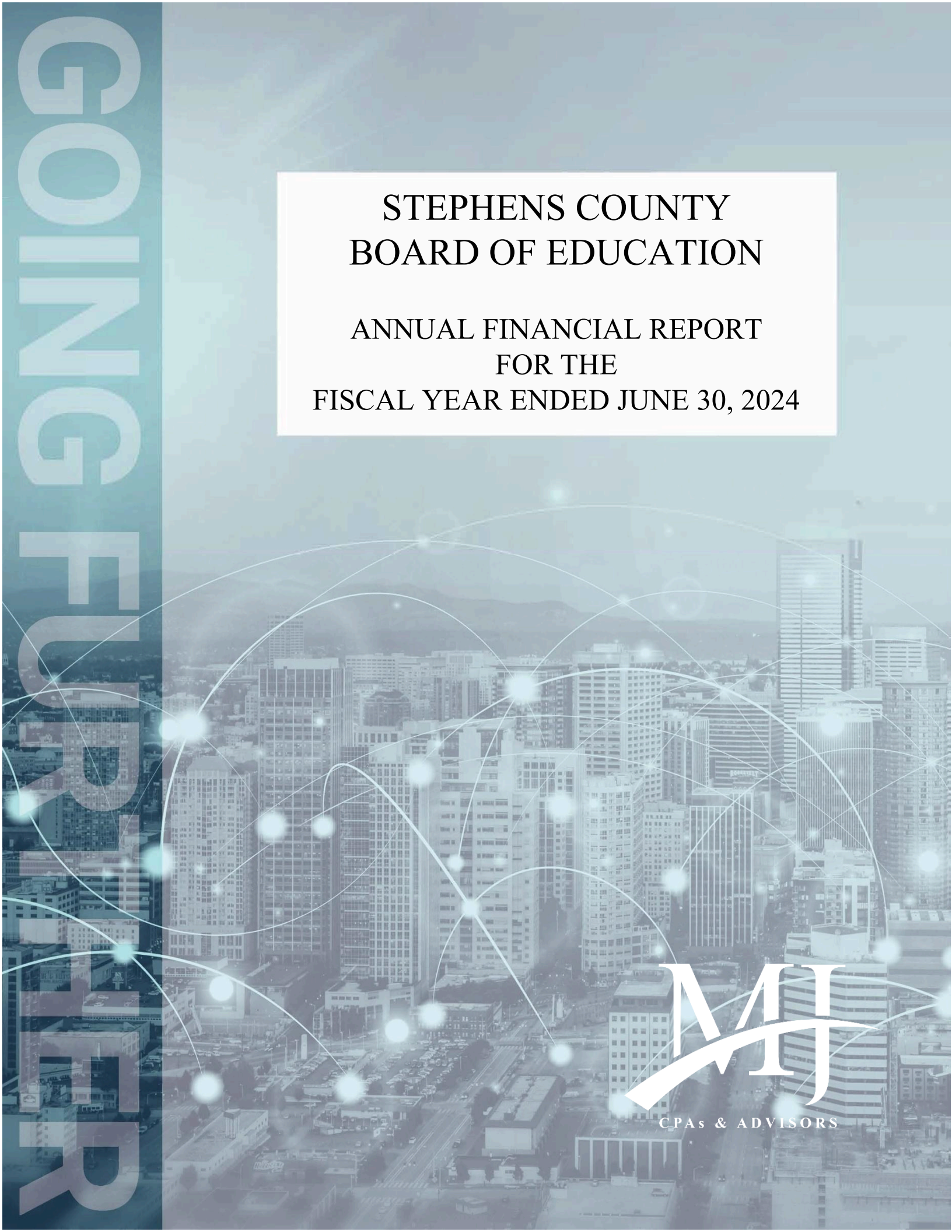
GOING FURTHER

STEPHENS COUNTY
BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2024



CPAs & ADVISORS

STEPHENS COUNTY
BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2024

STEPHENS COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Stephens County Board of Education, 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 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis), Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, Schedule of Contributions – Teachers Retirement System of Georgia, Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia, Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and Schedule of Contributions – School OPEB Fund, as 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Education Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (collectively "the supplementary information") as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 March 21, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 21, 2025

BASIC FINANCIAL STATEMENTS

STEPHENS COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 43,788,395
Investments	561,480
Receivables:	
Taxes	157,375
Intergovernmental:	
State	4,238,095
Federal	1,083,886
Other	31,402
Prepaid	324,485
Inventory	68,571
Capital assets (nondepreciable)	9,548,021
Capital assets (depreciable, net of accumulated depreciation)	88,048,383
Total assets	147,850,093
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	15,541,770
OPEB related items	7,025,599
Total deferred outflows of resources	22,567,369
LIABILITIES	
Accounts payable	247,783
Retainage payable	288,545
Salaries and benefits payable	5,676,999
Accrued interest payable	55,458
Bonds payable, due within one year	3,240,000
Bonds payable, due in more than one year	10,540,795
Net pension liability	46,802,208
Net OPEB liability	25,387,381
Total liabilities	92,239,169
DEFERRED INFLOWS OF RESOURCES	
Pension related items	992,508
OPEB related items	12,269,663
Total deferred inflows of resources	13,262,171
NET POSITION	
Net investment in capital assets	91,645,844
Restricted for:	
Federal programs	2,865,955
Capital projects	12,658,865
Unrestricted (deficit)	(42,254,542)
Total net position	$ 64,916,122

