,926,338.40            |
| Educational Media Services                   | 834,543.42              | -                           | -                       | -                                | 834,543.42              |
| General Administration                       | 1,483,717.52            | 669,535.50                  | -                       | -                                | 2,153,253.02            |
| School Administration                        | 2,640,766.81            | -                           | -                       | -                                | 2,640,766.81            |
| Business Administration                      | 631,961.92              | -                           | 87.00                   | -                                | 632,048.92              |
| Maintenance and Operation of Plant           | 5,534,455.28            | 295,784.05                  | -                       | -                                | 5,830,239.33            |
| Student Transportation Services              | 4,748,228.30            | 84,000.00                   | -                       | -                                | 4,832,228.30            |
| Central Support Services                     | 54,011.70               | -                           | -                       | -                                | 54,011.70               |
| Other Support Services                       | 27,060.36               | -                           | -                       | -                                | 27,060.36               |
| Enterprise Operations                        | 1,342,906.13            | -                           | -                       | -                                | 1,342,906.13            |
| Food Services Operation                      | 2,857,562.49            | -                           | -                       | -                                | 2,857,562.49            |
| Capital Outlay                               | -                       | 4,185,155.84                | -                       | -                                | 4,185,155.84            |
| Debt Services                                |                         |                             |                         |                                  |                         |
| Principal                                    | -                       | -                           | 1,860,000.00            | -                                | 1,860,000.00            |
| Interest                                     | -                       | -                           | 1,178,592.77            | -                                | 1,178,592.77            |
| <b>Total Expenditures</b>                    | <b>65,039,717.26</b>    | <b>5,464,835.61</b>         | <b>3,038,679.77</b>     | <b>-</b>                         | <b>73,543,232.64</b>    |
| Revenues over (under) Expenditures           | <b>252,754.96</b>       | <b>7,281,154.31</b>         | <b>(3,038,648.37)</b>   | <b>9.15</b>                      | <b>4,495,270.05</b>     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |                         |                             |                         |                                  |                         |
| Transfers In                                 | -                       | -                           | 3,038,592.77            | -                                | 3,038,592.77            |
| Transfers Out                                | -                       | (3,038,592.77)              | -                       | -                                | (3,038,592.77)          |
| <b>Total Other Financing Sources (Uses)</b>  | <b>-</b>                | <b>(3,038,592.77)</b>       | <b>3,038,592.77</b>     | <b>-</b>                         | <b>-</b>                |
| Net Change in Fund Balances                  | 252,754.96              | 4,242,561.54                | (55.60)                 | 9.15                             | 4,495,270.05            |
| Fund Balances - Beginning                    | 10,840,628.62           | 36,004,311.37               | 1,019.95                | 18,230.15                        | 46,864,190.09           |
| Fund Balances - Ending                       | <b>\$ 11,093,383.58</b> | <b>\$ 40,246,872.91</b>     | <b>\$ 964.35</b>        | <b>\$ 18,239.30</b>              | <b>\$ 51,359,460.14</b> |

MONROE 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") \$ 4,495,270.05

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       | \$ 4,231,809.00       |              |
| Depreciation expense | <u>(2,967,589.24)</u> | 1,264,219.76 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position. (2,290,479.56)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 553,480.56

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.

|                              |                   |              |
|------------------------------|-------------------|--------------|
| Bond principal retirements   | \$ 1,860,000.00   |              |
| Amortization of bond premium | <u>445,771.89</u> | 2,305,771.89 |

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 | \$ (5,209,947.88)   |                |
| OPEB expense    | <u>1,800,170.00</u> | (3,409,777.88) |

Change in net position of governmental activities (Exhibit "B") \$ 2,918,484.82

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

EXHIBIT "G"

|                                    | PRIVATE<br>PURPOSE<br>TRUSTS |
|------------------------------------|------------------------------|
| <u>ASSETS</u>                      |                              |
| Cash and Cash Equivalents          | \$ <u>97,849.18</u>          |
| <u>NET POSITION</u>                |                              |
| Held in Trust for Private Purposes | \$ <u>97,849.18</u>          |

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

EXHIBIT "H"

|                          | PRIVATE<br>PURPOSE<br>TRUSTS |
|--------------------------|------------------------------|
| <hr/>                    |                              |
| <u>ADDITIONS</u>         |                              |
| Investment Earnings      |                              |
| Interest                 | \$ 47.03                     |
| <u>DEDUCTIONS</u>        |                              |
| Scholarships             | -                            |
| Change in Net Position   | 47.03                        |
| Net Position - Beginning | <u>97,802.15</u>             |
| Net Position - Ending    | <u>\$ 97,849.18</u>          |

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**NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**Reporting Entity**

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

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

***Government-Wide Statements:***

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

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

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

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

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

EXHIBIT "I"

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

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

***Fund Financial Statements***

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. 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), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.

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 and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are

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levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all 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, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

### **New Accounting Pronouncements**

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

### **Cash and Cash Equivalents**

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

### **Investments**

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

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

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

### **Receivables**

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

### **Inventories**

#### ***Food Inventories***

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

### **Capital Assets**

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

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

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

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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             | All                   | 15 years              |
| Buildings                     | \$ 25,000.00          | 40 years              |
| Portable Buildings            | \$ 25,000.00          | 10 years              |
| Buildings and Improvements    | \$ 25,000.00          | 20 to 40 years        |
| Equipment, Excluding Vehicles | \$ 25,000.00          | 5 to 15 years         |
| Buses                         | \$ 25,000.00          | 8 to 14 years         |
| Vehicles                      | \$ 25,000.00          | 5 to 10 years         |
| Intangible Assets             | \$ 25,000.00          | 5 to 50 years         |

### Deferred Outflows/Inflows of Resources

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

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.

### Long-Term Liabilities and Bond Discounts/Premiums

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

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

### Pensions

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

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### Post-Employment Benefits Other Than Pensions (OPEB)

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

### Fund Balances

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

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

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

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

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

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

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

### Use of Estimates

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

### Property Taxes

The Monroe County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on September 15, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on December 1, 2023 (lien date). Taxes collected within the current fiscal year or

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within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Monroe County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$24,783,549.54.

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

|                   |                     |
|-------------------|---------------------|
| School Operations | <u>16.212</u> mills |
|-------------------|---------------------|

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$2,553,974.13 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 \$7,892,066.87 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, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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.

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**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 \$2,515,166.32, and a bank balance of \$4,636,698.20. The bank balances insured by Federal depository insurance were \$255,700.04.

At June 30, 2024, \$4,380,998.16 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%.

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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.

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

|   |                        |
|---|------------------------|
| Cash and cash equivalents   |                        |
| Statement of Net Position   | \$ 50,735,190.79       |
| Statement of Fiduciary Net Position   | <u>97,849.18</u>       |
|   |                        |
| Total cash and cash equivalents   | 50,833,039.97          |
|   |                        |
| Add:  |                        |
| Deposits with original maturity of three months or more reported as investments | 75,209.05              |
|   |                        |
| Less:   |                        |
| Cash on hand  | 14.00                  |
| Investment pools reported as cash and cash equivalents                          |                        |
| Georgia Fund 1  | <u>48,393,068.70</u>   |
|   |                        |
| Total carrying value of deposits - June 30, 2024                                | \$ <u>2,515,166.32</u> |

### **Categorization of Cash Equivalents**

The School District reported cash equivalents of \$48,393,068.70 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

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

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**NOTE 5: CAPITAL ASSETS**

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

|                                | <u>Balances</u>         |                        |                        |                       | <u>Balances</u>         |
|--------------------------------|-------------------------|------------------------|------------------------|-----------------------|-------------------------|
|                                | <u>July 1, 2023</u>     | <u>Increases</u>       | <u>Decreases</u>       | <u>Transfers</u>      | <u>June 30, 2024</u>    |
| <b>Governmental Activities</b> |                         |                        |                        |                       |                         |
| <b>Capital Assets,</b>         |                         |                        |                        |                       |                         |
| Not Being Depreciated:         |                         |                        |                        |                       |                         |
| Land                           | \$ 3,165,429.20         | \$ -                   | \$ -                   | \$ -                  | \$ 3,165,429.20         |
| Construction in Progress       | 2,785,256.26            | 4,112,698.45           | -                      | (2,715,556.60)        | 4,182,398.11            |
| Total Capital Assets           | <u>5,950,685.46</u>     | <u>4,112,698.45</u>    | <u>-</u>               | <u>(2,715,556.60)</u> | <u>7,347,827.31</u>     |
| Capital Assets,                |                         |                        |                        |                       |                         |
| Being Depreciated:             |                         |                        |                        |                       |                         |
| Buildings and Improvements     | 83,588,572.08           | 80,007.71              | 6,903,958.82           | 1,568,626.44          | 78,333,247.41           |
| Equipment                      | 10,326,271.79           | 39,102.84              | 1,226,872.09           | 1,146,930.16          | 10,285,432.70           |
| Land Improvements              | 7,751,418.54            | -                      | 90,815.00              | -                     | 7,660,603.54            |
| Less Accumulated               |                         |                        |                        |                       |                         |
| Depreciation:                  |                         |                        |                        |                       |                         |
| Buildings and Improvements     | 36,389,593.99           | 2,020,472.55           | 4,614,179.26           | -                     | 33,795,887.28           |
| Equipment                      | 7,370,181.95            | 637,463.25             | 1,226,172.09           | -                     | 6,781,473.11            |
| Land Improvements              | 4,232,524.10            | 309,653.44             | 90,815.00              | -                     | 4,451,362.54            |
| Total Capital Assets,          |                         |                        |                        |                       |                         |
| Being Depreciated, Net         | <u>53,673,962.37</u>    | <u>(2,848,478.69)</u>  | <u>2,290,479.56</u>    | <u>2,715,556.60</u>   | <u>51,250,560.72</u>    |
| <b>Governmental Activities</b> |                         |                        |                        |                       |                         |
| Capital Assets - Net           | <u>\$ 59,624,647.83</u> | <u>\$ 1,264,219.76</u> | <u>\$ 2,290,479.56</u> | <u>\$ -</u>           | <u>\$ 58,598,388.03</u> |

Current year depreciation expense by function is as follows:

|                                    |              |                     |
|------------------------------------|--------------|---------------------|
| Instruction                        | \$           | 2,047,083.71        |
| Support Services                   |              |                     |
| General Administration             | \$ 98,718.03 |                     |
| Business Administration            | 2,614.72     |                     |
| Maintenance and Operation of Plant | 381,469.67   |                     |
| Student Transportation Services    | 436,668.57   | 919,470.99          |
| Food Services                      |              | 1,034.54            |
|                                    | \$           | <u>2,967,589.24</u> |

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**NOTE 6: INTERFUND TRANSFERS**

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

| Transfer to       | Transfer From    |      |
|-------------------|------------------|------|
|                   | Capital Projects | Fund |
| Debt Service Fund | \$ 3,038,592.77  |      |

Transfers are used to move Special Purpose Local Option Sales Tax collected in the capital projects fund to the debt service fund as needed for repayment of bond principal and interest.

