



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

Quitman County Board of Education Georgetown, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Quitman County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Jon-Erik Jones, Superintendent and Members of the
Quitman County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,

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

Greg S. Griffin
State Auditor

December 9, 2025

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

INTRODUCTION

The discussion and analysis of the Quitman County Board of Education's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. Comparative data is provided for fiscal year 2024 and fiscal year 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The total assets and deferred outflows of the School District increased by \$0.06 million compared to the last fiscal year.
- Total liabilities and deferred inflows of resources decreased for the year by \$0.89 million, primarily due to a decrease in liabilities and deferred inflows of resources associated with pension funds.
- The combination of the increase of total assets and deferred outflows of resources of \$0.06 million and the decrease in total liabilities and deferred inflows of resources of \$0.89 million yields an increase in net position of \$0.95 million.
- At June 30, 2024, the School District's general fund reported a balance of \$2.83 million, an increase of \$0.18 million compared to the last fiscal year. Of this total, \$2.77 million represents unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business. The Statement of Net Position presents information on all the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating. It is important to note that this statement consolidates the School District's current financial resources (short-term) with capital assets and long-term liabilities.

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

The Statement of Activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes, etc.).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been separated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - Most of the School District's activities are reported in governmental funds, focusing on how money flows in and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2024, School District assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.90 million, primarily due to a decrease in deferred inflows.

Net position of \$6.77 million represents the School District's investments in capital assets (e.g. buildings, land, land improvements, equipment) less any related debt used to acquire those assets that remain outstanding. The School District uses the capital assets to provide services to our students, faculty, and community; consequently, these assets are not available for future spending.

Unrestricted net position may be used to meet ongoing obligations and operations of the School District.

An additional portion of the School District's total net position represents resources that are subject to external restrictions on how they may be used. Comprising a significant portion of restricted net position is net position for capital outlay projects, which represented 56.46% of total restricted net position. The remaining restricted balances include 10.81% for ongoing federal programs and 32.73% accumulated to fund debt service payments on general obligation bonds.

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

The following table details the major categories of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position with a comparison to the prior fiscal year.

**Table 1
Net Position**

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
Assets		
Current and Other Assets	\$ 6,001,463	\$ 5,633,691
Capital Assets, Net	8,294,050	7,758,107
Total Assets	14,295,513	13,391,798
Deferred Outflows of Resources	2,453,238	3,292,199
Liabilities		
Current and Other Liabilities	710,574	454,342
Long-Term Liabilities	3,701,010	4,152,771
Net Pension/OPEB Liability	7,564,744	7,703,327
Total Liabilities	11,976,328	12,310,440
Deferred Inflows of Resources	1,871,798	2,427,192
Net Position		
Net Investment in Capital Assets	6,771,273	6,206,606
Restricted	458,209	411,553
Unrestricted (Deficit)	(4,328,857)	(4,671,794)
Total Net Position	\$ 2,900,625	\$ 1,946,365

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

CHANGES IN NET POSITION FROM OPERATING RESULTS

Net position increased \$0.95 million from operating results in the fiscal year ended June 30, 2024, compared to an increase of \$0.27 million in the prior fiscal year. Key elements of this increase are as follows on the next table:

**Table 2
Change in Net Position**

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2024	2023
Revenues		
Program Revenues:		
Charges for Services	\$ 64,622	\$ 63,408
Operating Grants and Contributions	<u>5,665,054</u>	<u>4,610,519</u>
Total Program Revenues	<u>5,729,676</u>	<u>4,673,927</u>
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	1,350,566	1,323,513
For Debt Services	152,786	138,308
Other Taxes	16,154	4,152
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	255,682	39,610
For Debt Services	71	226,227
Other Sales Tax	10,687	10,298
Grants and Contributions not		
Restricted to Specific Programs	361,147	155,109
Investment Earnings	144,125	56,431
Miscellaneous	<u>123,052</u>	<u>169,892</u>
Total General Revenues	<u>2,414,270</u>	<u>2,123,540</u>
Total Revenues	<u>8,143,946</u>	<u>6,797,467</u>
Program Expenses:		
Instruction	3,352,094	3,366,762
Support Services		
Pupil Services	303,150	232,865
Improvement of Instructional Services	337,956	288,801
Educational Media Services	143,479	52,994
General Administration	698,794	720,896
School Administration	617,379	434,105
Business Administration	63,157	108,072
Maintenance and Operation of Plant	751,942	438,924
Student Transportation Services	291,609	303,751
Other Support Services	11,800	11,238
Operations of Non-Instructional Services		
Food Services	437,468	463,961
Interest on Long-Term Debt	<u>180,857</u>	<u>105,263</u>
Total Expenses	<u>7,189,685</u>	<u>6,527,632</u>
Increase in Net Position	<u>\$ 954,261</u>	<u>\$ 269,835</u>

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

General Fund Budgetary Highlights

The School District's budget is prepared in accordance with Georgia law and is based on accounting for certain transactions on the modified accrual basis of accounting. The School District uses site-based budgeting and the budgeting system is designed to tightly control site budgets but provide flexibility for site management.

The most significant budgeted fund is the general fund. As originally adopted, general fund revenues were projected to be \$5.93 million with appropriated expenditures totaling \$6.26 million, Original budgeted revenues were more than fiscal year 2023 final amended budgeted revenues by \$0.40 million. Original budgeted expenditures were less than fiscal year 2023 final budgeted expenditures by \$0.95 million.

As fiscal year 2024 progressed, the final amended general fund budget increased \$1.23 million for revenues, an increase of 20.71% from the original budget for the year. The reason for the amendment was to increase federal grant revenues.

The original budget for fiscal year 2024 included appropriated expenditures of \$6.26 million, which was \$0.95 million less than the 2023 final budget appropriated expenditures of \$7.21 million. The final amended budget was increased from the original budget by \$1.50 million. Adjustments were made to bring the original budget for fiscal year 2024 more in line with expected expenditures for fiscal year 2024.

General Fund Operations

The general fund finished fiscal year 2024 with a fund balance of \$2.83 million, which was \$0.18 million more than compared to fiscal year 2023. Actual revenues were above budget projections by \$0.42 million while actual expenditures were \$0.62 million less than budgeted. Several important factors led to the actual results for the year.

Local revenue sources represented 20.72% of total general fund revenues for the year, down from 24.9% in the prior year. Local revenues ended the year above budgeted projections because property tax collections were more than projected by \$0.24 million and revenues from miscellaneous items were more than projected by \$29.0 thousand. Revenues from the state were more than projected by \$0.55 million.

Total expenditures were under budget by \$0.62 million. The significant changes occurred in the function of instruction due to changes in assignments and responsibilities.

Expenditures for direct classroom instruction (e.g. teacher salaries and benefits, textbooks, software, classroom supplies, etc.) accounted for 43.20% of total general fund expenditures, down from 51.2% in the prior fiscal year.

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

The following table details the major components of revenues and expenditures by function for fiscal year 2024 as well as a comparison of changes compared to the previous fiscal year.