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

STEPHENS COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 36,191,516	$ 265,989	$ 30,365,999	$ 97,037	$ (5,462,491)
Support services:					
Pupil services	4,078,246	-	1,607,022	208	(2,471,016)
Improvement of instructional services	1,954,989	-	745,809	-	(1,209,180)
Educational media services	723,397	-	658,481	-	(64,916)
General administration	1,125,664	-	200,430	590	(924,644)
School administration	2,982,601	-	1,583,711	-	(1,398,890)
Business administration	503,439	-	64,918	276	(438,245)
Maintenance and operation of facilities	6,051,663	-	2,007,030	45,696	(3,998,937)
Student transportation services	2,411,740	-	1,316,413	812,952	(282,375)
Central support services	105,516	-	14,459	-	(91,057)
Other support services	1,421,603	-	600,543	-	(821,060)
Facilities acquisition and construction	665,680	-	-	-	(665,680)
Food services operation	3,734,726	194,812	2,927,150	2,934	(609,830)
Enterprise operations	640,577	-	14,513	-	(626,064)
Interest and fiscal charges on long-term debt	553,604	-	-	-	(553,604)
Total governmental activities	$ 63,144,961	$ 460,801	$ 42,106,478	$ 959,693	(19,617,989)
General revenues:					
Taxes:					
Property taxes, levied for maintenance and operations					10,976,302
Sales taxes					5,906,885
Other taxes					1,390,884
Grants and contributions not restricted to specific programs					2,088,672
Unrestricted investment earnings					1,471,101
Other miscellaneous general revenues					515,756
Total general revenues					22,349,600
Change in net position					2,731,611
Net position, beginning of year					62,184,511
Net position, end of year					$ 64,916,122

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

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

	General	Capital Projects	Debt Service	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 23,458,372	$ 3,340,667	$ 16,989,356	$ 43,788,395
Investments	561,480	-	-	561,480
Receivables:				
Taxes	157,375	-	-	157,375
Other	31,402	-	-	31,402
Intergovernmental:				
State	3,747,025	-	491,070	4,238,095
Federal	1,083,886	-	-	1,083,886
Prepaid	324,485	-	-	324,485
Inventory	68,571	-	-	68,571
Total assets	$ 29,432,596	$ 3,340,667	$ 17,480,426	$ 50,253,689
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 204,335	$ 43,448	$ -	$ 247,783
Retainage payable	-	288,545	-	288,545
Salaries and benefits payable	5,676,999	-	-	5,676,999
Total liabilities	5,881,334	331,993	-	6,213,327
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - intergovernmental	57,293	-	-	57,293
Total deferred inflows of resources	57,293	-	-	57,293
FUND BALANCES				
Nonspendable:				
Prepaid	324,485	-	-	324,485
Inventory	68,571	-	-	68,571
Restricted for:				
Federal programs	2,740,091	-	-	2,740,091
Capital projects	-	3,008,674	17,480,426	20,489,100
Committed for:				
School activities	52,133	-	-	52,133
Unassigned	20,308,689	-	-	20,308,689
Total fund balances	23,493,969	3,008,674	17,480,426	43,983,069
Total liabilities and fund balances	$ 29,432,596	$ 3,340,667	$ 17,480,426	$ 50,253,689

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

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

Total fund balances - governmental funds			$ 43,983,069
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources, and, therefore, are not reported in the governmental funds.			
Cost	$	137,334,782	
Less accumulated depreciation		(39,738,378)	97,596,404
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are unavailable in the funds.			
Intergovernmental			57,293
The net pension liability is not a financial liability in governmental fund activities, and, therefore, not reported in governmental funds.			
Net pension liability	$	(46,802,208)	
Pension related deferred outflows of resources		15,541,770	
Pension related deferred inflows of resources		(992,508)	(32,252,946)
The net OPEB liability is not a financial liability in governmental fund activities, and, therefore, not reported in governmental funds.			
Net OPEB liability	$	(25,387,381)	
OPEB related deferred outflows of resources		7,025,599	
OPEB related deferred inflows of resources		(12,269,663)	(30,631,445)
Long-term liabilities and related items are not due and payable in the current period, and, therefore, are not reported in the governmental funds.			
Bonds payable	$	(13,310,000)	
Bond premium, net of amortization		(470,795)	
Accrued interest		(55,458)	(13,836,253)
Net position of governmental activities			$ 64,916,122