**NOTE 7: LONG-TERM LIABILITIES**

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

|                                 | Governmental Activities |             |                        |                          |                        |
|---------------------------------|-------------------------|-------------|------------------------|--------------------------|------------------------|
|                                 | Balance<br>July 1, 2023 | Additions   | Deductions             | Balance<br>June 30, 2024 | Due Within One<br>Year |
| General Obligation (G.O.) Bonds | \$ 28,755,000.00        | \$ -        | \$ 1,860,000.00        | \$ 26,895,000.00         | \$ 6,585,000.00        |
| Unamortized Bond Premiums       | 2,228,859.45            | -           | 445,771.89             | 1,783,087.56             | 445,771.89             |
|                                 | <u>\$ 30,983,859.45</u> | <u>\$ -</u> | <u>\$ 2,305,771.89</u> | <u>\$ 28,678,087.56</u>  | <u>\$ 7,030,771.89</u> |

**General Obligation Bonds**

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

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

Of the total amounts originally authorized, \$2,690,000.00 remains unissued. General obligation bonds currently outstanding are as follows:

| Description                      | Interest<br>Rates | Issue Date | Maturity<br>Date | Amount<br>Issued        | Amount<br>Outstanding   |
|----------------------------------|-------------------|------------|------------------|-------------------------|-------------------------|
| General Government - Series 2019 | 2.02%             | 3/26/2019  | 8/1/2024         | \$ 9,110,000.00         | \$ 1,895,000.00         |
| General Government - Series 2023 | 5.00%             | 3/8/2023   | 2/1/2029         | \$ 25,000,000.00        | \$ 25,000,000.00        |
|                                  |                   |            |                  | <u>\$ 34,110,000.00</u> | <u>\$ 26,895,000.00</u> |

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

| <u>Fiscal Year Ended June 30:</u>   | <u>General Obligation Debt</u> |                        | <u>Unamortized</u>     |
|-------------------------------------|--------------------------------|------------------------|------------------------|
|                                     | <u>Principal</u>               | <u>Interest</u>        | <u>Bond Premium</u>    |
| 2025                                | \$ 6,585,000.00                | \$ 1,269,139.50        | \$ 445,771.89          |
| 2026                                | 4,835,000.00                   | 1,015,500.00           | 445,771.89             |
| 2027                                | 4,990,000.00                   | 773,750.00             | 445,771.89             |
| 2028                                | 5,155,000.00                   | 524,250.00             | 445,771.89             |
| 2029                                | 5,330,000.00                   | 266,500.00             | -                      |
| <b>Total Principal and Interest</b> | <b>\$ 26,895,000.00</b>        | <b>\$ 3,849,139.50</b> | <b>\$ 1,783,087.56</b> |

**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; natural disasters, and unemployment compensation.

***Georgia School Boards Association Risk Management Fund***

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

**Workers' Compensation**

***Georgia Education Workers' Compensation Trust***

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

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occurrence maximum. Safety National Casualty Company also provides \$2.0 million in self-funded coverage to the Trust, as approved by the Department of Insurance, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

### **Unemployment Compensation**

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District had no unemployment compensation claims in the past two 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  |

### **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                      | \$ 74,225.93  |              |               |
| Permanent Funds Principal        | 10,000.00     | \$           | 84,225.93     |
| Restricted                       |               |              |               |
| Bus Replacement                  | \$ 231,660.00 |              |               |
| Continuation of Federal Programs | 614,648.52    |              |               |
| Capital Projects                 | 37,707,733.41 |              |               |
| Debt Service                     | 2,540,103.85  |              |               |
| Permanent Funds                  | 8,239.30      |              | 41,102,385.08 |
| Assigned                         |               |              |               |
| School Activity Accounts         |               | 427,911.49   |               |
| Unassigned                       |               | 9,744,937.64 |               |
| Fund Balance, June 30, 2024      |               | \$           | 51,359,460.14 |

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

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**NOTE 10: SIGNIFICANT COMMITMENTS**

**Commitments under Construction Contracts**

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

| Project  | Unearned<br>Executed<br>Contracts (1) | Payments<br>through<br>June 30, 2024 (2) | Funding<br>Available<br>From State (1) |
|--|---------------------------------------|--|--|
| Drainage Improvements at Hubbard Elementary School | \$ 38,000.00                          | \$ 314,110.00                            | \$ -                                   |
| Baseball/Tennis Complex                            | 122,862.95                            | 267,057.05                               | -                                      |
| College and Career Academy                         | 20,574,109.05                         | 3,379,413.11                             | 2,932,842.50                           |
|  | <hr/> <u>\$ 20,734,972.00</u>         | <hr/> <u>\$ 3,960,580.16</u>             | <hr/> <u>\$ 2,932,842.50</u>           |

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

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

**NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES**

**Federal Grants**

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

**Litigation**

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

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

**Georgia School Personnel Post-Employment Health Benefit Fund**

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

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

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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 \$1,106,354.00 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 \$30,126,922.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.275046%, which was a decrease of 0.009136% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$694,174.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>OPEB</b>                          |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience   | \$ 878,150.00                        | \$ 8,652,806.00                     |
| Changes of assumptions   | 5,473,470.00                         | 3,762,396.00                        |
| Net difference between projected and actual earnings on OPEB plan investments  | 18,075.00                            | -                                   |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 925,414.00                           | 1,058,061.00                        |
| School District contributions subsequent to the measurement date   | 1,106,354.00                         | -                                   |
| <b>Total</b>   | <b>\$ 8,401,463.00</b>               | <b>\$ 13,473,263.00</b>             |

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.

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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: | <u>OPEB</u>       |
|---------------------|-------------------|
| 2025                | \$ (1,986,920.00) |
| 2026                | \$ (1,460,904.00) |
| 2027                | \$ (1,911,132.00) |
| 2028                | \$ (876,808.00)   |
| 2029                | \$ 37,730.00      |
| Thereafter          | \$ 19,880.00      |

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

**OPEB:**

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

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

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

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General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.

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

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

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

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

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

\* Net of inflation

**Discount Rate:** In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cash flows

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

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

|   | 1% Decrease<br>(2.68%) | Current Discount Rate<br>(3.68%) | 1% Increase<br>(4.68%) |
|---|------------------------|----------------------------------|------------------------|
| School District's proportionate share of the Net OPEB liability | \$ 34,150,256.00       | \$ 30,126,922.00                 | \$ 26,738,425.00       |

***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 | \$ 25,950,349.00 | \$ 30,126,922.00                   | \$ 35,275,737.00 |

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

### **NOTE 13: RETIREMENT PLANS**

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

#### **Teachers Retirement System of Georgia (TRS)**

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

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

**Contributions:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.88% of payroll was required from the School District and 0.10% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$6,049,300.98 and \$29,025.34 from the School District and the State, respectively.

### **Employees' Retirement System**

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

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**Contributions:** Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$0.00 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](http://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 \$ 137,989.00.

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

At June 30, 2024, the School District reported a liability of \$56,489,129.00 for its proportionate share of the net pension liability for TRS.

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

|   |    |                      |
|---|----|----------------------|
| School District's proportionate share of the net pension liability                                      | \$ | 56,489,129.00        |
| State of Georgia's proportionate share of the net pension liability associated with the School District |    | <u>204,603.00</u>    |
| Total   | \$ | <u>56,693,732.00</u> |

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

At June 30, 2023, the School District's TRS proportion was 0.191331%, which was a decrease of 0.006593% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.00%, which was the same as 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 \$795,109.00.

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 \$11,340,145.76 for TRS, (\$29,877.00) for ERS and \$143,505.00 for PSERS and revenue of \$36,822.00 for TRS and \$143,505.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience   | \$ 2,868,442.00                      | \$ 233,563.00                       | \$ -                                 | \$ -                                |
| Changes of assumptions   | 5,811,518.00                         | -                                   | -                                    | -                                   |
| Net difference between projected and actual earnings on pension plan investments                                     | 3,973,032.00                         | -                                   | -                                    | -                                   |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 616,696.00                           | 1,300,325.00                        | -                                    | 2,996.00                            |
| School District contributions subsequent to the measurement date   | <u>6,049,300.98</u>                  | <u>-</u>                            | <u>-</u>                             | <u>-</u>                            |
| <b>Total</b>   | <b><u>\$ 19,318,988.98</u></b>       | <b><u>\$ 1,533,888.00</u></b>       | <b><u>\$ -</u></b>                   | <b><u>\$ 2,996.00</u></b>           |

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

| Year Ended June 30: | TRS               | ERS           |
|---------------------|-------------------|---------------|
| 2025                | \$ 3,675,653.00   | \$ (2,996.00) |
| 2026                | \$ 2,248,834.00   | \$ -          |
| 2027                | \$ 7,347,557.00   | \$ -          |
| 2028                | \$ (1,536,244.00) | \$ -          |

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

**Teachers Retirement System:**

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

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

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

**Employees' Retirement System:**

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

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

**EXHIBIT "I"**

Mortality rates are as follows:

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

| <b><u>Participant Type</u></b> | <b><u>Membership Table</u></b> | <b><u>Set Forward (+)/ Setback (-)</u></b> | <b><u>Adjustment to Rates</u></b> |
|--------------------------------|--------------------------------|--|-----------------------------------|
| Service Retirees               | General Healthy Annuitant      | Male: +1; Female: +1                       | Male: 105%; Female: 108%          |
| Disability Retirees            | General Disabled               | Male: -3; Female: 0                        | Male: 103%; Female: 106%          |
| Beneficiaries                  | General Contingent Survivors   | Male: +2; Female: +2                       | Male: 106%; Female: 105%          |

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

***Public School Employees Retirement System:***

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

Mortality rates are as follows:

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

| <b><u>Participant Type</u></b> | <b><u>Membership Table</u></b>            | <b><u>Set Forward (+)/ Setback (-)</u></b> | <b><u>Adjustment to Rates</u></b> |
|--------------------------------|---|--|-----------------------------------|
| 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.