**Table 3
General Fund
Revenue and Expenditure Comparison**

	General Fund		
	Amount	Percent Total	Increase (Decrease) over Fiscal Year 2023
<u>Revenues</u>			
State	\$ 4,120,599	54.39%	\$ 813,906
Federal	1,885,276	24.89%	460,880
Local	1,570,017	20.72%	1,020
Total Revenues	<u>\$ 7,575,892</u>	<u>100.00%</u>	<u>\$ 1,275,806</u>
<u>EXPENDITURES</u>			
Instruction	\$ 3,080,242	43.20%	\$ (84,116)
Support Services			
Pupil Services	297,343	4.17%	59,032
Improvement of Instructional Services	328,663	4.61%	39,332
Educational Media Services	143,325	2.01%	86,394
General Administration	664,553	9.32%	(57,071)
School Administration	596,832	8.37%	160,984
Business Administration	63,157	0.88%	7,385
Maintenance and Operation of Plant	1,026,588	14.40%	548,631
Student Transportation Services	408,086	5.72%	148,305
Other Support Services	11,800	0.16%	562
Operations of Non-Instructional Services			
Food Services	509,888	7.15%	36,473
Debt Service	-	0.00%	(850)
Total Expenditures	<u>\$ 7,130,477</u>	<u>100.00%</u>	<u>\$ 945,061</u>

Capital Projects Fund Operations

The capital projects fund is used to account for school construction and the purchase of large capital assets. Improvements in 2021 included completion of the renovations and modifications of the K-12 school campus project.

Debt Service Fund Operations

The debt service fund is used to accumulate resources for the retirement of long-term debt represented by the general obligation bonds outstanding. Debt service payments totaling \$0.48 million in principal and interest charges on the 2016 Refunding and 2022 Bond Series were made during the year.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District's investment in capital assets for its governmental activities as of June 30, 2024, totaled \$8.29 million, net of accumulated depreciation. The investment in capital assets includes land, land improvements, buildings, vehicles, and equipment used in providing services to our students and community. The changes to School District's capital asset accounts came from current year depreciation expense. Note 5 in the Notes to the Basic Financial Statements provides additional information on the School District's capital assets including a detailed breakdown of the types of capital assets included in the computation of depreciation charges. As of June 30, 2024, 37.65% of the cost basis of depreciable assets had been taken as a depreciation charge since the various assets were placed in service.

A summary of capital assets follows:

**Table 4
Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	Fiscal	Fiscal
	Year 2024	Year 2023
Land	\$ 123,020	\$ 123,020
Construction In Progress	547,397	-
Building and Improvements	7,510,165	7,340,615
Equipment	100,764	268,862
Land Improvements	12,704	25,610
Total	\$ 8,294,050	\$ 7,758,107

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

Debt Administration

At June 30, 2024, the School District had \$3.40 million in outstanding general obligation bond indebtedness. The related unamortized bond premium outstanding balance totaled \$0.28 million. In addition, outstanding debt related to the energy efficiency agreement totaled \$25.0 thousand. Additional information on the School District's long-term debt can be found in Note 7 in the basic financial statements.

**Table 5
Debt at June 30**

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
General Obligation Bonds	\$ 3,395,000	\$ 3,715,000
Unamortized Bond Premiums	281,012	325,295
Financed Purchase	24,998	112,476
Total	\$ 3,701,010	\$ 4,152,771

Current Issues

The Quitman County School District is a low income, rural county School District. The majority of students are economically disadvantaged. The student population is 78.3% African-American, 15.9% Caucasian, and 5.8% other. The school district is located in an area where agriculture is the primary industry. Despite limited financial resources, School District and school personnel manage to maximize the funds in order to benefit all students. The School District has planned extensively to use its supplemental resources to support class size reduction, recruitment, retention and professional development of highly qualified staff. The School District offers students a variety of instructional programs and extra-curricular opportunities.

The Quitman County School District has faced severe financial challenges in recent years but has remained relatively stable and financially sound. The financial challenges have included rising costs in employee benefits, the continued state formula allotment reductions, and a slow decline in student enrollment (FTE).

The School District's current millage rate for the 2023 tax year is 15.768, which is slightly less than the 2022 rate of 15.973. The millage rate includes 13.806 for maintenance and operations and 1.962 for debt service.

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

Outlook for the Future

The School District enjoys a strong financial position in light of current economic conditions affecting local revenues as well as the effect of state revenue pressures through austerity reductions to the QBE funding formula and new programmatic requirements.

At this time, the objective is to maintain a strong financial condition to better address any further cutbacks in State funding that could have an adverse effect on operations and financial reserves. The School District continues to fluctuate in growth but not at the rate experienced in past years. School District FTE for the fiscal year 2025 is 309. In 2024, the count was 322 as compared to 317 in 2023. Therefore, we strive for student enrollment to slightly increase in the foreseeable future with positive programs being added to meet the area workforce and needs of the student and community.

Effects of the economic impact of COVID-19 are expected to continue into the foreseeable future. The School District is working to buffer the economic effects by maximizing the benefits of relief provided by the U. S. Department of Education through the COVID-19 Elementary and Secondary School Emergency Relief Fund and COVID-19 American Rescue Plan.

The School District recognizes its responsibility to the taxpayers in overseeing the spending of federal, state and local funds. The School District is striving to maintain sound fiscal management while emphasizing student achievement. The School District is committed to creating, building and sustaining a culturally and economically sensitive environment that provides equal access to a high standard of educational success for all students.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mr. Jon-Erik Jones, Superintendent, or Keisha Gipson, Finance Director
Quitman County Board of Education
215 Kaigler Road,
Georgetown, GA 39854

Quitman County Board of Education

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

EXHIBIT "A"

		<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$	4,707,056.68
Investments		543,452.20
Accounts Receivable, Net		
Taxes		104,666.79
State Government		364,796.09
Federal Government		247,600.50
Other		23,000.86
Inventories		10,890.47
Capital Assets, Non-Depreciable		670,417.18
Capital Assets, Depreciable (Net of Accumulated Depreciation)		7,623,632.65
Total Assets		<u>14,295,513.42</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Debt Refunding		86,648.01
Related to Defined Benefit Pension Plan		1,597,553.85
Related to OPEB Plan		769,036.00
Total Deferred Outflows of Resources		<u>2,453,237.86</u>
 <u>LIABILITIES</u>		
Accounts Payable		60,634.74
Salaries and Benefits Payable		428,103.13
Interest Payable		59,104.17
Contracts Payable		162,731.57
Net Pension Liability		4,728,906.00
Net OPEB Liability		2,835,838.00
Long-Term Liabilities		
Due Within One Year		404,280.30
Due in More Than One Year		3,296,730.03
Total Liabilities		<u>11,976,327.94</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to Defined Benefit Pension Plan		209,556.00
Related to OPEB Plan		1,662,242.00
Total Deferred Inflows of Resources		<u>1,871,798.00</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets		6,771,273.10
Restricted for		
Continuation of Federal Programs		49,534.51
Debt Service		149,972.90
Capital Projects		258,701.98
Unrestricted (Deficit)		<u>(4,328,857.15)</u>
Total Net Position	\$	<u>2,900,625.34</u>

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

EXHIBIT "B"