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

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

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 10,976,302	$ -	$ -	$ 10,976,302
Sales taxes	204,097	-	5,702,788	5,906,885
Other taxes	1,390,884	-	-	1,390,884
State funds	31,930,851	166,702	-	32,097,553
Federal funds	10,815,886	-	-	10,815,886
Investment income	1,418,019	53,082	900,997	2,372,098
Charges for services	1,613,480	-	-	1,613,480
Miscellaneous	515,756	-	-	515,756
Total revenues	58,865,275	219,784	6,603,785	65,688,844
EXPENDITURES				
Current:				
Instruction	33,459,727	40,693	-	33,500,420
Support services:				
Pupil services	3,959,026	-	-	3,959,026
Improvement of instructional services	1,842,240	-	-	1,842,240
Educational media services	691,492	-	-	691,492
General administration	1,168,739	-	-	1,168,739
School administration	2,814,693	-	-	2,814,693
Business administration	476,657	-	-	476,657
Maintenance and operation of facilities	4,383,470	1,183,872	-	5,567,342
Student transportation services	2,920,013	493,455	-	3,413,468
Central support services	54,984	45,150	-	100,134
Other support services	1,414,871	-	-	1,414,871
Food services operation	3,677,547	-	-	3,677,547
Enterprise operations	637,029	-	-	637,029
Facilities acquisition and construction	324,794	6,460,538	-	6,785,332
Debt service:				
Interest and fees	-	476,942	-	476,942
Issuance costs	-	188,057	-	188,057
Total expenditures	57,825,282	8,888,707	-	66,713,989
Excess (deficiency) of revenues over expenditures	1,039,993	(8,668,923)	6,603,785	(1,025,145)
OTHER FINANCING SOURCES (USES)				
Transfers in	66	-	4,632,034	4,632,100
Transfers out	-	(4,632,100)	-	(4,632,100)
Issuance of bonds	-	13,310,000	-	13,310,000
Premium on bonds issued	-	637,648	-	637,648
Total other financing sources (uses)	66	9,315,548	4,632,034	13,947,648
Net change in fund balances	1,040,059	646,625	11,235,819	12,922,503
FUND BALANCES, beginning of year	22,453,910	2,362,049	6,244,607	31,060,566
FUND BALANCES, end of year	$ 23,493,969	$ 3,008,674	$ 17,480,426	$ 43,983,069

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

STEPHENS COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 12,922,503
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is as follows:		
Capital outlay	$ 8,057,925	
Depreciation expense	(2,172,321)	5,885,604
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		57,293
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. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Principal of bonds issued	$ (13,310,000)	
Premium on bonds issued	(637,648)	
Amortization of bond premium	166,853	(13,780,795)
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		(4,160,564)
In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		1,863,028
Change in net position of governmental activities		$ 2,731,611

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Stephens County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a school 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.

The Stephens County School Building Authority (the "Authority") was created by House Bill 837 during the 2005 session of the Georgia General Assembly. The purpose of the Authority is to provide, acquire, construct, equip, maintain, and operate public service facilities, to acquire the necessary property therefore, both real and personal, and to lease or sell any or all of such facilities, including real and personal property for the benefit of the Stephens County School District. The Authority consists of five members appointed by the governing authority of the Stephens County School District.

The Authority is a component unit of the School District and, as such, the Authority's financial activity has been blended with the School District's basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 of the Stephens County Board of Education.

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include: (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes and unrestricted amounts.

Fund Financial Statements:

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

The School District reports the following major governmental funds:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) and grants from Georgia State Financing and Investment Commission that restricted, committed, or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including Education Special Purpose Local Option Sales Tax (ESPLOST) legally restricted for capital projects and the payment of general long-term principal and interest.

Basis of Accounting/Measurement Focus

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Measurement Focus (Continued)

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, intergovernmental revenues reported in the governmental funds are considered to be available if they are collected within 120 days after year end.

Property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, 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 and financed purchases are reported as other financing sources.

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

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula-driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment.

Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

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 net position 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, Georgia Fund 1 and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Georgia law OCGA 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks and insured federal savings and loan associations.

Investments

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. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. 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. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by other states,
(2) Obligations issued by the United States Government,
(3) Obligations fully insured or guaranteed by the United States Government or a United States Government agency,
(4) Obligations of any corporation of the United States Government,
(5) Prime banker's acceptances,
(6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,
(7) Repurchase agreements, and
(8) Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investments that addresses credit risks, custodial credit risks, concentration of credit risks, interest rate risks, or foreign currency risks.

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 are reported net of an allowance for uncollectible receivables when necessary.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Stephens County Tax Commissioner levied the property tax for the 2023 tax digest year (calendar year) on September 9, 2023 (levy date). Taxes were due on January 2, 2024 (lien date). Taxes collected within the current fiscal year or within 60 days after year end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Stephens 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 $10,976,302.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. The Stephens County Board of Education is in compliance with this law. Tax millage rates levied for the 2023 tax year (calendar year) for the Stephens County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Maintenance and Operations	14.76 mills

Sales Taxes

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $5,702,788 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 reauthorized at least every five years.

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 (first-in, first-out). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

Prepaid Items

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the School District-wide financial statements, all purchased capital assets are valued 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 estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. 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. Depreciation is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation is used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

Capital Assets

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Buildings and improvements	10,000	10 to 80 years
Equipment	10,000	5 to 30 years

Compensated Absences

Vacation leave must be used in the fiscal year in which it is earned. Accordingly, there is no liability for vacation leave at year end.