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

**EXHIBIT "I"**

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:

| <b>Asset Class</b>                    | <b>TRS/ERS/PSERS<br/>Target<br/>Allocation</b> | <b>Long-Term<br/>Expected Real<br/>Rate of Return*</b> |
|---------------------------------------|--|--|
| 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%   |
| <br>Total                             | <br>100.00%                                    |  |

\* Rates shown are net of inflation

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

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

| <b>Teachers Retirement System:</b>                                 | <b>1% Decrease<br/>(5.90%)</b> | <b>Current Discount Rate<br/>(6.90%)</b> | <b>1% Increase<br/>(7.90%)</b> |
|--|--------------------------------|--|--------------------------------|
| School District's proportionate share of the net pension liability | \$ 89,315,884.00               | \$ 56,489,129.00                         | \$ 29,681,664.00               |

**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](http://www.trsga.com/publications) and [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

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

EXHIBIT "I"

**NOTE 14: SUBSEQUENT EVENTS**

On November 12, 2024, the Monroe County Public Facilities Authority closed on \$15,990,000.00 in Revenue Bonds on behalf of the Monroe County School District.

On December 10, 2024, the Monroe County Board of Education approved a contract to establish a Guaranteed Maximum Price of \$17,104,869.00 with Parrish Construction Group for the New Field House and improvements to Dan Pitts Stadium.

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MONROE 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<br>Year<br>Ended<br>June 30 | School<br>District's<br>proportion<br>of the<br>Net Pension<br>Liability (NPL) | School District's<br>proportionate share<br>of the NPL | State of Georgia's<br>proportionate share<br>of the NPL<br>associated with the<br>School District | Total            | School District's<br>covered payroll | School District's<br>proportionate<br>share of the NPL as<br>a percentage of its<br>covered payroll | Plan fiduciary<br>net position as<br>a percentage<br>of the total<br>pension<br>liability |
|-------------------------------------|--|--|---|------------------|--------------------------------------|---|---|
| 2024                                | 0.191331%  | \$ 56,489,129.00                                       | \$ 204,603.00   | \$ 56,693,732.00 | \$ 28,037,705.24                     | 201.48%   | 76.29%  |
| 2023                                | 0.197924%  | \$ 64,269,749.00                                       | \$ 235,097.00   | \$ 64,504,846.00 | \$ 26,812,069.34                     | 239.70%   | 72.85%  |
| 2022                                | 0.200618%  | \$ 17,743,324.00                                       | \$ 63,414.00  | \$ 17,806,738.00 | \$ 26,137,343.55                     | 67.88%  | 92.03%  |
| 2021                                | 0.192405%  | \$ 46,608,022.00                                       | \$ 148,493.00   | \$ 46,756,515.00 | \$ 24,891,484.71                     | 187.24%   | 77.01%  |
| 2020                                | 0.191693%  | \$ 41,219,178.00                                       | \$ 159,120.00   | \$ 41,378,298.00 | \$ 23,490,186.66                     | 175.47%   | 78.56%  |
| 2019                                | 0.192220%  | \$ 35,680,149.00                                       | \$ 139,402.00   | \$ 35,819,551.00 | \$ 22,984,172.62                     | 155.24%   | 80.27%  |
| 2018                                | 0.191634%  | \$ 35,615,769.00                                       | \$ 251,459.00   | \$ 35,867,228.00 | \$ 22,175,353.84                     | 160.61%   | 79.33%  |
| 2017                                | 0.192562%  | \$ 39,727,688.00                                       | \$ 496,385.00   | \$ 40,224,073.00 | \$ 21,393,966.39                     | 185.70%   | 76.06%  |
| 2016                                | 0.194108%  | \$ 29,551,016.00                                       | \$ 292,453.00   | \$ 29,843,469.00 | \$ 20,821,711.00                     | 141.92%   | 81.44%  |
| 2015                                | 0.198660%  | \$ 25,098,071.00                                       | \$ 323,928.00   | \$ 25,421,999.00 | \$ 20,678,210.00                     | 121.37%   | 84.03%  |

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

SCHEDULE "2"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered payroll | Contribution as a<br>percentage of covered<br>payroll |
|-------------------------------|--|--|-------------------------------------|--------------------------------------|---|
| 2024                          | \$ 6,049,300.98                        | \$ 6,049,300.98  | \$ -                                | \$ 30,424,290.87                     | 19.88%  |
| 2023                          | \$ 5,583,594.00                        | \$ 5,583,594.00  | \$ -                                | \$ 28,037,705.24                     | 19.91%  |
| 2022                          | \$ 5,293,665.00                        | \$ 5,293,665.00  | \$ -                                | \$ 26,812,069.34                     | 19.74%  |
| 2021                          | \$ 4,964,007.89                        | \$ 4,964,007.89  | \$ -                                | \$ 26,137,343.55                     | 18.99%  |
| 2020                          | \$ 5,245,228.71                        | \$ 5,245,228.71  | \$ -                                | \$ 24,891,484.71                     | 21.07%  |
| 2019                          | \$ 4,888,974.76                        | \$ 4,888,974.76  | \$ -                                | \$ 23,490,186.66                     | 20.81%  |
| 2018                          | \$ 3,848,600.70                        | \$ 3,848,600.70  | \$ -                                | \$ 22,984,172.62                     | 16.74%  |
| 2017                          | \$ 3,139,455.22                        | \$ 3,139,455.22  | \$ -                                | \$ 22,175,353.84                     | 14.16%  |
| 2016                          | \$ 3,013,891.51                        | \$ 3,013,891.51  | \$ -                                | \$ 21,393,966.39                     | 14.09%  |
| 2015 (1)                      | \$ 2,738,055.10                        | \$ 2,738,055.10  | \$ -                                | \$ 20,821,711.00                     | 13.15%  |

(1) For year 2015, the contribution amounts included payments made on-behalf of the School District employees by the Georgia Department of Education.

MONROE 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<br>June 30 | School District's<br>proportion of the Net<br>Pension Liability (NPL) | School District's<br>proportionate share of<br>the NPL | School District's covered<br>payroll | School District's<br>proportionate share of<br>the NPL as a percentage<br>of covered payroll | Plan fiduciary net<br>position as a<br>percentage of total<br>pension liability |
|-------------------------------|---|--|--------------------------------------|--|---|
| 2024                          | 0.000000%   | \$ -   | \$ -                                 | 0.00%  | 71.20%  |
| 2023                          | 0.000000%   | \$ -   | \$ -                                 | 0.00%  | 67.44%  |
| 2022                          | 0.000609%   | \$ 14,244.00   | \$ 21,881.07                         | 65.10%   | 87.62%  |
| 2021                          | 0.003517%   | \$ 148,240.00  | \$ 88,680.96                         | 167.16%  | 76.21%  |
| 2020                          | 0.003316%   | \$ 136,836.00  | \$ 83,592.00                         | 163.70%  | 76.74%  |
| 2019                          | 0.003197%   | \$ 131,430.00  | \$ 81,552.96                         | 161.16%  | 76.68%  |
| 2018                          | 0.000000%   | \$ 129,150.00  | \$ 78,003.96                         | 165.57%  | 76.33%  |
| 2017                          | 0.000000%   | \$ -   | \$ -                                 | 0.00%  | 72.34%  |
| 2016                          | 0.000349%   | \$ 14,139.00   | \$ 7,984.46                          | 177.08%  | 76.20%  |
| 2015                          | 0.002270%   | \$ 85,139.00   | \$ 47,990.46                         | 177.41%  | 77.99%  |

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

SCHEDULE "4"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered payroll | Contribution as a<br>percentage of covered<br>payroll |
|-------------------------------|--|--|-------------------------------------|--------------------------------------|---|
| 2024                          | \$ -                                   | \$ -   | \$ -                                | \$ -                                 | 0.00%   |
| 2023                          | \$ -                                   | \$ -   | \$ -                                | \$ -                                 | 0.00%   |
| 2022                          | \$ -                                   | \$ -   | \$ -                                | \$ -                                 | 0.00%   |
| 2021                          | \$ 5,395.86                            | \$ 5,395.86  | \$ -                                | \$ 21,881.07                         | 24.66%  |
| 2020                          | \$ 21,868.68                           | \$ 21,868.68   | \$ -                                | \$ 88,680.96                         | 24.66%  |
| 2019                          | \$ 20,714.04                           | \$ 20,714.04   | \$ -                                | \$ 83,592.00                         | 24.78%  |
| 2018                          | \$ 20,233.32                           | \$ 20,233.32   | \$ -                                | \$ 81,552.96                         | 24.81%  |
| 2017                          | \$ 19,352.76                           | \$ 19,352.76   | \$ -                                | \$ 78,003.96                         | 24.81%  |
| 2016                          | \$ -                                   | \$ -   | \$ -                                | \$ -                                 | 0.00%   |
| 2015                          | \$ 1,753.44                            | \$ 1,753.44  | \$ -                                | \$ 7,984.46                          | 21.96%  |