	PROGRAM REVENUES		NET (EXPENSES)	
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUES AND CHANGES IN NET POSITION	
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 3,352,093.71	\$ 30,322.75	\$ 3,298,299.48	\$ (23,471.48)
Support Services				
Pupil Services	303,149.91	-	124,914.49	(178,235.42)
Improvement of Instructional Services	337,956.07	-	260,997.77	(76,958.30)
Educational Media Services	143,479.45	-	52,863.41	(90,616.04)
General Administration	698,793.71	-	443,900.17	(254,893.54)
School Administration	617,379.42	-	278,817.42	(338,562.00)
Business Administration	63,157.06	-	5,579.87	(57,577.19)
Maintenance and Operation of Plant	751,941.59	-	552,178.29	(199,763.30)
Student Transportation Services	291,609.30	-	211,093.94	(80,515.36)
Other Support Services	11,800.00	-	-	(11,800.00)
Operations of Non-Instructional Services				
Food Services	437,467.87	34,299.01	436,408.70	33,239.84
Interest on Long-Term Debt	180,856.55	-	-	(180,856.55)
	<u>\$ 7,189,684.64</u>	<u>\$ 64,621.76</u>	<u>\$ 5,665,053.54</u>	<u>(1,406,009.34)</u>
Total Governmental Activities	<u>\$ 7,189,684.64</u>	<u>\$ 64,621.76</u>	<u>\$ 5,665,053.54</u>	<u>(1,406,009.34)</u>
General Revenues				
Taxes				
Property Taxes				
			1,350,565.88	
			152,786.06	
			16,153.50	
Sales Taxes				
			71.48	
			255,681.88	
			10,686.93	
			361,147.00	
			144,125.61	
			123,051.64	
			<u>2,414,269.98</u>	
			954,260.64	
			<u>1,946,364.70</u>	
			<u>\$ 2,900,625.34</u>	

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

EXHIBIT "C"

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 2,088,620.05	\$ 2,417,517.62	\$ 200,919.01	\$ 4,707,056.68
Investments	543,452.20	-	-	543,452.20
Accounts Receivable, Net				
Taxes	74,763.57	21,745.16	8,158.06	104,666.79
State Government	364,796.09	-	-	364,796.09
Federal Government	247,600.50	-	-	247,600.50
Other	23,000.86	-	-	23,000.86
Inventories	10,890.47	-	-	10,890.47
Total Assets	<u>\$ 3,353,123.74</u>	<u>\$ 2,439,262.78</u>	<u>\$ 209,077.07</u>	<u>\$ 6,001,463.59</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 59,044.96	\$ 1,589.78	\$ -	\$ 60,634.74
Salaries and Benefits Payable	428,103.13	-	-	428,103.13
Contracts Payable	-	162,731.57	-	162,731.57
Total Liabilities	<u>487,148.09</u>	<u>164,321.35</u>	<u>-</u>	<u>651,469.44</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	35,129.46	-	5,309.47	40,438.93
<u>FUND BALANCES</u>				
Nonspendable	10,890.47	-	-	10,890.47
Restricted	38,644.04	2,274,941.43	203,767.60	2,517,353.07
Assigned	14,016.03	-	-	14,016.03
Unassigned	2,767,295.65	-	-	2,767,295.65
Total Fund Balances	<u>2,830,846.19</u>	<u>2,274,941.43</u>	<u>203,767.60</u>	<u>5,309,555.22</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,353,123.74</u>	<u>\$ 2,439,262.78</u>	<u>\$ 209,077.07</u>	<u>\$ 6,001,463.59</u>

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	5,309,555.22
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$	123,020.00
Construction in progress		547,397.18
Buildings and improvements		10,629,412.00
Equipment		1,524,121.65
Land improvements		73,842.00
Accumulated depreciation		<u>(4,603,743.00)</u>
		8,294,049.83
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$	(4,728,906.00)
Net OPEB liability		<u>(2,835,838.00)</u>
		(7,564,744.00)
Deferred charges or credits on debt refundings are applicable to future periods and are therefore not reported in the funds and are amortized over the life of the new debt.		
		86,648.01
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$	1,387,997.85
Related to OPEB		<u>(893,206.00)</u>
		494,791.85
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		40,438.93
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$	(3,395,000.00)
Accrued interest payable		(59,104.17)
Financed purchase arrangement payable		(24,997.84)
Unamortized bond premiums		<u>(281,012.49)</u>
		<u>(3,760,114.50)</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>2,900,625.34</u></u>

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

EXHIBIT "E"

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Property Taxes	\$ 1,351,792.80	\$ -	\$ 151,210.09	\$ 1,503,002.89
Sales Taxes	9,357.44	255,681.88	1,400.97	266,440.29
State Funds	4,120,598.69	-	-	4,120,598.69
Federal Funds	1,885,276.25	-	-	1,885,276.25
Charges for Services	64,621.76	-	-	64,621.76
Investment Earnings	21,193.70	122,931.91	-	144,125.61
Miscellaneous	123,051.64	-	-	123,051.64
Total Revenues	7,575,892.28	378,613.79	152,611.06	8,107,117.13
<u>EXPENDITURES</u>				
Current				
Instruction	3,080,241.63	-	-	3,080,241.63
Support Services				
Pupil Services	297,342.79	-	-	297,342.79
Improvement of Instructional Services	328,662.60	-	-	328,662.60
Educational Media Services	143,324.94	-	-	143,324.94
General Administration	664,552.88	33.00	61.00	664,646.88
School Administration	596,832.29	-	-	596,832.29
Business Administration	63,157.06	-	-	63,157.06
Maintenance and Operation of Plant	1,026,588.31	32,804.48	-	1,059,392.79
Student Transportation Services	408,086.19	-	-	408,086.19
Other Support Services	11,800.00	-	-	11,800.00
Food Services Operation	509,888.39	-	-	509,888.39
Capital Outlay	-	240,841.81	-	240,841.81
Debt Services				
Principal	-	87,478.54	320,000.00	407,478.54
Interest	-	2,376.85	160,338.89	162,715.74
Total Expenditures	7,130,477.08	363,534.68	480,399.89	7,974,411.65
Revenues over (under) Expenditures	445,415.20	15,079.11	(327,788.83)	132,705.48
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	81,320.16	184,984.31	266,304.47
Transfers Out	(266,304.47)	-	-	(266,304.47)
Total Other Financing Sources (Uses)	(266,304.47)	81,320.16	184,984.31	-
Net Change in Fund Balances	179,110.73	96,399.27	(142,804.52)	132,705.48
Fund Balances - Beginning	2,651,735.46	2,178,542.16	346,572.12	5,176,849.74
Fund Balances - Ending	\$ 2,830,846.19	\$ 2,274,941.43	\$ 203,767.60	\$ 5,309,555.22

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ 132,705.48

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

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

Capital outlay	\$ 793,184.47	
Depreciation expense	(257,242.00)	535,942.47

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

16,502.55

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

Amortization of deferred charge on refunding of bonds	\$ (24,756.60)	
Financed purchase arrangement payments	87,478.54	
Bond principal retirements	320,000.00	
Amortization of bond premium	44,282.46	427,004.40

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

Pension expense	\$ (363,658.59)	
OPEB expense	243,431.00	(120,227.59)

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

Net increase in accrued interest		(37,666.67)

Change in net position of governmental activities (Exhibit "B") \$ 954,260.64

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

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

EXHIBIT "G"

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

Basis of Accounting

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

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

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

EXHIBIT "G"

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

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

New Accounting Pronouncements

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

Cash and Cash Equivalents

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

Investments

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

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

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

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

EXHIBIT "G"

Receivables

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

Inventories

Food Inventories

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	\$ 10,000.00	15 to 20 years
Buildings and Improvements	\$ 25,000.00	25 to 60 years
Equipment	\$ 10,000.00	5 to 20 years
Intangible Assets	\$ 100,000.00	Individually determined

Deferred Outflows/Inflows of Resources

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

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

EXHIBIT "G"

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Quitman County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on August 8, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on November 15, 2023 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Quitman 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 \$1,237,009.71 and for school bonds amounted to \$151,210.09.