Sick and personal leave do not vest with the employee, and unused accumulated sick and personal leave is forfeited upon retirement or termination of employment. Therefore, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has five (5) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental Activities report: (1) a deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2024 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2025; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions for the pension and OPEB plans which will be amortized over the remaining service period, and (4) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension and OPEB plans, which will be amortized over the remaining service period; and (5) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five-year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has four (4) items that qualify for reporting in this category which occur only in governmental activities. The first item, which arises only under a modified accrual basis of accounting, is for the unavailable revenues from federal grants. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from federal grants, as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items that qualify for reporting in this category occur only in the governmental activities. Governmental Activities report: (1) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary for the pension and OPEB plan, which will be amortized over the remaining service period; (2) a deferred inflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension and OPEB plans, which will be amortized over the remaining service period; and (3) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities and Bond Discounts/Premiums

In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether withheld from actual proceeds, are reported as debt service expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Use of Estimates

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

Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

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

Other Postemployment Benefits (OPEB)

For the 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 Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets, liabilities, and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment through adoption of a subsequent resolution.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund, Debt Service Fund, and Capital Project Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation, as well as the School District's website. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The following functions had excesses of actual expenditures over appropriations in the amounts shown for the fiscal year ended June 30, 2024:

General Fund:		
Support services:		
Pupil services	$	569,303
Maintenance and operation of plant		224,495
Other support services		9,932
Food services operations		208,235
Enterprise operations		574,774
Facilities acquisition and construction services		248,673
	$	1,835,412

The over-expended functions were funded with excess budget in under expended functions or greater than anticipated revenues.

NOTE 4: DEPOSITS AND INVESTMENTS

Categorization of Investments
The investment in the local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share.

The pool also adjusts the value of its investments to fair market value as of year end and the School District's investment in the Georgia Fund 1 is reported at fair value. The School District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Investment	Maturity	Fair Value
Georgia Fund 1	WAM - 33 days	$ 36,056,517

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

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

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

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2024, a financial institution holding some of the School District's deposits is a participant in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2024, the School District's cash accounts were insured and/or collateralized as defined by GASB Standards.

NOTE 5: NONMONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2024, the commodities usage is recorded at its federally assigned value of $245,474.

NOTE 6: CAPITAL ASSETS

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

	Balances June 30, 2023	Increases	Decreases/ Transfers	Balances June 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 3,399,494	$ 28,875	$ -	$ 3,428,369
Construction in Progress	-	6,119,652	-	6,119,652
Total	3,399,494	6,148,527	-	9,548,021
Capital assets, being depreciated:				
Building improvements	112,972,971	103,934	-	113,076,905
Equipment	8,194,943	1,728,069	-	9,923,012
Land improvements	4,709,449	77,395	-	4,786,844
Total	125,877,363	1,909,398	-	127,786,761
Less accumulated depreciation for:				
Building improvements	(28,943,438)	(1,180,719)	-	(30,124,157)
Equipment	(4,903,809)	(580,035)	-	(5,483,844)
Land improvements	(3,718,810)	(411,567)	-	(4,130,377)
Total	(37,566,057)	(2,172,321)	-	(39,738,378)
Total capital assets, being depreciated, net	88,311,306	(262,923)	-	88,048,383
Governmental activities capital assets, net	$ 91,710,800	$ 5,885,604	$ -	$ 97,596,404

Depreciation expense was charged to functions as follows:

Instruction	$ 1,271,031
Support services:	
Pupil services	2,692
General administration	7,628
Business administration	3,572
Maintenance and operation of facilities	591,181
Student transportation services	258,256
Operations of noninstructional services:	
Food services	37,961
	$ 2,172,321

NOTE 7: INTERFUND TRANSFERS

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

Transfers From	Transfers To	Amount
Capital Projects Fund	General Fund	$ 66
Capital Projects Fund	Debt Service Fund	4,632,034
Total		$ 4,632,100

During the fiscal year ended June 30, 2024, the School District transferred a portion of the unspent bond proceeds out of the Capital Projects Fund and into the Debt Service Fund to take advantage of higher interest rates earned in the Georgia Fund 1 investment account.

NOTE 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job-related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

The School District has purchased surety bonds to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$100,000

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of the fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. 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 claims in the last two fiscal years.

NOTE 9: LONG-TERM DEBT

The changes in long-term obligations during the fiscal year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ -	$ 13,310,000	$ -	$ 13,310,000	$ 3,240,000
Plus: Premium	-	637,648	(166,853)	470,795	-
Total bonds payable	-	13,947,648	(166,853)	13,780,795	3,240,000
Net pension liability	52,951,981	44,192,442	50,342,215	46,802,208	-
Net OPEB Liability	23,590,865	4,300,497	2,503,981	25,387,381	-
Governmental activity Long-term liabilities	$ 76,542,846	$ 48,492,939	$ 52,846,196	$ 72,189,589	$ -

For governmental activities, the net pension and OPEB liabilities are being liquidated primarily by the General Fund.