MONROE 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<br>Year<br>Ended<br>June 30 | School District's<br>proportion of<br>the Net<br>Pension<br>Liability (NPL) | School District's<br>proportionate share<br>of the NPL | State of Georgia's<br>proportionate share<br>of the NPL<br>associated with the<br>School District | Total           | School District's<br>covered payroll | School District's<br>proportionate<br>share of the NPL<br>as a percentage of<br>its covered payroll | Plan fiduciary<br>net position as a<br>percentage of<br>the total pension<br>liability |
|-------------------------------------|---|--|---|-----------------|--------------------------------------|---|--|
| 2024                                | 0.00%   | \$ -   | \$ 795,109.00   | \$ 795,109.00   | \$ 1,723,376.41                      | N/A   | 85.67%   |
| 2023                                | 0.00%   | \$ -   | \$ 1,044,113.00   | \$ 1,044,113.00 | \$ 1,628,545.13                      | N/A   | 81.21%   |
| 2022                                | 0.00%   | \$ -   | \$ 112,511.00   | \$ 112,511.00   | \$ 1,628,545.13                      | N/A   | 98.00%   |
| 2021                                | 0.00%   | \$ -   | \$ 756,994.00   | \$ 756,994.00   | \$ 1,611,307.11                      | N/A   | 84.45%   |
| 2020                                | 0.00%   | \$ -   | \$ 739,659.00   | \$ 739,659.00   | \$ 1,569,727.12                      | N/A   | 85.02%   |
| 2019                                | 0.00%   | \$ -   | \$ 723,381.00   | \$ 723,381.00   | \$ 1,446,184.38                      | N/A   | 85.26%   |
| 2018                                | 0.00%   | \$ -   | \$ 657,570.00   | \$ 657,570.00   | \$ 1,234,909.83                      | N/A   | 85.69%   |
| 2017                                | 0.00%   | \$ -   | \$ 854,291.00   | \$ 854,291.00   | \$ 1,332,623.23                      | N/A   | 81.00%   |
| 2016                                | 0.00%   | \$ -   | \$ 520,150.00   | \$ 520,150.00   | \$ 1,369,387.64                      | N/A   | 87.00%   |
| 2015                                | 0.00%   | \$ -   | \$ 458,285.00   | \$ 458,285.00   | \$ 2,064,334.96                      | N/A   | 88.29%   |

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

SCHEDULE "6"

| For the<br>Year Ended<br>June 30 | School District's<br>proportion of<br>the Net OPEB<br>Liability (NOL) | School District's<br>proportionate share<br>of the NOL | State of Georgia's<br>proportionate<br>share of the NOL<br>associated with<br>the School District |                  |                  | Total | School District's<br>covered-employee<br>payroll | School District's<br>share of the NOL<br>as a percentage<br>of its covered-<br>employee payroll | Plan fiduciary<br>net position<br>as a<br>percentage of<br>the total OPEB<br>liability |
|----------------------------------|---|--|---|------------------|------------------|-------|--|---|--|
|                                  |   |  |   |                  |                  |       |  |   |  |
| 2024                             | 0.275046%   | \$ 30,126,922.00                                       | \$ -  | \$ 30,126,922.00 | \$ 27,194,435.60 |       |  | 110.78%   | 6.05%  |
| 2023                             | 0.284182%   | \$ 28,143,061.00                                       | \$ -  | \$ 28,143,061.00 | \$ 28,120,421.94 |       |  | 100.08%   | 6.17%  |
| 2022                             | 0.280575%   | \$ 30,388,594.00                                       | \$ -  | \$ 30,388,594.00 | \$ 25,506,206.75 |       |  | 119.14%   | 6.14%  |
| 2021                             | 0.276426%   | \$ 40,600,542.00                                       | \$ -  | \$ 40,600,542.00 | \$ 23,743,399.44 |       |  | 171.00%   | 3.99%  |
| 2020                             | 0.274476%   | \$ 33,684,094.00                                       | \$ -  | \$ 33,684,094.00 | \$ 22,693,079.89 |       |  | 148.43%   | 4.63%  |
| 2019                             | 0.270680%   | \$ 34,402,597.00                                       | \$ -  | \$ 34,402,597.00 | \$ 20,647,717.12 |       |  | 166.62%   | 2.93%  |
| 2018                             | 0.270494%   | \$ 38,004,298.00                                       | \$ -  | \$ 38,004,298.00 | \$ 21,690,661.74 |       |  | 175.21%   | 1.61%  |

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

SCHEDULE "7"

| For the Year<br>Ended June 30 | Contractually required<br>contribution | Contributions in relation to<br>the contractually required<br>contribution | Contribution deficiency<br>(excess) | School District's<br>covered-employee<br>payroll | Contribution as a<br>percentage of<br>covered-employee<br>payroll |
|-------------------------------|--|--|-------------------------------------|--|---|
| 2024                          | \$ 1,106,354.00                        | \$ 1,106,354.00  | \$ -                                | \$ 29,782,769.67                                 | 3.71%   |
| 2023                          | \$ 1,057,756.00                        | \$ 1,057,756.00  | \$ -                                | \$ 27,194,435.60                                 | 3.89%   |
| 2022                          | \$ 1,027,530.00                        | \$ 1,027,530.00  | \$ -                                | \$ 28,120,421.94                                 | 3.65%   |
| 2021                          | \$ 1,043,692.00                        | \$ 1,043,692.00  | \$ -                                | \$ 25,506,206.75                                 | 4.09%   |
| 2020                          | \$ 934,807.00                          | \$ 934,807.00  | \$ -                                | \$ 23,743,399.44                                 | 3.94%   |
| 2019                          | \$ 1,478,242.00                        | \$ 1,478,242.00  | \$ -                                | \$ 22,693,079.89                                 | 6.51%   |
| 2018                          | \$ 1,402,911.00                        | \$ 1,402,911.00  | \$ -                                | \$ 20,647,717.12                                 | 6.79%   |
| 2017                          | \$ 1,410,380.00                        | \$ 1,410,380.00  | \$ -                                | \$ 21,690,661.74                                 | 6.50%   |

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

SCHEDULE "8"

**Teachers Retirement System**

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

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

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

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

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

**Employees' Retirement System**

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

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

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

MONROE 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.

## MONROE COUNTY BOARD OF EDUCATION

## GENERAL FUND

## SCHEDULE "9"

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

|  | NONAPPROPRIATED BUDGETS |                      | ACTUAL AMOUNTS       | VARIANCE<br>OVER/UNDER |
|--|-------------------------|----------------------|----------------------|------------------------|
|  | ORIGINAL (1)            | FINAL (1)            |                      |                        |
| <b>REVENUES</b>                              |                         |                      |                      |                        |
| Property Taxes                               | \$ 25,470,550.00        | \$ 25,470,550.00     | \$ 27,337,631.87     | \$ 1,867,081.87        |
| Sales Taxes                                  | 480,000.00              | 480,000.00           | 381,219.61           | (98,780.39)            |
| State Funds                                  | 25,592,956.76           | 28,825,397.18        | 27,966,994.91        | (858,402.27)           |
| Federal Funds                                | 4,229,767.32            | 6,492,617.32         | 6,416,243.16         | (76,374.16)            |
| Charges for Services                         | 667,180.88              | 667,180.88           | 1,340,488.93         | 673,308.05             |
| Investment Earnings                          | 60,000.00               | 60,000.00            | 370,350.60           | 310,350.60             |
| Miscellaneous                                | 580,000.00              | 580,000.00           | 1,479,543.14         | 899,543.14             |
| <b>Total Revenues</b>                        | <b>57,080,454.96</b>    | <b>62,575,745.38</b> | <b>65,292,472.22</b> | <b>2,716,726.84</b>    |
| <b>EXPENDITURES</b>                          |                         |                      |                      |                        |
| Current                                      |                         |                      |                      |                        |
| Instruction                                  | 39,508,196.00           | 41,546,834.59        | 40,541,752.43        | 1,005,082.16           |
| Support Services                             |                         |                      |                      |                        |
| Pupil Services                               | 2,312,543.00            | 2,463,129.13         | 2,416,412.50         | 46,716.63              |
| Improvement of Instructional Services        | 1,716,200.00            | 1,936,162.09         | 1,926,338.40         | 9,823.69               |
| Educational Media Services                   | 840,930.00              | 851,915.42           | 834,543.42           | 17,372.00              |
| General Administration                       | 1,366,871.00            | 1,395,912.25         | 1,483,717.52         | (87,805.27)            |
| School Administration                        | 2,720,751.00            | 2,695,924.69         | 2,640,766.81         | 55,157.88              |
| Business Administration                      | 642,911.00              | 648,293.50           | 631,961.92           | 16,331.58              |
| Maintenance and Operation of Plant           | 5,091,769.00            | 5,143,056.25         | 5,534,455.28         | (391,399.03)           |
| Student Transportation Services              | 4,758,287.00            | 5,759,138.00         | 4,748,228.30         | 1,010,909.70           |
| Central Support Services                     | 21,050.00               | 21,823.00            | 54,011.70            | (32,188.70)            |
| Other Support Services                       | 4,500.00                | 4,500.00             | 27,060.36            | (22,560.36)            |
| Enterprise Operations                        | -                       | -                    | 1,342,906.13         | (1,342,906.13)         |
| Food Services Operation                      | 3,222,463.96            | 3,252,605.96         | 2,857,562.49         | 395,043.47             |
| <b>Total Expenditures</b>                    | <b>62,206,471.96</b>    | <b>65,719,294.88</b> | <b>65,039,717.26</b> | <b>679,577.62</b>      |
| Excess of Revenues over (under) Expenditures | (5,126,017.00)          | (3,143,549.50)       | 252,754.96           | 3,396,304.46           |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                         |                      |                      |                        |
| Other Sources                                | 70,361.00               | 134,896.00           | -                    | (134,896.00)           |
| Other Uses                                   | (70,361.00)             | (134,896.00)         | -                    | 134,896.00             |
| <b>Total Other Financing Sources (Uses)</b>  | <b>-</b>                | <b>-</b>             | <b>-</b>             | <b>-</b>               |
| Net Change in Fund Balances                  | (5,126,017.00)          | (3,143,549.50)       | 252,754.96           | 3,396,304.46           |
| Fund Balances - Beginning                    | 10,858,858.77           | 10,858,858.77        | 10,840,628.62        | (18,230.15)            |
| Fund Balances - Ending                       | \$ 5,732,841.77         | \$ 7,715,309.27      | \$ 11,093,383.58     | \$ 3,378,074.31        |

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 \$1,198,528.24 and \$1,166,485.25, 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.