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

EXHIBIT "G"

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

School Operations	13.806 mills
School Bonds	<u>1.962</u> mills
	<u>15.768</u> mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$98,629.59 during fiscal year ended June 30, 2024.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$255,753.36 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

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

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

EXHIBIT "G"

(O.C.G.A. §45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance. At June 30, 2024, \$513,088.83 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all the School District's deposits.

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024, School District had deposits with a carrying amount of \$2,900,772.56, and a bank balance of \$3,513,088.83. The bank balances insured by Federal depository insurance were \$250,000.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$2,750,000.00.

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At June 30, 2024, \$513,088.83 of the School District's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollaterized	\$	513,088.83
Uninsured with collateral held by the pledging financial institution		-
Uninsured with collateral held by the pledging financial institutin's trust department or agent but not in the School District's name		-
		-
	\$	513,088.83

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

Cash and cash equivalents		
Statement of Net Position	\$	4,707,056.68
Add:		
Deposits with original maturity of three months or more reported as investments		543,452.20
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		2,349,736.32
Total carrying value of deposits - June 30, 2024	\$	2,900,772.56

Categorization of Cash Equivalents

The School District reported cash equivalents of \$2,349,736.32 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AA+ rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

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

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NOTE 5: CAPITAL ASSETS

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

	Balances July, 1 2023	Increases	Decreases	Balances June 30, 2024
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 123,020.00	\$ -	\$ -	\$ 123,020.00
Construction in Progress	<u>-</u>	<u>547,397.18</u>	<u>-</u>	<u>547,397.18</u>
 Total Capital Assets				
Not Being Depreciated	<u>123,020.00</u>	<u>547,397.18</u>	<u>-</u>	<u>670,417.18</u>
 Capital Assets,				
Being Depreciated:				
Buildings and Improvements	10,629,412.00	-	-	10,629,412.00
Equipment	1,635,420.36	245,787.29	357,086.00	1,524,121.65
Land Improvements	83,859.00	-	10,017.00	73,842.00
 Less Accumulated				
Depreciation:				
Buildings and Improvements	3,288,797.00	187,536.00	-	3,476,333.00
Equipment	1,366,558.00	66,817.00	357,086.00	1,076,289.00
Land Improvements	<u>58,249.00</u>	<u>2,889.00</u>	<u>10,017.00</u>	<u>51,121.00</u>
 Total Capital Assets				
Being Depreciated, Net	<u>7,635,087.36</u>	<u>(11,454.71)</u>	<u>-</u>	<u>7,623,632.65</u>
 Governmental Activities				
Capital Assets - Net	<u>\$ 7,758,107.36</u>	<u>\$ 535,942.47</u>	<u>\$ -</u>	<u>\$ 8,294,049.83</u>

Current year depreciation expense by function is as follows:

Instruction		\$ 197,690.00
Support Services		
Maintenance and Operation of Plant	\$ 6,056.00	
Student Transportation Services	<u>39,793.00</u>	45,849.00
Food Services		<u>13,703.00</u>
		<u>\$ 257,242.00</u>

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NOTE 6: INTERFUND TRANSFERS

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

Transfers to	Transfers From General Fund
Capital Projects Fund	\$ 81,320.16
Debt Service Fund	184,984.31
Total	\$ 266,304.47

Transfers are used to move property tax revenues collected by the general fund to capital projects fund for energy efficiency agreement obligations and to the debt service fund for payment of bonds.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation (G.O.) Bonds	\$ 3,715,000.00	\$ -	\$ 320,000.00	\$ 3,395,000.00	\$ 335,000.00
Unamortized Bond Premiums	325,294.95	-	44,282.46	281,012.49	44,282.46
Financed Purchase Arrangements	112,476.38	-	87,478.54	24,997.84	24,997.84
	\$ 4,152,771.33	\$ -	\$ 451,761.00	\$ 3,701,010.33	\$ 404,280.30

General Obligation Bonds

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

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

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General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Refunding - Series 2016	2.00% - 3.00%	12/8/2016	2/1/2028	\$ 3,550,000.00	\$ 1,395,000.00
General Government - Series 2022	5.00%	12/29/2022	2/1/2033	<u>2,000,000.00</u>	<u>2,000,000.00</u>
				<u>\$ 5,550,000.00</u>	<u>\$ 3,395,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized Bond Premium
	Principal	Interest	
2025	\$ 335,000.00	\$ 141,850.00	\$ 44,282.46
2026	345,000.00	131,800.00	44,282.46
2027	350,000.00	121,450.00	44,282.46
2028	365,000.00	110,950.00	34,743.80
2029	385,000.00	100,000.00	25,204.74
2030 - 2033	<u>1,615,000.00</u>	<u>203,500.00</u>	<u>88,216.57</u>
Total Principal and Interest	<u>\$ 3,395,000.00</u>	<u>\$ 809,550.00</u>	<u>\$ 281,012.49</u>

Financed Purchase Arrangements

An energy efficiency agreement dated November 22, 2017 was executed by and between the School District, and Georgia Municipal Association, Inc. Georgia Municipal Association, Inc., subsequently assigned and transferred the agreement to Branch Banking and Trust on November 22, 2017. The agreement authorized the borrowing of \$509,776.00 for the purchase of energy efficiency equipment, machinery, supplies, building modifications and other energy saving items. Payments of the agreement shall be made from the School District's capital projects fund using the proceeds of transfers from the general fund.

The School District's outstanding obligations from an energy efficiency agreement related to governmental activities of \$24,997.84 contain a provision that in an event of default, the Georgia Municipal Association, Inc. has the option of declaring outstanding amounts immediately due and payable or they may take possession of project, equipment, machinery or supplies.