General Obligation Debt Outstanding
General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rate	Outstanding Balance at June 30, 2024
General Government - Series 2023 Bonds	5.00%	$ 13,310,000

During fiscal year 2024, the School District issued $13,310,000 of Series 2023 General Obligation Bonds to provide funds to finance the cost of acquiring, constructing, and equipping certain capital outlay projects and the costs of issuing the bonds. These bonds are general obligations of the School District and will constitute a pledge of the full faith and credit of the School District. Principal and interest on the bonds are payable first from the receipts of a special one-percent sales and use tax for educational purposes ("Educational Sales Tax") collected within the territorial limits of the School District. The receipts from this Educational Sales Tax are anticipated to be sufficient to pay all debt service on the bonds; however, to the extent any liability on such debt is not satisfied from the proceeds of the Educational Sales Tax, it shall be paid from a direct annual ad valorem tax which may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the School District subject to taxation for school bond purposes.

NOTE 9: LONG-TERM DEBT (CONTINUED)

At June 30, 2024, payments due by fiscal year end which include principal and interest, for the School District's general obligation bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 3,240,000	$ 584,500	$ 3,824,500
2026	3,300,000	421,000	3,721,000
2027	3,350,000	254,750	3,604,750
2028	3,420,000	85,500	3,505,500
Total	$ 13,310,000	$ 1,345,750	$ 14,655,750

NOTE 10: ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $130,435 for retirement contributions paid on the School District's behalf by the following state agencies.

Georgia Department of Education
Paid to the Teachers Retirement District for Teachers Retirement (TRS) - $34,121

State Treasurer of the State of Georgia
Paid to the Public School Employees Retirement System
for Public School Employees Retirement (PSERS) Employer's Cost - $96,314

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

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. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

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 be material to the basic financial statements.

NOTE 12: SIGNIFICANT COMMITMENTS

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

Project	Amount
Stephens County Agriculture Facility	$ 2,868,483
	$ 2,868,483

The amount described in this note is not reflected in the basic financial statements.

NOTE 13: RETIREMENT PLANS

General Information about the Teachers Retirement System of Georgia (TRS)

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

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

Contributions: Per Title 47 of the 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, excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS, excluding contributions funded by the State on behalf of the School District, were $4,897,534 for the year ended June 30, 2024.

NOTE 13: RETIREMENT PLANS (CONTINUED)

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 for its proportionate share of the net pension liability that reflected a reduction for support attributable to those personnel funded on behalf of the School District by the State of Georgia. 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	$	46,802,208
State of Georgia's proportionate share of the net pension liability associated with the School District		335,101
Total	$	47,137,309

The 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 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 proportion was 0.158521%, which was a decrease of 0.004549% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of $9,058,098 and expense of $60,008 for support provided to the State of Georgia for certain support personnel. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 3,291,725	$ -
Differences between expected and actual experience	2,376,553	193,511
Changes in proportion and differences between School District contributions and proportionate share of contributions	161,016	798,997
Actuarial assumption changes	4,814,942	-
School District contributions subsequent to the measurement date	4,897,534	-
Total	$ 15,541,770	$ 992,508

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

Deferred outflows of resources related to School District contributions subsequent to the measurement date of $4,897,534 will be recognized as a reduction of the net pension liability in the fiscal year ending 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 ending June 30:		
2025	$	2,855,240
2026		1,851,710
2027		6,197,256
2028		(1,252,478)
Total	$	9,651,728

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:

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
Postretirement benefit increases	1.50% semiannually

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

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

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, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.90%
Domestic large equities	46.30	9.40
Domestic small equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	100.00%	

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

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

NOTE 13: RETIREMENT PLANS (CONTINUED)

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

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:

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	$ 73,999,735	$ 46,802,208	$ 24,591,765

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

General Information About the Public School Employees Retirement System (PSERS)

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

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

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

NOTE 13: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

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.

Pension Liabilities and Pension Expense

At June 30, 2024, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the State's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 596,331

The 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 $107,629 and revenue of $107,629 for support provided by the State of Georgia.

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

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

NOTE 13: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

Mortality rates are as follows:

The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 Scale is used for both males and females while in active service.

The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for postretirement mortality assumptions as follows:

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

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

The long-term expected rate of return on 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.90%
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
Alternatives	5.00	10.50
Total	100.00%	

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

NOTE 13: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

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

Defined Contribution Plan

In September 1998, the School District began an employer-paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The Board selected Lincoln Financial Group as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to the amount contributed by the employee, not to exceed $25.00 per employee, per month.

The employee becomes vested in the plan with five years of experience. Employees who had already achieved five years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer-paid accounts are only available to the employee upon termination of employment and five years of service to the School District. If an employee terminates employment prior to achieving five years of service, they receive 20% of employer contributions for each year of completed service (20% for year one, 40% for year two, 60% for year three, and 80% for year four). The remaining funds paid on behalf of the nonvested employee are credited back to the School District.

Employer contributions for the fiscal year ended June 30, 2024 were $13,000.

NOTE 14: POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

Plan Description. The School District participates in the State of Georgia School Employees Postemployment Benefit Fund (School OPEB Fund), which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and noncertified 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 postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH 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 DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/statewide-reporting/acfr.