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

SCHEDULE "10"

| FUNDING AGENCY<br>PROGRAM/GRANT  | ASSISTANCE<br>LISTING<br>NUMBER | PASS-<br>THROUGH<br>ENTITY<br>ID<br>NUMBER | EXPENDITURES<br>IN PERIOD |
|--|---------------------------------|--|---------------------------|
| Agriculture, U.S. Department of<br>Child Nutrition Cluster   |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Food Services  |                                 |  |                           |
| School Breakfast Program   | 10.553                          | 245GA324N1199                              | \$ 473,531.91             |
| National School Lunch Program  | 10.555                          | 245GA324N1199                              | 2,102,261.79              |
| COVID-19 - National School Lunch Program   | 10.555                          | 225GA324N1099                              | 117,060.92                |
| Total Child Nutrition Cluster  |                                 |  | <u>2,692,854.62</u>       |
| Other Programs   |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Food Services  |                                 |  |                           |
| State Administrative Expenses for Child Nutrition  | 10.560                          | 245GA904N2533                              | 18,771.57                 |
| Total U.S. Department of Agriculture   |                                 |  | <u>2,711,626.19</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                         | S425D200012                                | 54,991.72                 |
| COVID-19 - American Rescue Plan Elementary and Secondary School<br>Emergency Relief Fund                               | 84.425U                         | S425U210012                                | 1,713,198.97              |
| COVID-19 - American Rescue Plan Elementary and Secondary School<br>Emergency Relief Fund - Homeless Children and Youth | 84.425W                         | S425W210011                                | 37,429.64                 |
| Total Education Stabilization Fund   |                                 |  | <u>1,805,620.33</u>       |
| Special Education Cluster  |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Special Education  |                                 |  |                           |
| Grants to States   | 84.027A                         | H027A220073                                | 238,918.00                |
| Grants to States   | 84.027A                         | H027A230073                                | 897,417.29                |
| COVID-19 - American Rescue Plan - Grants to States   | 84.027X                         | H027X210073                                | 24,035.38                 |
| Preschool Grants   | 84.173A                         | H173A230081                                | 31,980.00                 |
| Total Special Education Cluster  |                                 |  | <u>1,192,350.67</u>       |
| Other Programs   |                                 |  |                           |
| Pass-Through From Georgia Department of Education  |                                 |  |                           |
| Career and Technical Education - Basic Grants to States  | 84.048A                         | V048A230010                                | 47,533.81                 |
| Student Support and Academic Enrichment Program  | 84.424F                         | S424F230011                                | 22,000.00                 |
| Supporting Effective Instruction State Grant   | 84.367A                         | S367A230001                                | 132,681.57                |
| Title I Grants to Local Educational Agencies   | 84.010A                         | S010A230010                                | 1,026,790.19              |
| Total Other Programs   |                                 |  | <u>1,229,005.57</u>       |
| Total U.S. Department of Education   |                                 |  | <u>4,226,976.57</u>       |
| Defense, U.S. Department of  |                                 |  |                           |
| Direct   |                                 |  |                           |
| Department of the Army   |                                 |  |                           |
| R.O.T.C. Program   | 12. UNKNOWN                     |  | 59,202.45                 |
| Total Expenditures of Federal Awards   |                                 |  | <u>\$ 6,997,805.21</u>    |

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

SCHEDULE "10"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling \$70,361.00 and \$64,535.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and the Supporting Effective Instruction State Grants program (ALN 84.367A), respectively, and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during fiscal year 2024.

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

SCHEDULE "11"

| AGENCY/FUNDING   | GOVERNMENTAL FUND TYPES |                          |                  |
|--|-------------------------|--------------------------|------------------|
|  | GENERAL<br>FUND         | CAPITAL PROJECTS<br>FUND | TOTAL            |
| GRANTS   |                         |                          |                  |
| Bright From the Start:                                     |                         |                          |                  |
| Georgia Department of Early Care and Learning              |                         |                          |                  |
| Pre-Kindergarten Program                                   | \$ 1,078,215.20         | \$ -                     | \$ 1,078,215.20  |
| Education, Georgia Department of                           |                         |                          |                  |
| Quality Basic Education                                    |                         |                          |                  |
| Direct Instructional Cost                                  |                         |                          |                  |
| Kindergarten Program                                       | 1,384,881.00            | -                        | 1,384,881.00     |
| Kindergarten Program - Early Intervention Program          | 217,292.00              | -                        | 217,292.00       |
| Primary Grades (1-3) Program                               | 3,552,534.00            | -                        | 3,552,534.00     |
| Primary Grades - Early Intervention (1-3) Program          | 518,688.00              | -                        | 518,688.00       |
| Upper Elementary Grades (4-5) Program                      | 1,648,936.00            | -                        | 1,648,936.00     |
| Upper Elementary Grades - Early Intervention (4-5) Program | 415,712.00              | -                        | 415,712.00       |
| Middle School (6-8) Program                                | 3,029,440.00            | -                        | 3,029,440.00     |
| High School General Education (9-12) Program               | 2,732,844.00            | -                        | 2,732,844.00     |
| Vocational Laboratory (9-12) Program                       | 999,321.00              | -                        | 999,321.00       |
| Students with Disabilities                                 | 4,413,590.00            | -                        | 4,413,590.00     |
| Gifted Student - Category VI                               | 1,981,300.00            | -                        | 1,981,300.00     |
| Remedial Education Program                                 | 48,356.00               | -                        | 48,356.00        |
| Alternative Education Program                              | 224,841.00              | -                        | 224,841.00       |
| English Speakers of Other Languages (ESOL)                 | 69,378.00               | -                        | 69,378.00        |
| Media Center Program                                       | 543,925.00              | -                        | 543,925.00       |
| 20 Days Additional Instruction                             | 155,368.00              | -                        | 155,368.00       |
| Staff and Professional Development                         | 100,104.00              | -                        | 100,104.00       |
| Principal Staff and Professional Development               | 1,379.00                | -                        | 1,379.00         |
| Indirect Cost  |                         |                          |                  |
| Central Administration                                     | 731,331.00              | -                        | 731,331.00       |
| School Administration                                      | 998,343.00              | -                        | 998,343.00       |
| Facility Maintenance and Operations                        | 991,829.00              | -                        | 991,829.00       |
| Categorical Grants   |                         |                          |                  |
| Pupil Transportation                                       |                         |                          |                  |
| Regular  | 772,523.00              | -                        | 772,523.00       |
| Nursing Services   | 100,901.00              | -                        | 100,901.00       |
| Other State Programs                                       |                         |                          |                  |
| Dyslexia Services Grant                                    | 9,389.00                | -                        | 9,389.00         |
| Food Services  | 92,264.00               | -                        | 92,264.00        |
| Hygiene Products   | 3,519.00                | -                        | 3,519.00         |
| Math and Science Supplements                               | 28,906.42               | -                        | 28,906.42        |
| One Time QBE Adjustment                                    | 504,247.00              | -                        | 504,247.00       |
| Preschool Disability Services                              | 87,300.95               | -                        | 87,300.95        |
| School Security Grant                                      | 250,000.00              | -                        | 250,000.00       |
| Teachers Retirement  | 29,025.34               | -                        | 29,025.34        |
| Vocational Education                                       | 98,885.00               | -                        | 98,885.00        |
| Vocational Supervisors                                     | 14,438.00               | -                        | 14,438.00        |
| Georgia State Financing and Investment Commission          |                         |                          |                  |
| Reimbursement on Construction Projects                     | -                       | 73,841.20                | 73,841.20        |
| Office of the State Treasurer                              |                         |                          |                  |
| Public School Employees Retirement                         | 137,989.00              | -                        | 137,989.00       |
| Technical College System of Georgia                        |                         |                          |                  |
| College and Career Academy                                 | -                       | 2,859,001.30             | 2,859,001.30     |
|  | \$ 27,966,994.91        | \$ 2,932,842.50          | \$ 30,899,837.41 |

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

SCHEDULE "12"

| <u>PROJECT</u>   | <u>ORIGINAL<br/>ESTIMATED<br/>COST (1)</u> | <u>CURRENT<br/>ESTIMATED<br/>COSTS (2)</u> | <u>ESTIMATED<br/>COMPLETION<br/>DATE</u> |
|--|--|--|--|
| <b>2019 SPLOST</b>   |  |  |  |
| (i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and security equipment; | \$ 4,200,000.00                            | \$ 4,450,765.04                            | 6/30/2025                                |
| (ii) Adding to, renovating, repairing, improving and equipping existing school buildings and School District facilities;   | 1,550,000.00                               | 5,059,768.93                               | 6/30/2025                                |
| (iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;  | 1,200,000.00                               | 1,200,000.00                               | 6/30/2025                                |
| (iv) Acquiring school buses, vehicles and transportation and maintenance equipment;  | 2,800,000.00                               | 2,800,000.00                               | 6/30/2025                                |
| (v) Constructing and equipping new schools facilities, including instructional, fine arts and athletic facilities;   | 2,200,000.00                               | 2,200,000.00                               | 6/30/2025                                |
| (vi) Acquiring land for future schools and facilities;   | -  | -  | 6/30/2025                                |
| (vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and | 12,000,000.00                              | 12,000,000.00                              | 6/30/2025                                |
| (viii) Paying expenses incident to accomplishing the foregoing.  | 50,000.00                                  | 50,000.00                                  | 6/30/2025                                |
| <b>Subtotal 2019 Projects</b>  | <b><u>24,000,000.00</u></b>                | <b><u>27,760,533.97</u></b>                |  |
| <b>2023 SPLOST</b>   |  |  |  |
| (i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and security equipment; | 500,000.00                                 | 500,000.00                                 | 7/31/2029                                |
| (ii) Adding to, renovating, repairing, improving, and equipping existing school buildings and School District facilities;  | 1,000,000.00                               | 1,000,000.00                               | 7/31/2029                                |
| (iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;  | 250,000.00                                 | 250,000.00                                 | 7/31/2029                                |
| (iv) Acquiring school buses, vehicles, and transportation and maintenance equipment;   | 750,000.00                                 | 750,000.00                                 | 7/31/2029                                |
| (v) Constructing and equipping new school facilities, including a ninth grade campus, field house, and stadium improvements;   | 30,000,000.00                              | 42,500,000.00                              | 7/31/2029                                |
| (vi) Acquiring land for future schools and facilities;   | 50,000.00                                  | 50,000.00                                  | 7/31/2029                                |
| (vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and | 6,940,000.00                               | 6,925,000.00                               | 7/31/2029                                |
| (viii) Paying expenses incident to accomplishing the foregoing.  | 10,000.00                                  | 10,000.00                                  | 7/31/2029                                |
| <b>Subtotal 2023 Projects</b>  | <b><u>39,500,000.00</u></b>                | <b><u>51,985,000.00</u></b>                |  |
| <b>Total</b>   | <b><u>\$ 63,500,000.00</u></b>             | <b><u>\$ 79,745,533.97</u></b>             |  |