	Governmental Activities
Buildings and Improvements	\$ 43,136.00
Less: Accumulated Depreciation	<u>11,213.00</u>
	<u>\$ 31,923.00</u>

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Debt currently outstanding is as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Energy Efficiency Agreement	2.64% - 3.21%	11/22/2017	11/22/2024	\$ 509,776.00	\$ 24,997.84

The following is a schedule of total finance purchase payments:

Fiscal Year Ended June 30:	Principal	Interest
2025	\$ 24,997.84	\$ 190.13

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

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

Georgia School Boards Association Risk Management Fund

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

Workers' Compensation

Georgia School Boards Association Workers' Compensation Fund

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

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Unemployment Compensation

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

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000.00
Drivers Education Bond	\$ 10,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable		
Inventories		\$ 10,890.47
Restricted		
Continuation of Federal Programs	\$ 38,644.04	
Capital Projects	2,274,941.43	
Debt Service	203,767.60	2,517,353.07
Assigned		
School Activity Accounts		14,016.03
Unassigned		2,767,295.65
Fund Balance, June 30, 2024		\$ 5,309,555.22

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

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 5% of expenditures, not to exceed 15% of the total budget of the subsequent fiscal year. If the unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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NOTE 10: SIGNIFICANT COMMITMENTS

Commitments Under Construction Contracts

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

Project	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)
Athletic Facility Improvements	\$ 4,985,875.82	\$ 294,731.57

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

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

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Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$107,949.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2024, the School District reported a liability of \$2,835,838.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.025890%, which was a decrease of 0.001122% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$135,482.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,660.00	\$ 814,486.00
Changes of assumptions	515,216.00	354,153.00
Net difference between projected and actual earnings on OPEB plan investments	1,701.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	61,510.00	493,603.00
School District contributions subsequent to the measurement date	107,949.00	-
Total	\$ 769,036.00	\$ 1,662,242.00

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

Year Ended June 30:	OPEB
2025	\$ (287,313.00)
2026	\$ (252,502.00)
2027	\$ (298,897.00)
2028	\$ (152,149.00)
2029	\$ (11,340.00)
Thereafter	\$ 1,046.00

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

OPEB:

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

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

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

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

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

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

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

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

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

* Net of inflation

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

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

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the Net OPEB liability	\$ 3,214,554.00	\$ 2,835,838.00	\$ 2,516,880.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 2,442,699.00	\$ 2,835,838.00	\$ 3,320,495.00

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

NOTE 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.11% of payroll was required from the School District and 0.87% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$455,464.85 and \$20,607.40 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

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

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

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

EXHIBIT "G"

paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$10,187.00.

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

At June 30, 2024, the School District reported a liability of \$4,728,906.00 for its proportionate share of the net pension liability for TRS.

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

School District's proportionate share of the net pension liability	\$	4,728,906.00
State of Georgia's proportionate share of the net pension liability associated with the School District		206,965.00
Total	\$	4,935,871.00

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

At June 30, 2023, the School District's TRS proportion was 0.016017%, which was an increase of 0.000532% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$62,473.00.

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

For the year ended June 30, 2024, the School District recognized pension expense of \$859,501.00 for TRS and \$11,276.00 for PSERS and revenue of \$39,844.00 for TRS and \$11,276.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 240,128.00	\$ 19,552.00
Changes of assumptions	486,503.00	-
Net difference between projected and actual earnings on pension plan investments	332,597.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	82,861.00	190,004.00
School District contributions subsequent to the measurement date	455,464.85	-
Total	\$ 1,597,553.85	\$ 209,556.00

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

Year Ended June 30:	TRS
2025	\$ 243,571.00
2026	\$ 161,544.00
2027	\$ 631,902.00
2028	\$ (104,484.00)

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

Teachers Retirement System:

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

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

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

Public School Employees Retirement System:

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

**QUITMAN COUNTY BOARD OF EDUCATION
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Mortality rates are as follows:

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

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

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

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

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

* Rates shown are net of inflation

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

QUITMAN COUNTY BOARD OF EDUCATION
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EXHIBIT "G"

available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 7,476,951.00	\$ 4,728,906.00	\$ 2,484,758.00

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

NOTE 14: TAX ABATEMENTS

Quitman County 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 Quitman County.

For the fiscal year ended June 30, 2024, Quitman County abated property taxes due to the School District that were levied on August 8, 2023 and due on November 15, 2023. Under Department of Revenue Regulation 560-11-10-09 {3}{c}3.{ii}(Page 12), Quitman County has entered into an agreement with M & W Finance, Inc. for a 50 percent property tax abatement on property located at The Point at the Lake in Georgetown, Georgia for years 2020, 2021, 2022, 2023 and 2024. The current year portion of taxes abated are \$2,295.82.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.016017%	\$ 4,728,906.00	\$ 206,965.00	\$ 4,935,871.00	\$ 2,430,492.50	194.57%	76.29%
2023	0.015485%	\$ 5,028,279.00	\$ 235,097.00	\$ 5,263,376.00	\$ 2,191,368.86	229.46%	72.85%
2022	0.017052%	\$ 1,508,136.00	\$ 64,298.00	\$ 1,572,434.00	\$ 2,313,181.82	65.20%	92.03%
2021	0.017119%	\$ 4,146,892.00	\$ 176,592.00	\$ 4,323,484.00	\$ 2,300,991.12	180.22%	77.01%
2020	0.018053%	\$ 3,881,883.00	\$ 163,206.00	\$ 4,045,089.00	\$ 2,295,934.75	169.08%	78.56%
2019	0.019507%	\$ 3,620,917.00	\$ 144,599.00	\$ 3,765,516.00	\$ 2,415,769.78	149.89%	80.27%
2018	0.019450%	\$ 3,614,842.00	\$ 65,792.00	\$ 3,680,634.00	\$ 2,273,969.48	158.97%	79.33%
2017	0.019209%	\$ 3,963,031.00	\$ 102,743.00	\$ 4,065,774.00	\$ 2,132,052.06	185.88%	76.06%
2016	0.019523%	\$ 2,972,183.00	\$ 79,774.00	\$ 3,051,957.00	\$ 2,116,588.03	140.42%	81.44%
2015	0.019320%	\$ 2,440,827.00	\$ 66,200.00	\$ 2,507,027.00	\$ 2,153,430.41	113.35%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 455,464.85	\$ 455,464.85	\$ -	\$ 2,383,237.55	19.11%
2023	\$ 465,204.44	\$ 465,204.44	\$ -	\$ 2,430,492.50	19.14%
2022	\$ 414,726.03	\$ 414,726.03	\$ -	\$ 2,191,368.86	18.93%
2021	\$ 422,859.00	\$ 422,859.00	\$ -	\$ 2,313,181.82	18.28%
2020	\$ 466,560.00	\$ 466,560.00	\$ -	\$ 2,300,991.12	20.28%
2019	\$ 460,482.00	\$ 460,482.00	\$ -	\$ 2,295,934.75	20.06%
2018	\$ 390,491.00	\$ 390,491.00	\$ -	\$ 2,415,769.78	16.16%
2017	\$ 318,287.00	\$ 318,287.00	\$ -	\$ 2,273,969.48	14.00%
2016	\$ 296,452.36	\$ 296,452.36	\$ -	\$ 2,132,052.06	13.90%
2015	\$ 271,057.45	\$ 271,057.45	\$ -	\$ 2,116,588.03	12.81%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00%	\$ -	\$ 62,473.00	\$ 62,473.00	\$ 120,254.12	N/A	85.67%
2023	0.00%	\$ -	\$ 74,580.00	\$ 74,580.00	\$ 101,206.53	N/A	81.21%
2022	0.00%	\$ -	\$ 7,602.00	\$ 7,602.00	\$ 101,304.84	N/A	98.00%
2021	0.00%	\$ -	\$ 55,885.00	\$ 55,885.00	\$ 124,575.85	N/A	84.45%
2020	0.00%	\$ -	\$ 57,263.00	\$ 57,263.00	\$ 121,046.40	N/A	85.02%
2019	0.00%	\$ -	\$ 54,254.00	\$ 54,254.00	\$ 114,219.58	N/A	85.26%
2018	0.00%	\$ -	\$ 49,011.00	\$ 49,011.00	\$ 123,817.31	N/A	85.69%
2017	0.00%	\$ -	\$ 59,475.00	\$ 59,475.00	\$ 105,898.94	N/A	81.00%
2016	0.00%	\$ -	\$ 34,677.00	\$ 34,677.00	\$ 108,403.42	N/A	87.00%
2015	0.00%	\$ -	\$ 32,949.00	\$ 32,949.00	\$ 109,983.80	N/A	88.29%