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $942,238 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

NOTE 14: POSTEMPLOYMENT BENEFITS (CONTINUED)

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 $25,387,381 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 to the School OPEB Fund during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.231776%, which was a decrease of 0.006439% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of $920,790. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 740,000	$ 7,291,554
Net difference between projected and actual earnings on OPEB plan investments	15,231	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	715,742	1,807,610
Changes in plan assumptions	4,612,388	3,170,499
School District contributions subsequent to the measurement date	942,238	-
Total	$ 7,025,599	$ 12,269,663

School District contributions subsequent to the measurement date of $942,238 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2025	$ (2,099,524)
2026	(1,670,184)
2027	(1,822,755)
2028	(690,909)
2029	76,346
2030	20,724
Total	$ (6,186,302)

NOTE 14: POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

Inflation	2.50%
Salary Increases	TRS - 3.00-8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Initial trend rate	7.00%
Ultimate trend rate	6.50%
Year of ultimate trend rate	2032

Mortality rates were based as follows:

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

NOTE 14: POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

- For PSERS members: Preretirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection Scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection Scale applied generationally. Postretirement 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 Scale applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 158% 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 ended 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, healthcare 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 School District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

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

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

*Net of Inflation

NOTE 14: POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The discount rate was 3.68%, a decrease from the prior year's rate of 3.57%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.20% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer 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 rate:

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the net OPEB liability	$ 28,777,767	$ 25,387,381	$ 22,531,959

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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 trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 21,867,863	$ 25,387,381	$ 29,726,188

NOTE 15: TAX ABATEMENTS

Stephens County Development Authority enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Stephens County.

For the fiscal year ended June 30, 2024, Stephens County abated property taxes due to the School District that were levied on the 2023 digest totaling $308,235. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10% of the total amount abated:

Tax Abatement Project	Percentage Abated	Amount of Taxes Abated
Nifco KTW Series 2016	100%	$ 169,047
Nifco KTW Series 2018	100%	74,047
ASI (GemPlastics) Series 2017	80%	65,141
		$ 308,235

These abatements resulted in a loss of revenue to the School District that would not have been sustained had the abatements not been granted.

II. REQUIRED SUPPLEMENTARY INFORMATION

STEPHENS COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 12,818,533	$ 12,818,533	$ 12,571,283	$ (247,250)
State funds	28,854,191	31,004,812	31,930,851	926,039
Federal funds	2,553,292	6,082,912	10,815,886	4,732,974
Charges for services	218,500	218,500	1,613,480	1,394,980
Investment income	486,946	1,386,946	1,418,019	31,073
Miscellaneous	204,925	3,836,083	515,756	(3,320,327)
Total revenues	45,136,387	55,347,786	58,865,275	3,517,489
EXPENDITURES				
Current:				
Instruction	34,889,554	35,069,738	33,459,727	1,610,011
Support services:				
Pupil services	2,814,190	3,389,723	3,959,026	(569,303)
Improvement of instructional services	1,993,411	1,968,934	1,842,240	126,694
Educational media services	738,480	736,471	691,492	44,979
General administration	903,255	1,215,202	1,168,739	46,463
School administration	2,749,073	2,889,552	2,814,693	74,859
Business administration	581,749	580,849	476,657	104,192
Maintenance and operation of plant	4,526,011	4,158,975	4,383,470	(224,495)
Student transportation services	2,305,382	3,355,079	2,920,013	435,066
Central support services	16,677	57,020	54,984	2,036
Other support services	690,469	1,404,939	1,414,871	(9,932)
Food services operations	3,469,312	3,469,312	3,677,547	(208,235)
Enterprise operations	62,255	62,255	637,029	(574,774)
Facilities acquisition and construction services	154,036	76,121	324,794	(248,673)
Total expenditures	55,893,854	58,434,170	57,825,282	608,888
Excess (deficiency) of revenues over expenditures	(10,757,467)	(3,086,384)	1,039,993	4,126,377
OTHER FINANCING SOURCES				
Transfers in	-	-	66	66
Total other financing sources	-	-	66	66
Net change in fund balances	(10,757,467)	(3,086,384)	1,040,059	4,126,443
FUND BALANCES, beginning of year	22,453,910	22,453,910	22,453,910	-
FUND BALANCES, end of year	$ 11,696,443	$ 19,367,526	$ 23,493,969	$ 4,126,443

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

	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.158521%	0.163070%	0.162355%	0.161138%	0.164379%
School District's proportionate share of the net pension liability	$ 46,802,208	$ 52,951,981	$ 14,359,217	$ 39,033,931	$ 35,345,930
State of Georgia's proportionate share of the net pension liability associated with the School District	335,101	374,401	104,275	284,389	261,258
Total	$ 47,137,309	$ 53,326,382	$ 14,463,492	$ 39,318,320	$ 35,607,188
School District's covered payroll	$ 23,106,081	$ 22,068,980	$ 21,123,379	$ 20,691,074	$ 20,066,598
School District's proportionate share of the net pension liability as a percentage of its covered payroll	202.55%	239.94%	67.98%	188.65%	176.14%
Plan fiduciary net position as a percentage of the total pension liability	76.25%	72.85%	92.03%	77.01%	78.56%