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

SCHEDULE "12"

| <u>PROJECT</u>   | AMOUNT<br>EXPENDED<br>IN CURRENT<br>YEAR (3) | AMOUNT<br>EXPENDED<br>IN PRIOR<br>YEARS (3) | TOTAL<br>COMPLETION<br>COST | EXCESS<br>PROCEEDS NOT<br>EXPENDED |
|--|--|---|-----------------------------|------------------------------------|
| <b>2019 SPLOST</b>   |  |   |                             |                                    |
| (i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and security equipment; | \$ 843,071.46                                | \$ 3,607,693.58                             | \$ -                        | \$ -                               |
| (ii) Adding to, renovating, repairing, improving and equipping existing school buildings and School District facilities;   | 1,218,693.70                                 | 3,841,075.23                                | - -                         | - -                                |
| (iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;  | 183,371.53                                   | 643,510.35                                  | - -                         | - -                                |
| (iv) Acquiring school buses, vehicles and transportation and maintenance equipment;  | 84,000.00                                    | 1,835,044.44                                | - -                         | - -                                |
| (v) Constructing and equipping new schools facilities, including instructional, fine arts and athletic facilities;   | 10,625.00                                    | 1,780,881.32                                | - -                         | - -                                |
| (vi) Acquiring land for future schools and facilities;   | - -  | - -   | - -                         | - -                                |
| (vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and | 1,917,065.00                                 | 9,561,593.64                                | - -                         | - -                                |
| (viii) Paying expenses incident to accomplishing the foregoing.  | - -  | 652.22                                      | - -                         | - -                                |
| Subtotal 2019 Projects   | <u>4,256,826.69</u>                          | <u>21,270,450.78</u>                        | <u>- -</u>                  | <u>- -</u>                         |
| <b>2023 SPLOST</b>   |  |   |                             |                                    |
| (i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and security equipment; | - -  | - -   | - -                         | - -                                |
| (ii) Adding to, renovating, repairing, improving, and equipping existing school buildings and School District facilities;  | - -  | - -   | - -                         | - -                                |
| (iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;  | - -  | - -   | - -                         | - -                                |
| (iv) Acquiring school buses, vehicles, and transportation and maintenance equipment;   | - -  | - -   | - -                         | - -                                |
| (v) Constructing and equipping new school facilities, including a ninth grade campus, field house, and stadium improvements;   | 3,124,991.30                                 | - -   | - -                         | - -                                |
| (vi) Acquiring land for future schools and facilities;   | - -  | - -   | - -                         | - -                                |
| (vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and | 1,121,527.78                                 | 272,221.29                                  | - -                         | - -                                |
| (viii) Paying expenses incident to accomplishing the foregoing.  | - -  | - -   | - -                         | - -                                |
| Subtotal 2023 Projects   | <u>4,246,519.08</u>                          | <u>272,221.29</u>                           | <u>- -</u>                  | <u>- -</u>                         |
| Total  | <u>\$ 8,503,345.77</u>                       | <u>\$ 21,542,672.07</u>                     | <u>\$ - -</u>               | <u>\$ - -</u>                      |

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.  
 (2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.  
 (3) The voters of Monroe County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.  
 Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

**Section II**  
**Compliance and Internal Control Reports**



**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. Jim Finch, Superintendent and Members of the  
Monroe County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Monroe 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 January 16, 2026. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2024-001 and FS 2024-002 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

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

## **School District's Response to Findings**

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

## **Purpose of this Report**

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

Respectfully submitted,



Greg S. Griffin  
State Auditor

January 16, 2026



**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. Jim Finch, Superintendent and Members of the  
Monroe County Board of Education

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited the Monroe 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*.

***Qualified Opinion on Child Nutrition Cluster (10.553, 10.555)***

In our opinion, except for the noncompliance described in the "Basis for Qualified and Unmodified Opinions" section of our report, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster (10.553, 10.555) for the year ended June 30, 2024.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs* for the year ended June 30, 2024.

***Basis for Qualified and Unmodified Opinions***

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 qualified and unmodified opinions 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.

#### *Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster (10.553, 10.555)*

As described in the accompanying *Schedule of Findings and Questioned Costs*, the School District did not comply with requirements regarding the Child Nutrition Cluster (10.553, 10.555) as described in finding FA 2024-002 for Activities Allowed or Unallowed. Compliance with such requirements is necessary, in our opinion, for the School District to comply with requirements applicable to that program.

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* in findings FA 2024-001 and FA 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness and certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in finding FA 2024-002 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in findings FA 2024-001 and FA 2024-003 to be significant deficiencies.

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Greg S. Griffin". The signature is fluid and cursive, with "Greg" on the first line and "S. Griffin" on the second line.

Greg S. Griffin  
State Auditor

January 16, 2026

### **Section III**

#### **Auditee's Response to Prior Year Findings and Questioned Costs**

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

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**FS 2023-001** **Internal Controls at the Central Office**

**Finding Status:** Partially Resolved

*The School District will strengthen internal controls and review procedures in specific audit areas. The estimated completion date is September 30, 2024.*

**FS 2023-002** **Internal Controls over Financial Reporting**

**Finding Status:** Partially Resolved

*The School District will strengthen internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and accurate. Estimated completion date is July 1, 2024.*

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2023-001 Strengthen Controls over Special Reporting**

**Federal Awarding Agency:** U.S. Department of Agriculture

**Pass-Through Entity:** Georgia Department of Education

**Repeat of Prior Year Finding:** FA 2022-001

**Finding Status:** Unresolved

*The entity has returned to collecting Free and Reduced applications and recording the student meals accordingly. The estimated completion date is July 1, 2024.*

**FA 2022-001** **Strengthen Controls over Special Reporting**

**Finding Status:** Unresolved

*See response to finding number FA 2023-001.*

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

**FA 2023-002 Improve Controls over Suspension and Debarment**

|                                      |   |
|--------------------------------------|---|
| <b>Federal Awarding Agency:</b>      | U.S. Department of Agriculture  |
| <b>Pass-Through Entity:</b>          | Georgia Department of Education                                       |
| <b>Repeat of Prior Year Finding:</b> | FA 2022-002   |
| <b>Finding Status:</b>               | Previously Reported Corrective Action Implemented                     |
| <b>FA 2022-002</b>                   | <b>Improve Controls over Procurement and Suspension and Debarment</b> |
| <b>Finding Status:</b>               | Previously Reported Corrective Action Implemented                     |

**Section IV**  
**Findings and Questioned Costs**

MONROE 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 Aggregate Remaining Fund Information

## Unmodified

## Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

No  
Yes

Noncompliance material to financial statements noted:

No

## **Federal Awards**

## Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes  
Yes

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

## Child Nutrition Cluster All other major programs

## Qualified Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

## Identification of major programs:

Assistance Listing Number    Assistance Listing Program or Cluster Title

84.027, 84.173  
10.553, 10.555

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

## Auditee qualified as low-risk auditee?

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

## **II FINANCIAL STATEMENT FINDINGS**

### **FS 2024-001 Internal Controls at the Central Office**

|                                      |                               |
|--------------------------------------|-------------------------------|
| <b>Internal Control Impact:</b>      | <b>Significant Deficiency</b> |
| <b>Repeat of Prior Year Finding:</b> | <b>FS 2023-001</b>            |

#### **Description:**

The School District's accounting procedures at the Central Office are not sufficient to ensure prevention or timely detection of errors in key financial processes, specifically those related to cash management, capital asset tracking, expenditures and payroll processing.

#### **Criteria:**

The School District is responsible for designing and maintaining a system of internal controls that provides reasonable assurance that transactions are properly authorized, recorded, and reported in accordance with generally accepted accounting principles (GAAP) and applicable state and local policies. This includes timely and accurate bank reconciliations, accurate capital asset tracking, and accurate reporting of expenditures.

#### **Condition:**

The auditor noted the following inadequate controls at the central office:

##### **Cash and Cash Equivalents**

- The reported cash balances per the financial statements did not reconcile to bank balances by \$7,969.97.
- Five bank reconciliations lacked both a preparer and a reviewer signature.
- One bank reconciliation was not reviewed until 47 days after year end and was signed only by the reviewer.
- One bank account was not formally reconciled to the general ledger at fiscal year-end. The bank statement was reviewed and signed; however, no reconciliation was performed. A discrepancy of \$1,364.95 existed between the bank and book balances due to an outstanding check that had not cleared by June 30 but was incorrectly marked as cleared in the accounting system.
- A single employee had custody of checks, recorded receipts, and performed bank reconciliations – indicating inadequate separation of duties.

##### **Capital Assets**

- A complete physical inventory of fixed assets has not been performed since fiscal year 2015.

##### **Expenditures/Liabilities/Disbursements**

- Six expenditures were not properly recorded in the appropriate function within the capital projects fund.

##### **Employee Compensation**

- One employee has the ability to both enter new employees and change compensation and benefits, creating a control risk due to lack of separation of duties.
- State Health Benefit Plan (SHBP) invoices are not being reconciled to employee benefit records.