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

SCHEDULE "4"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.025890%	\$ 2,835,838.00	\$ -	\$ 2,835,838.00	\$ 2,540,804.72	111.61%	6.05%
2023	0.027012%	\$ 2,675,048.00	\$ -	\$ 2,675,048.00	\$ 2,378,346.25	112.48%	6.17%
2022	0.028569%	\$ 3,094,259.00	\$ -	\$ 3,094,259.00	\$ 2,241,501.22	138.04%	6.14%
2021	0.031164%	\$ 4,577,266.00	\$ -	\$ 4,577,266.00	\$ 2,389,831.29	191.53%	3.99%
2020	0.030414%	\$ 3,732,450.00	\$ -	\$ 3,732,450.00	\$ 2,345,581.84	159.13%	4.63%
2019	0.030536%	\$ 3,881,032.00	\$ -	\$ 3,881,032.00	\$ 2,418,115.38	160.50%	2.93%
2018	0.028845%	\$ 4,052,711.00	\$ -	\$ 4,052,711.00	\$ 2,398,229.12	168.99%	1.61%

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

SCHEDULE "5"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2024	\$ 107,949.00	\$ 107,949.00	\$ -	\$ 2,553,374.19	4.23%
2023	\$ 99,534.00	\$ 99,534.00	\$ -	\$ 2,540,804.72	3.92%
2022	\$ 97,668.00	\$ 97,668.00	\$ -	\$ 2,378,346.25	4.11%
2021	\$ 106,273.00	\$ 106,273.00	\$ -	\$ 2,241,501.22	4.74%
2020	\$ 105,391.00	\$ 105,391.00	\$ -	\$ 2,389,831.29	4.41%
2019	\$ 163,798.00	\$ 163,798.00	\$ -	\$ 2,345,581.84	6.98%
2018	\$ 158,261.00	\$ 158,261.00	\$ -	\$ 2,418,115.38	6.54%
2017	\$ 150,399.00	\$ 150,399.00	\$ -	\$ 2,398,229.12	6.27%

Teachers Retirement System

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

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

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

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

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

Public School Employees Retirement System

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

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

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

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates 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.

QUITMAN COUNTY BOARD OF EDUCATION
GENERAL FUND

SCHEDULE "7"

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

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 1,113,858.76	\$ 1,113,858.76	\$ 1,351,792.80	\$ 237,934.04
Sales Taxes	488,740.87	488,740.87	9,357.44	(479,383.43)
State Funds	3,419,231.63	3,570,668.63	4,120,598.69	549,930.06
Federal Funds	811,455.00	1,887,777.00	1,885,276.25	(2,500.75)
Charges for Services	-	-	64,621.76	64,621.76
Investment Earnings	-	-	21,193.70	21,193.70
Miscellaneous	94,110.00	94,110.00	123,051.64	28,941.64
Total Revenues	<u>5,927,396.26</u>	<u>7,155,155.26</u>	<u>7,575,892.28</u>	<u>420,737.02</u>
EXPENDITURES				
Current				
Instruction	3,343,179.61	3,874,687.63	3,080,241.63	794,737.02
Support Services				
Pupil Services	234,538.00	272,465.00	297,342.79	(24,877.79)
Improvement of Instructional Services	291,494.00	406,079.00	328,662.60	77,416.40
Educational Media Services	88,076.72	77,728.00	143,324.94	(65,596.94)
General Administration	742,682.00	739,100.33	664,552.88	74,547.45
School Administration	542,971.00	548,902.00	596,832.29	(47,930.29)
Business Administration	77,736.00	81,909.00	63,157.06	18,751.94
Maintenance and Operation of Plant	549,489.08	996,967.40	1,026,588.31	(29,620.91)
Student Transportation Services	386,962.00	414,138.00	408,086.19	6,051.81
Other Support Services	-	-	11,800.00	(11,800.00)
Food Services Operation	-	341,835.17	509,888.39	(168,053.22)
Total Expenditures	<u>6,257,128.41</u>	<u>7,753,811.53</u>	<u>7,130,477.08</u>	<u>623,334.45</u>
Excess of Revenues over (under) Expenditures	<u>(329,732.15)</u>	<u>(598,656.27)</u>	<u>445,415.20</u>	<u>1,044,071.47</u>
OTHER FINANCING SOURCES (USES)				
Other Sources	17,681.00	17,681.00	-	(17,681.00)
Other Uses	(17,681.00)	(17,681.00)	(266,304.47)	(248,623.47)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(266,304.47)</u>	<u>(266,304.47)</u>
Net Change in Fund Balances	(329,732.15)	(598,656.27)	179,110.73	777,767.00
Fund Balances - Beginning	2,633,039.90	2,633,039.90	2,651,735.46	18,695.56
Adjustments	<u>(4,234.47)</u>	<u>(10,663.76)</u>	<u>-</u>	<u>10,663.76</u>
Fund Balances - Ending	<u>\$ 2,299,073.28</u>	<u>\$ 2,023,719.87</u>	<u>\$ 2,830,846.19</u>	<u>\$ 807,126.32</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.

The actual revenues and expenditures of the various principal accounts are \$62,381.48 and \$71,746.73, respectively.

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

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

SCHEDULE "8"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	245GA324N1199	\$ 113,761.83
National School Lunch Program	10.555	245GA324N1199	312,740.83
COVID-19 - National School Lunch Program	10.555	225GA324N1099	12,874.82
Fresh Fruit and Vegetable Program	10.582	245GA324L1603	11,496.90
Total Child Nutrition Cluster			<u>450,874.38</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	2,575.02
Total U.S. Department of Agriculture			<u>453,449.40</u>
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	3,230.67
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	629,667.74
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	43,134.49
Total Education Stabilization Fund			<u>676,032.90</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	31,604.89
Grants to States	84.027A	H027A230073	91,880.51
Preschool Grants	84.173A	H173A230081	13,817.50
Total Special Education Cluster			<u>137,302.90</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	2,657.53
Rural and Low-Income School Program	84.358B	S358F220010	690.00
Rural and Low-Income School Program	84.358B	S358F230010	8,329.12
Student Support and Academic Enrichment Program	84.424A	S424A230011	28.25
Student Support and Academic Enrichment Program	84.424F	S424F220011	193,281.69
Supporting Effective Instruction State Grants	84.367A	S367A220001	3,496.00
Supporting Effective Instruction State Grants	84.367A	S367A230001	22,403.37
Title I Grants to Local Educational Agencies	84.010A	S010A220010	50,391.94
Title I Grants to Local Educational Agencies	84.010A	S010A230010	285,182.75
Total Other Programs			<u>566,460.65</u>
Total U.S. Department of Education			<u>1,379,796.45</u>
Total Expenditures of Federal Awards			<u>\$ 1,833,245.85</u>

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

SCHEDULE "8"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling \$17,652.75 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2024.