	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.166768%	0.164187%	0.158758%	0.183530%	0.214807%
School District's proportionate share of the net pension liability	$ 30,955,713	$ 30,514,660	$ 32,753,546	$ 27,940,620	$ 27,138,031
State of Georgia's proportionate share of the net pension liability associated with the School District	237,967	324,128	6,808	59,374	54,325
Total	$ 31,193,680	$ 30,838,788	$ 32,760,354	$ 27,999,994	$ 27,192,356
School District's covered payroll	$ 19,868,251	$ 18,870,995	$ 17,482,782	$ 19,473,742	$ 21,965,659
School District's proportionate share of the net pension liability as a percentage of its covered payroll	155.80%	161.70%	187.35%	143.48%	123.55%
Plan fiduciary net position as a percentage of the total pension liability	80.27%	79.33%	76.06%	81.44%	84.03%

STEPHENS COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2024	2023	2022	2021	2020
Contractually required contributions	$ 4,897,534	$ 4,616,595	$ 4,371,865	$ 4,026,116	$ 4,374,093
Contributions in relation to the contractually required contributions	4,897,534	4,616,595	4,371,865	4,026,116	4,374,093
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 24,512,182	$ 23,106,081	$ 22,068,980	$ 21,123,379	$ 20,691,074
Contributions as a percentage of covered payroll	19.98%	19.98%	19.81%	19.06%	21.14%

	2019	2018	2017	2016	2015
Contractually required contributions	$ 4,193,919	$ 3,339,853	$ 2,692,891	$ 2,494,793	$ 2,555,821
Contributions in relation to the contractually required contributions	4,193,919	3,339,853	2,692,891	2,494,793	2,555,821
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 20,066,598	$ 19,868,251	$ 18,870,995	$ 17,482,782	$ 19,473,742
Contributions as a percentage of covered payroll	20.90%	16.81%	14.27%	14.27%	13.15%

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

	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	596,331	708,505	74,500	528,371	544,007
Total	$ 596,331	$ 708,505	$ 74,500	$ 528,371	$ 544,007
School District's covered-employee payroll	$ 2,346,106	$ 1,933,826	$ 1,064,004	$ 1,258,099	$ 1,266,675
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.67%	81.21%	84.45%	84.45%	85.02%

	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	506,366	469,694	627,200	471,603	482,248
Total	$ 506,366	$ 469,694	$ 627,200	$ 471,603	$ 482,248
School District's covered-employee payroll	$ 1,316,741	$ 1,359,360	$ 1,270,550	$ 1,614,029	$ 1,895,864
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.26%	85.69%	81.00%	87.00%	88.29%

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

	2024	2023	2022	2021	2020	2019
School District's proportion of the net OPEB liability	0.231776%	0.238215%	0.231765%	0.238015%	0.248494%	0.247643%
School District's proportionate share of the net OPEB liability	$ 25,387,381	$ 23,590,865	$ 25,102,067	$ 34,958,860	$ 30,495,545	$ 31,474,665
Total	$ 25,387,381	$ 23,590,865	$ 25,102,067	$ 34,958,860	$ 30,495,545	$ 31,474,665
School District's covered-employee payroll	$ 22,752,964	$ 21,678,326	$ 20,696,117	$ 20,076,561	$ 19,622,871	$ 19,180,943
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.58%	108.82%	121.29%	174.13%	155.41%	164.09%
Plan fiduciary net position as a percentage of the total OPEB liability	6.05%	6.17%	6.14%	3.99%	4.63%	2.93%

	2018
School District's proportion of the net OPEB liability	0.244031%
School District's proportionate share of the net OPEB liability	$ 34,286,257
Total	$ 34,286,257
School District's covered-employee payroll	$ 18,362,028
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	186.72%
Plan fiduciary net position as a percentage of the total OPEB liability	1.61%

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

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

	2024	2023	2022	2021	2020
Contractually required contributions	$ 942,238	$ 891,047	$ 861,327	$ 862,128	$ 804,912
Contributions in relation to the contractually required contributions	942,238	891,047	861,327	862,128	804,912
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 24,060,131	$ 22,752,964	$ 21,678,326	$ 20,696,117	$ 20,076,561
Contributions as a percentage of covered-employee payroll	3.916%	3.916%	3.973%	4.166%	4.009%

	2019	2018	2017
Contractually required contributions	$ 1,338,316	$ 1,283,508	$ 1,272,395
Contributions in relation to the contractually required contributions	1,338,316	1,283,508	1,272,395
Contribution deficiency (excess)	$ -	$ -	$ -
School District's covered-employee payroll	$ 19,622,871	$ 19,180,943	$ 18,362,028
Contributions as a percentage of covered-employee payroll	6.820%	6.692%	6.929%

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

Teachers Retirement System of Georgia:

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

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

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

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

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

Public School Employees Retirement System of Georgia:

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 ended June 30, 2019. Primary among the changes were the updates to rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

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.