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

**Cause:**

In discussing these deficiencies with the School District, they indicated the errors occurred due to not following established internal control policies and procedures.

**Effect:**

Inadequate internal controls across these financial areas increase the risk of misstatements, misclassification of expenditures, and potential misappropriation of assets. The lack of separation of duties, timely reconciliations and failure to properly track, reconcile and report financial activity may compromise the reliability of financial reporting and may prevent errors or fraud from being detected. In addition, it could result in inaccurate presentation of the School District's financial position and noncompliance with GAAP.

**Recommendation:**

The School District should strengthen internal controls across key accounting functions by taking the following actions:

- Ensure bank reconciliations are completed and reviewed in a timely manner and include clear documentation of preparer and reviewer dates.
- Assign separate individuals to cash handling, recording, and reconciliation duties to ensure adequate segregation of duties.
- Reconcile cash balances per the financial statements to bank balances and investigate any variances.
- Conduct a complete physical inventory of capital assets and ensure the fixed asset listing is properly updated accordingly.
- Review expenditures for proper classification and ensure they are recorded in accordance with accounting standards and the School District policy.
- Restrict system access so that no one employee can both add new employees and modify compensation and benefits without supervisory review and approval.
- Reconcile SHBP invoices to payroll and employee benefit records prior to payment and investigate any variances.

**Views of Responsible Officials:**

We concur with this finding.

**FS 2024-002 Internal Controls over Financial Reporting**

|                                      |                               |
|--------------------------------------|-------------------------------|
| <b>Internal Control Impact:</b>      | <b>Significant Deficiency</b> |
| <b>Repeat of Prior Year Finding:</b> | <b>FS 2023-002</b>            |

**Description:**

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

**Criteria:**

Management is responsible for maintaining effective internal controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). These controls should ensure completeness, accuracy, and proper presentation of financial information.

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

Internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills, and experience necessary to prepare financial statements in accordance with GAAP, including all required disclosures under Governmental Accounting Standards Board (GASB) guidance.

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

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

**Condition:**

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

- An audit reclassification to the government-wide financial statements totaling \$4,337,846.00 was proposed and accepted by the School District to properly report deferred inflows of resources related to OPEB and the net OPEB liability.
- A material audit reclassification to the government-wide financial statements totaling \$23,346,787.07 was proposed and accepted by the School District to correctly report net investment in capital assets.
- A significant commitment note disclosure related to major construction projects was omitted from the financial statements as presented for audit. Unearned executed contracts totaling \$20,734,972.00 and related payments through June 30 totaling \$3,960,580.16 were not disclosed. Audit adjustments were proposed by the auditors and accepted by the School District to correct the disclosure.
- Numerous other audit adjustments and reclassifications were required to properly present the financial statements, note disclosures, required supplementary information, and supplementary schedules.

**Cause:**

In discussing these deficiencies with the School District, they indicated the errors occurred due to oversight in preparing the financial statements.

**Effect:**

Significant misstatements were included in the financial statements presented for audit. The absence of sufficient internal controls and monitoring procedures increases the risk of undetected errors or omissions, which could result in inaccurate reporting of the School District’s financial position and results of operations.

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

**Recommendation:**

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

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

**Views of Responsible Officials:**

We concur with this finding.

**III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2024-001 Strengthen Controls over Special Reporting**

|                                      |  |
|--------------------------------------|--|
| <b>Compliance Requirement:</b>       | Reporting  |
| <b>Internal Control Impact:</b>      | Significant Deficiency   |
| <b>Compliance Impact:</b>            | Nonmaterial Noncompliance  |
| <b>Federal Awarding Agency:</b>      | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>          | Georgia Department of Education  |
| <b>AL Numbers and Titles:</b>        | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19 - 10.555 – National School Lunch Program |
| <b>Federal Award Number:</b>         | 245GA324N1199 (Year: 2024), 225GA324N1099 (Year: 2024)   |
| <b>Questioned Costs:</b>             | None Identified  |
| <b>Repeat of Prior Year Finding:</b> | FA 2023-001, FA 2022-001   |

**Description:**

The policies and procedures of the School District were insufficient to provide adequate internal controls over the monthly Claims for Reimbursement process.

**Background:**

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential childcare institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding is granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) based upon each School District's monthly Form DE0106 Claim Data report submissions. These DE0106

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

reports are to be supported by the corresponding Form DE0112 Daily Record of Number of Breakfasts Served and Form DE0118 Daily Record of Number of Lunches Served, which are prepared by the School District from their School Food Service meal sales system.

**Criteria:**

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

Provisions included in Title 7 CFR Section 210.7(c) require that the School District "base Claims for Reimbursement on lunch counts, taken daily at the point of service, which correctly identify the number of free, reduced price and paid lunches served to eligible children" and "correctly record, consolidate and report those lunch and supplement counts on the Claim for Reimbursement."

In addition, provisions included in Title 7 CFR Section 220.11(d) state that the School District "shall establish internal controls which ensure the accuracy of breakfast counts prior to the submission of the monthly Claim for Reimbursement."

**Condition:**

A sample of four months during the standard school year in which a DE-0112, DE-0118, DE-0106 and DE-0107 should have been filed was randomly selected for testing using a non-statistical sampling approach. Additionally, the Form DE-0106 reports for the month of June 2024 were selected for testing. These reports were reviewed to determine if appropriate internal controls were implemented and applicable reporting compliance requirements were met. The following deficiencies were noted:

- No Form DE-0112 or DE-0118 reports were prepared during the period under review.
- Daily meal count sheets maintained by the schools did not reflect evidence of review and approval by lunchroom managers in four instances, including two breakfast and two lunch counts.
- Meal count errors were noted for four out of five months tested. The number of meals served per the daily meal count sheets for these four months did not match the number of meals reported and claimed on the Form DE-0106 reports resulting in the under-claiming of 879 lunch or breakfast meals during the period under review.

**Cause:**

In discussing these deficiencies with management, the School District believed completion of DE-0112 and DE-0118 was not a requirement due to the election of Seamless Summer Option. As a result, the School District did not follow its policies and procedures that govern the reporting process for federal programs.

**Effect:**

The School District is not in compliance with the Uniform Guidance and GaDOE guidance. Failure to submit accurate monthly Claims for Reimbursement to GaDOE can result in the School District obtaining less federal funding than they are eligible to receive. This deficiency may expose the School District to unnecessary financial strains and shortages within the CNC fund.

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

**Recommendation:**

The School District should evaluate their internal control processes regarding the preparation of the Form DE-0112 or DE-0118 reports and develop or modify procedures to ensure Claims for Reimbursement are based on final and accurate meals counts. The School District should become more familiar with the Federal regulations related to the CNC programs in order to develop or modify internal control procedures that will ensure accurate reporting of meals served. Furthermore, management should develop and implement a monitoring process to ensure that controls are functioning properly.

**Views of Responsible Officials:**

We concur with this finding.

**FA 2024-002 Strengthen Controls over Journal Entries**

|                                 |  |
|---------------------------------|--|
| <b>Compliance Requirements:</b> | Activities Allowed or Unallowed  |
| <b>Internal Control Impact:</b> | Material Weakness  |
| <b>Compliance Impact:</b>       | Material Noncompliance   |
| <b>Federal Awarding Agency:</b> | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>     | Georgia Department of Education  |
| <b>AL Numbers and Titles:</b>   | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19 – 10.555 – National School Lunch Program |
| <b>Federal Award Numbers:</b>   | 245GA32N1199 (Year: 2024), 225GA324N1099 (Year: 2024)  |
| <b>Questioned Costs:</b>        | Unknown  |

**Description:**

The policies and procedures of the School District were insufficient to ensure that journal entries made for the Child Nutrition Cluster were properly documented.

**Background Information:**

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential childcare institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the various CNC programs. CNC funds totaling \$2,692,854.62 were expended and reported on the Monroe County Board of Education's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

**Criteria:**

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards

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

pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Provisions included in the Uniform Guidance, Section 200.403 – Factors Affecting Allowability of Costs state that “costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles, (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items, (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity... (g) Be adequately documented...”

In addition, provisions included in the Uniform Guidance, Section 200.404 – Reasonable Costs state that “a cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to: (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award. (b) The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award... (d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government. (e) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award’s cost.”

Furthermore, provisions included in the Uniform Guidance, Section 200.1 state “Improper payment means: (1) Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. (v) The term “payment” in this definition means any disbursement or transfer of Federal funds (including a commitment for future payment, such as cash, securities, loans, loan guarantees, and insurance subsidies) to any non-Federal person, non-Federal entity, or Federal employee, that is made by a Federal agency, a Federal contractor, a Federal grantee, or a governmental or other organization administering a Federal program or activity.”

Lastly, provisions included in Title 34 CFR Section 210.14(a) state that “school food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved... FNS, or to construct buildings.”

**Condition:**

Auditors performed a review of transfer activity associated with CNC to determine if appropriate internal controls were implemented and applicable compliance requirements were met. This testing revealed that journal entries utilized to transfer cash totaling \$6,000,000 from the School Nutrition Fund to the General Fund were not properly supported by adequate documentation.

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

**Questioned Costs:**

Though questioned costs may exist, these amounts are unknown as adequate documentation to support the transfer of \$6,000,000 in cash was not maintained.

**Cause:**

The School District transferred funds from the School Nutrition Fund to the General Fund in an attempt to reimburse the General Fund for several years' worth of salary payments made on behalf of the School Food Service program; however, adequate documentation was not maintained due to oversight.

**Effect or Potential Effect:**

The School District is not in compliance with the Uniform Guidance or GaDOE guidance related to the CNC programs. Failure to ensure that appropriate policies and procedures are followed when managing federal funds may expose the School District to unnecessary financial strains and shortages as GaDOE may require the School District to return funds associated with unallowable transfers.