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

SCHEDULE "9"

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPE
GRANTS	<u>GENERAL</u> <u>FUND</u>
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	\$ 95,317.59
Summer Transition Program	26,300.00
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	51,754.00
Kindergarten Program - Early Intervention Program	57,547.00
Primary Grades (1-3) Program	159,672.00
Primary Grades - Early Intervention (1-3) Program	199,708.00
Upper Elementary Grades (4-5) Program	42,544.00
Upper Elementary Grades - Early Intervention (4-5) Program	189,764.00
Middle School (6-8) Program	145,789.00
High School General Education (9-12) Program	280,374.00
Vocational Laboratory (9-12) Program	72,070.00
Students with Disabilities	763,997.00
Remedial Education Program	135,469.00
Alternative Education Program	16,410.00
Media Center Program	43,136.00
20 Days Additional Instruction	13,551.00
Staff and Professional Development	8,305.00
Principal Staff and Professional Development	845.00
Indirect Cost	
Central Administration	352,281.00
School Administration	233,038.00
Facility Maintenance and Operations	82,408.00
Categorical Grants	
Pupil Transportation	
Regular	93,002.00
Nursing Services	46,000.00
Sparsity	420,097.00
Education Equalization Funding Grant	361,147.00
Other State Programs	
Dyslexia Services Grant	642.00
Food Services	8,119.00
Hygiene Products	153.00
Math and Science Supplements	1,214.30
One Time QBE Adjustment	51,437.00
Preschool Disability Services	19,375.00
School Security Grant	99,974.03
Teachers Retirement	20,607.40
Vocational Education	11,145.37
Vocational Supervisors	7,219.00
Office of the State Treasurer	
Public School Employees Retirement	10,187.00
	\$ 4,120,598.69

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

SCHEDULE "10"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
SPLOST 2023			
(1) Paying the remaining principal of and interest on the School District's general obligation refund bond, Series 2016	\$ -	\$ 295,354.58	2027
(2) Paying a portion of the principal of an interest on the bonds, and/or	-	-	2027
(3) Paying all or a portion of the costs of the projects:	1,200,000.00	1,200,000.00	2027
(i) paying a portion of the costs of acquiring, constructing, equipping, and furnishing new athletic/physical education facilities;			
(ii) improving school facilities, purchasing school buses, school equipment, and safety and security equipment;			
(iii) acquiring real property; and			
(iv) acquiring any capital property necessary or desirable for the foregoing purposes, both real and personal (collectively, the "Projects").			
Total	<u>\$ 1,200,000.00</u>	<u>\$ 1,495,354.58</u>	

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

SCHEDULE "10"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST 2023				
(1) Paying the remaining principal of and interest on the School District's general obligation refund bond, Series 2016	\$ 428,888.89	\$ -	\$ -	\$ -
(2) Paying a portion of the principal of an interest on the bonds, and/or	51,450.00	-	-	-
(3) Paying all or a portion of the costs of the projects:	273,678.54	-	-	-
(i) paying a portion of the costs of acquiring, constructing, equipping, and furnishing new athletic/physical education facilities;				
(ii) improving school facilities, purchasing school buses, school equipment, and safety and security equipment;				
(iii) acquiring real property; and				
(iv) acquiring any capital property necessary or desirable for the foregoing purposes, both real and personal (collectively, the "Projects").				
Total	<u>\$ 754,017.43</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Section II

Compliance and Internal Control Reports



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Jon-Erik Jones, Superintendent and Members of the
Quitman County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Quitman County Board of Education (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 9, 2025. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

School District's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

December 9, 2025



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Jon-Erik Jones, Superintendent and Members of the
Quitman County Board of Education

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on Child Nutrition Cluster (10.553, 10.555, 10.582)

In our opinion, except for the noncompliance described in the "Basis for Qualified and Unmodified Opinions" section of our report, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster (10.553, 10.555, 10.582) for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs* for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster (10.553, 10.555, 10.582)

As described in the accompanying *Schedule of Findings and Questioned Costs*, the School District did not comply with requirements regarding the Child Nutrition Cluster (10.553, 10.555, and 10.582) as described in finding FA 2024-001 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the School District to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in finding FA 2024-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,

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

Greg S. Griffin
State Auditor

December 9, 2025

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2023-01

Internal Controls over Financial Reporting

Finding Status:

Partially Resolved

During FY2023, we implemented corrective steps that included using a review checklist, attending state and other financial compliance trainings, and holding monthly meetings with the GADOE Financial Review Team to provide support for our staff. These actions have strengthened our internal processes and improved our understanding of financial reporting requirements. Even with these measures, the FY2024 audit still identified deficiencies related to DE46 reporting and Accounts Receivable. While our efforts made progress, the issue was not fully resolved. Moving forward, we plan to update our review checklist to specifically cover DE46 and Accounts Receivable, provide additional targeted training for the staff responsible for these areas, and add another level of review through contracted financial reporting support to include ongoing monitoring and periodic self-audits to reinforce long term improvements. These steps are intended to fully correct the deficiency and prevent it from recurring.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
▪ Material weakness(es) identified?	Yes
▪ Significant deficiency(ies) identified?	None Reported

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

Child Nutrition Cluster (10.553, 10.555, 10.582)	Qualified
All other major programs	Unmodified

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
10.553, 10.555, 10.582	Child Nutrition Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000.00
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Auditee qualified as low-risk auditee?	No
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QUITMAN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

II FINANCIAL STATEMENT FINDINGS

FS 2024-001 Internal Controls over Capital Assets

Internal Control Impact: Material Weakness

Description:

The School District's accounting procedures were not designed or implemented effectively to prevent or detect errors in the reporting of capital assets in a timely manner.

Criteria:

The School District's management is responsible for designing and maintaining a system of internal controls that provides reasonable assurance that transactions are properly authorized, recorded, and reported in accordance with generally accepted accounting principles (GAAP). These controls should ensure that capital assets are accurately recorded, properly classified, reported in the correct accounting period and periodically verified through a physical inventory.

In addition, *Chapter IV-7 Implementing a Capital Assets Management System* of the Financial Management for Georgia Local units of Administration provides that School Districts must establish capital asset policies, define system requirements, implement a capital asset system and maintain capital asset inventory reports.

Condition:

The following errors were noted in the School District's financial statements, note disclosures and supplementary information related to capital assets:

- Capital assets, non-depreciable was understated by \$445,796.72 due to unrecorded transactions including the final architect payment and an audio system that should have been capitalized. Additionally, the purchase of the audio system did not comply with the School District's established purchasing policies.
- The School District could not provide evidence of a physical inventory of capital assets performed within recent years, and the capital asset listing was not properly maintained.
- Testing of six individually significant items and a nonstatistical sample of 8 out of 33 fully depreciated assets revealed five assets that could not be located, resulting in a known overstatement of \$367,103.00. When projected to the population, this indicated a likely overstatement of \$150,554.00.
- Two capital asset additions were misclassified as land improvements in the note disclosures when they should have been classified as equipment.
- One asset addition included in the financial statements did not meet the capitalization threshold established by the School District's policy.
- Two assets previously removed from the capital asset listing in the prior year were incorrectly reported as current year disposals in the notes to the financial statements.