III. OTHER SUPPLEMENTARY INFORMATION

STEPHENS COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF
EDUCATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Project	Original Estimated Cost (1)	Current Estimated Cost (2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Completion Cost	Project Status
ESPLOST Issue 2018:						
CTAE (Agriculture and Technical Education) program facility renovations and upgrades; HVAC renovations and upgrades; flooring, roofing, lighting, and paving renovations and upgrades; purchasing technology equipment and infrastructure; athletic and band equipment, fields, and stadium renovations and upgrades; and purchasing buses, maintenance equipment, and safety and security equipment (includes ballistic glass).	$ 9,000,000	$ 20,297,347	$ 1,752,528	$ 17,842,578	$ 19,595,106	Ongoing
Paying previously incurred general obligation and/or revenue bond debt comprised of all or a portion of the principal of and interest on the Stephens County Building Authority Revenue Bonds (Facilities Improvement Project), Series 2016 coming due in the years 2019-2023; and/or paying expenses incident to accomplishing the foregoing.	4,500,000	1,732,166	-	1,732,166	1,732,166	Completed
Total ESPLOST Issue 2018	13,500,000	22,029,513	1,752,528	19,574,744	21,327,272	
ESPLOST Issue 2022:						
Issued for the purpose of (i) adding to, renovating, repairing, improving, and equipping existing school buildings, school campuses and school system facilities, including athletics, fine arts, and CTAE; (ii) acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment, security equipment, band equipment, textbooks, electronic instructional media and other instructional materials; (iii) acquiring school buses and transportation and maintenance equipment; (iv) acquiring, constructing and equipping a new agricultural education facility; (v) acquiring real estate and conducting site preparation of real estate; and (vi) acquiring, construction, and equipping new school system facilities; and paying any general obligation debt of the school system issued in conjunction with the continuation of the tax.	26,000,000	28,132,692	6,936,615	54,395	6,991,010	Ongoing
Total	$ 39,500,000	$ 50,162,205	$ 8,689,143	$ 19,629,139	$ 28,318,282	

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Education Special Purpose Local Option Sales Tax.

(2) The School District's current estimate of total cost for the project(s). Includes all cost from project inception to completion.

(3) The voters of Stephens 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.

IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Stephens County Board of Education (the "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 March 21, 2025.

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 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 21, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 21, 2025

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. Department of Agriculture:			
Passed Through Georgia Department of Education:			
Local Food for Schools Cooperative Agreement Program	10.185	235GA324N1199	$ 12,973
Child Nutrition Cluster:			
School Breakfast Program - Cash Assistance	10.553	235GA324N1199	808,123
National School Lunch Program:			
Cash Assistance	10.555	235GA324N1199	1,734,119
Non-Cash Assistance - Commodities (1)	10.555	235GA324N1199	245,474
COVID-19: Emergency Operational Costs Reimbursement Grant	10.555	235GA100H1703	100,392
Total Child Nutrition Cluster			2,888,108
State Administrative Expenses for Child Nutrition	10.560	235GA100H1703	9,334
Total U.S. Department of Agriculture			2,910,415
U.S. Department of Education:			
Passed Through Georgia Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,442,167
Special Education Cluster:			
Special Education - IDEA ARP 611	84.027	H027X230073	868
Special Education - Flowthrough (IDEA, Part B)	84.027	H027A230073	1,017,558
Special Education - Grants to States (IDEA, Part B)	84.027	H027A230073	11,025
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A230081	26,848
Special Education - Parent Mentor	84.027	H027A230073	17,200
Special Education - Rural Grant	84.027	S010A230010	5,601
Total Special Education Cluster			1,079,100
Vocational Education - Basis Grants to States			
Program Improvement	84.048	V048A220010	45,953
Perkins V Plus	84.048	V048A220010	14,999
Perkins V Carryover	84.048	V048A220010	2,237
			63,189
Rural Education Achievement Program	84.358	S358B230010	98,545
Title II - Improving Teacher Quality	84.367	S367A230001-23B	203,937
Title II - Improving Teacher Quality	84.367	S367A220001	1,400
Title II - Cultivating Teachers	84.367	S367A210001	8,000
			213,337
Title III - Language Instruction for English Learners	84.365	S365A230010	13,128
Title IV Part A - Student Support and Academic Enrichment	84.424A	S424A230011	100,774
Title IV Part A - Stronger Connections Grant	84.424	S424A220011	247,432
			348,206
Elementary and Secondary School Emergency Relief Fund:			
COVID-19: CARES Act Elementary and Secondary School Emergency Relief Grant	84.425D	S425D220012	74,000
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U220012	4,127,165
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	301,046
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425W	S425W220011	36,496
			4,538,707
Total U.S. Department of Education			7,796,379
U.S. Department of Defense:			
Direct			
R.O.T.C Program	12.112	N/A	259,009
Total U.S. Department of Defense			259,009
Total Expenditures of Federal Awards			$ 10,965,803

(1) The amounts shown for the Food Distribution Program represents the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the School District and is presented on the modified accrual basis of accounting.

The School District did not utilize the 10% de minimis indirect cost rate.

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.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	____ yes	X no
Significant deficiencies identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major program:		
Material weaknesses identified?	____ yes	X no
Significant deficiencies identified?	____ yes	X none reported
Type of auditor's report issued on compliance for major program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes	X no

Identification of major program

Name of Federal Program or Cluster	Assistance Listing Number
COVID-19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D, 84.425U and 84.425W

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualified as low-risk auditee?	____ yes	X no

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

None reported.