**Recommendation:**

The School District should review current internal control procedures related to School Nutrition Fund journal entries. Where vulnerable, the School District should develop and/or modify its policies and procedures to ensure that all journal entries, including transfers, are supported by adequate documentation. In addition, the transfer of cash associated with salary reimbursements should be made on a more timely basis and supported by payroll data. Furthermore, the School District should implement a monitoring process to ensure that all journal entry activity is compliant with the School District's policies and procedures.

**Views of Responsible Officials:**

We concur with this finding.

**FA 2024-003 Strengthen Controls over Expenditures**

**Compliance Requirements:**

Activities Allowed or Unallowed  
Allowable Costs/Cost Principles

**Internal Control Impact:**

Significant Deficiency

**Compliance Impact:**

Nonmaterial Noncompliance

**Federal Awarding Agency:**

U.S. Department of Agriculture

**Pass-Through Entity:**

Georgia Department of Education

**AL Numbers and Titles:**

10.553 – School Breakfast Program

10.555 – National School Lunch Program

COVID-19 – 10.555 – National School Lunch Program

**Federal Award Numbers:**

245GA32N1199 (Year: 2024), 225GA324N1099 (Year: 2024)

**Questioned Costs:**

\$2,641.33

**Description:**

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District's internal control procedures were not operating to ensure that expenditures were appropriately reviewed, approved, and documented.

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

**Background Information:**

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential childcare institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the various CNC programs. CNC funds totaling \$2,692,854.62 were expended and reported on the Monroe County Board of Education's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

**Criteria:**

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

Additionally, provisions included in the Uniform Guidance, Section 200.403 – Factors Affecting Allowability of Costs state that “costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles, (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items, (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity... (g) Be adequately documented...”

**Condition:**

A sample of 60 expenditures was randomly selected for testing using a non-statistical sampling approach. These expenditures were reviewed to determine if appropriate internal controls were implemented and applicable compliance requirements were met. Three voucher packages could not be located by the entity for review.

**Questioned Costs:**

Upon testing a sample of \$70,823.01 in nonpersonal services expenditures, known questioned costs of \$2,641.33 were identified. Using the total population amount of \$1,574,361.98, we project the likely questioned costs to be approximately \$58,715.52. The following Assistance Listing Numbers were affected by known and likely questioned costs: 10.553 and 10.555.

**Cause:**

Due to staffing shortages during the fiscal year under review, documentation was not properly maintained by entity personnel.

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

**Effect or Potential Effect:**

The School District is not in compliance with the Uniform Guidance or ED guidance related to the CNC programs. Failure to ensure that appropriate documentation exists to support the allowability of payments from the CNC fund may expose the School District to unnecessary financial strains and shortages as GaDOE may require the School District to return funds associated with improperly documented expenditures.

**Recommendation:**

The School District should review current internal control procedures related to CNC expenditures. Where vulnerable, the School District should develop and/or modify its policies and procedures to ensure that all expenditure voucher packages are maintained on-file according to the School District's record retention policy and contain all required components. Furthermore, management should develop and implement a monitoring process to ensure that controls are operating appropriately.

**Views of Responsible Officials:**

We concur with this finding.

## **Section V**

### **Management's Corrective Action**



## **CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS**

### **FS-2024-001 Internal Controls at the Central Office**

|                                      |                        |
|--------------------------------------|------------------------|
| <b>Internal Control Impact:</b>      | Significant Deficiency |
| <b>Compliance Impact:</b>            | None                   |
| <b>Repeat of Prior Year Finding:</b> | FS 2023-001            |

#### **Description:**

The School District's accounting procedures at the Central Office are not sufficient to ensure prevention or timely detection of errors in key financial processes, specifically those related to cash management, capital asset tracking, expenditures and payroll processing.

#### **Corrective Action Plans:**

The School District will strengthen internal controls and review procedures in the following areas:

**Cash and Cash Equivalents** - all bank balances are reconciled to the financial statements and are signed and dated by both preparer and approver. Quarterly School Bookkeeper meetings will be held to ensure that all school level accounts are reconciled as well. The accounts payable clerk will review bank deposits before and after deposits are made.

**Capital Assets** - A complete physical inventory was conducted in September of 2024.

**Expenditures/Liabilities/Disbursements** - The system bookkeeper will review the account codes during the check writing process.

**Employee Compensation** - Due to our limited staff personnel have the ability to enter new employees and change compensation and benefits. We have created compensating controls to reduce the risk. Our Benefits Coordinator enters new employees and our Payroll Specialist changes compensation. The Assistant Superintendent of Personnel and Finance will review compensation amounts.

**Estimated Completion Date:** October 17, 2025

**Contact Person:** Chris Johnson, Director of Financial Services

**Telephone:** 478-994-2031

**Email:** [chris.johnson@mcschools.org](mailto:chris.johnson@mcschools.org)



## **CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS**

### **FS-2024-002 Internal Controls over Financial Reporting**

|                                      |                        |
|--------------------------------------|------------------------|
| <b>Internal Control Impact:</b>      | Significant Deficiency |
| <b>Compliance Impact:</b>            | None                   |
| <b>Repeat of Prior Year Finding:</b> | FS 2023-002            |

#### **Description:**

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

#### **Corrective Action Plans:**

The School District will strengthen internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and accurate. This will be completed by having Adjusting Journal Entries reviewed and utilizing the checklists provided by the Georgia Department of Audits and Accounts prior to the submission of the reports.

**Estimated Completion Date:** December 31, 2025

**Contact Person:** Chris Johnson, Director of Financial Services

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**Email:** [chris.johnson@mcschools.org](mailto:chris.johnson@mcschools.org)



## CORRECTIVE ACTION PLANS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### FA-2024-001 Strengthen Controls over Special Reporting

|                                      |  |
|--------------------------------------|--|
| <b>Compliance Requirement:</b>       | Reporting  |
| <b>Internal Control Impact:</b>      | Significant Deficiency   |
| <b>Compliance Impact:</b>            | Nonmaterial Noncompliance  |
| <b>Federal Awarding Agency:</b>      | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>          | Georgia Department of Education  |
| <b>AL Numbers and Title:</b>         | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19-10.555 – National School Lunch Program |
| <b>Federal Award Number:</b>         | 245GA324N1199 (Year: 2024), 225GA324N1099 (Year: 2024)   |
| <b>Questioned Costs:</b>             | None Identified  |
| <b>Repeat of Prior Year Finding:</b> | FA 2023-001, FA 2022-001   |

#### **Description:**

The policies and procedures of the School District were insufficient to provide adequate internal controls over the monthly Claims for Reimbursement process.

#### **Corrective Action Plan:**

Monroe County School Nutrition will print a Meal Participation Report from Primero Edge software for the school district and each school every month. The report mirrors the DE112 and DE118 forms. The software report has been approved by the Georgia Department of Education Area Coach. Breakfast and Lunch totals for each school and district will be entered for claims to complete the DE106 and DE107. Managers will print the Meal Participation Report and verify information is correct by providing a signature on the document. The report is then submitted to the Central Office for review. Edit checks in the software and both will sign off on the Meal Participation Report.

**Estimated Completion Date:** July 1, 2025

**Contact Person:** Danny Durham, Director of School Nutrition

**Telephone:** 478-994-2031

**Email:** [danny.durham@mcschools.org](mailto:danny.durham@mcschools.org)



## **CORRECTIVE ACTION PLANS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

### **FA 2024-002 Strengthen Controls over Journal Entries**

|                                 |  |
|---------------------------------|--|
| <b>Compliance Requirement:</b>  | Activities Allowed or Unallowed  |
| <b>Internal Control Impact:</b> | Material Weakness  |
| <b>Compliance Impact:</b>       | Material Noncompliance   |
| <b>Federal Awarding Agency:</b> | U.S. Department of Agriculture   |
| <b>Pass-Through Entity:</b>     | Georgia Department of Education  |
| <b>AL Numbers and Title:</b>    | 10.553 – School Breakfast Program<br>10.555 – National School Lunch Program<br>COVID-19-10.555 – National School Lunch Program |
| <b>Federal Award Number:</b>    | 245GA324N1199 (Year: 2024), 225GA324N1099 (Year: 2024)   |
| <b>Questioned Costs:</b>        | Unknown  |

#### **Description:**

The policies and procedures of the School District were insufficient to ensure that journal entries made for the Child Nutrition Cluster were properly documented.

#### **Corrective Action Plan:**

All journal entries transferring cash from the School Nutrition Fund to the General fund will be done on a more frequent basis and include the detail of amounts used to arrive at the amount of the transfer.

**Estimated Completion Date:** October 17, 2025

**Contact Person:** Danny Durham, Director of School Nutrition

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# MONROE COUNTY SCHOOLS

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## CORRECTIVE ACTION PLANS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

### FA-2024-003 Strengthen Controls over Expenditures

**Compliance Requirement:**

Activities Allowed or Unallowed

Allowable Cost/Cost Principles

Significant Deficiency

**Internal Control Impact:**

Nonmaterial Noncompliance

**Compliance Impact:**

U.S. Department of Agriculture

**Federal Awarding Agency:**

Georgia Department of Education

**Pass-Through Entity:**

10.553 – School Breakfast Program

**AL Numbers and Title:**

10.555 – National School Lunch Program

COVID-19-10.555 – National School Lunch  
Program

**Federal Award Number:**

245GA324N1199 (Year: 2024), 225GA324N1099  
(Year:2024)

**Questioned Costs:**

\$2,641.33

**Description:**

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District's internal control procedures were not operating to ensure that expenditures were appropriately reviewed, approved, and documented.

**Corrective Action Plan:**

A bookkeeper has been hired for the School Nutrition Program. Bookkeeper keeps alphabetical organized files for each vendor to monitor and track revenue and expenditures. The bookkeeper prepares voucher packets for payments and credits for each vendor on a monthly basis. The bookkeeper signs the voucher package for accuracy. The Nutrition Director signs the voucher package for accuracy. Records are maintained under lock and key for a period of five years.

**Estimated Completion Date:** July 1, 2025

**Contact Person:** Danny Durham, Director of School Nutrition

**Telephone:** 478-994-2031

**Email:** [danny.durham@mcschools.org](mailto:danny.durham@mcschools.org)

Signature: 

Title: Director of Financial Services