Cause:

These issues were a result of the School District's inadequate internal control and review procedures over capital assets.

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

Effect:

The lack of adequate internal controls over capital assets resulted in a material misstatement in the financial statements. This increases the risk that errors or fraud may occur and not be detected in a timely manner. Additionally, these control weaknesses led to inaccurate internal and external reporting and represent noncompliance with generally accepted accounting principles (GAAP).

Recommendation:

Management should correct the capital asset listing and strengthen internal controls over the capital asset management process. Controls should ensure that capital assets are accurately recorded, properly classified and maintained in accordance with the School District's approved capital asset policy and GAAP. Additionally, management should implement procedures to ensure timely updates to the capital asset records and the completion of periodic physical inventories.

Views of Responsible Officials:

We concur with this finding.

FS 2024-002 Internal Controls over Financial Reporting

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

Description:

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

Criteria:

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

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

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

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

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

Condition:

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

- A material audit adjustment totaling \$164,321.35 was proposed and accepted by management to correct contracts payable and expenditures in the capital projects fund. The adjustment was not material to the government-wide financial statements.
- A material audit adjustment totaling \$226,227.50 was proposed and accepted by management to correct an overstatement of cash and beginning fund balance in the Debt Service Fund and a corresponding understatement in the Capital Projects Fund. This adjustment impacted only the fund-level statements and did not affect the government-wide financial statements.
- A material audit adjustment totaling \$227,939.26 was proposed and accepted by management to correct an overstatement of cash and beginning fund balance in the Capital Projects Fund and a corresponding understatement in the Debt Service Fund. This adjustment impacted only the fund-level statements and did not affect the government-wide financial statements.
- Several other immaterial audit adjustments and reclassifications were proposed and accepted by the client to properly present the School District's financial statements, note disclosures, and supplemental information.

Cause:

Per discussion these with the finance director, it was determined that the misstatements were due to oversight.

Effect:

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

Recommendation:

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

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

Views of Responsible Officials:

We concur with this finding.

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

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Improve Controls over Procurement

Compliance Requirement:	Procurement and Suspension and Debarment
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
AL Numbers and Titles:	10.553 – School Breakfast Program 10.555 – National School Lunch Program COVID-19 - 10.555 – National School Lunch Program 10.582 – Fresh Fruit and Vegetable Program
Federal Award Numbers:	245GA324N1199 (Year: 2024) 245GA324L1603 (Year: 2024) 245GA324L1603 (Year: 2024)
Questioned Costs:	\$5,380.74

Description:

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District’s internal control procedures were not operating appropriately to ensure that the School District’s procurement procedures were followed.

Background Information:

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

CNC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the various CNC programs. CNC funds totaling \$450,874.38 were expended and reported on the Quitman County Board of Education’s Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2024.

Criteria:

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

Additionally, provisions included in the Uniform Guidance, Section 200.318 – General Procurement Standards state in part that “(a) the non-Federal entity must use its own documented procurement procedures, which reflects applicable State and local laws and regulations and... (b) non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions,

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

and specifications of their contracts or purchase orders.” In addition, provisions included in the Uniform Guidance, Section 200.320 – Methods of Procurement to Be Followed provide guidance for procurement through small purchase procedures and state “If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources...”

Condition:

A sample of 22 procurement transactions was randomly selected for testing using a non-statistical sampling approach. These transactions were reviewed to determine if appropriate internal controls were implemented and applicable compliance requirements were met. The School District could not provide evidence that an adequate number of rate or price quotations were obtained from qualified sources for ten small purchase expenditures.

Questioned Costs:

Upon testing a sample of \$25,223.43 in procurement transactions, known questioned costs of \$5,380.74 were identified for expenditures that did not follow the School District’s procurement procedures. Using the total population of \$302,197.99 in procurement transactions, we project the likely questioned costs to be approximately \$64,465.81. The following Assistance Listing Numbers were affected by known and likely questioned costs: 10.553, 10.555, and 10.582.

Cause:

In discussing these deficiencies with the School District, they indicated the errors occurred due to oversight in following board-approved policies related to procurement.

Effect:

The School District is not in compliance with the Uniform Guidance and GaDOE guidance. Failure to appropriately implement procedures to address procurement compliance requirements exposes the School District to unnecessary risk of error and misuse of federal funds and could result in the expenditure of federal funds with unqualified vendors. In addition, this deficiency could lead to the return of grant funds associated with unallowable expenditures in the future.

Recommendation:

The School District should evaluate and improve internal control procedures to ensure that required procurement methods are properly identified and followed and appropriate procurement documentation is obtained and retained on-file. In addition, management should develop a monitoring process to ensure that these procedures are operating appropriately.

Views of Responsible Officials:

We concur with this finding

Section V

Management's Corrective Action



Quitman County Schools

Board of Education
Mr. Willie J. Anderson, Chairman
Mr. Larry Wilborn, Vice Chairman
Mr. Jimmy Eleby
Mrs. Christi Green
Ms. Sherri Hunter

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215 Kaigler Road
Georgetown, Georgia 39854
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Mr. Jon-Erik Jones
Superintendent

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2024-001 Internal Controls over Capital Assets

Internal Control Impact: Material Weakness

Description:

The School District's accounting procedures were not sufficient to prevent or detect errors in a timely manner in the management reporting of capital assets.

Corrective Action Plans:

Quitman County School District has appointed a new Finance Officer, as a part of her duties she will oversee improvements to capital assets management and reporting. A comprehensive review with the Superintendent and other department heads will identify items on the listing for errors and/or omissions. The reconciliations of these items will be logged on the asset records and general ledger accordingly. Quitman County will follow the Department of Education finance guidance to ensure procedures and reporting meet all applicable standards for capital asset reviews will be done along with reconciliations to maintain accuracy and compliance. Staff will receive the adequate training on capital asset accounting and reporting requirements.

Estimated Completion Date: November 10, 2025

Contact Person: Jon Erik Jones, Superintendent

Telephone: 229-321-1487

Email: jones@quitman.k12.ga.us

FS 2024-002 Internal Controls over Financial Reporting

Internal Control Impact: Significant Deficiency

Description:

The School District did not have adequate internal controls in place over the financial statement reporting process.

Corrective Action Plans:

In preparation for the Financial Statement submission, the Finance Officer will review the year end closeouts and financial statement best practice procedures to ensure accounts are reconciled, reviewed, and properly supported prior to the audit submission. Staff responsible for financial reporting will receive training on the appropriate

procedures, the reporting requirements and timelines. Also, Finance Director and Superintendent will review the financial statements before finalizing them for accuracy.

Estimated Completion Date: November 10, 2025

Contact Person: Jon Erik Jones, Superintendent

Telephone: 229-321-1487

Email: jones@quitman.k12.ga.us

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Improve Controls over Procurement

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Questioned Costs:	\$5,380.74

Description:

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District's internal control procedures were not operating appropriately to ensure that the School District's procurement procedures were followed.

Corrective Action Plans:

Implement a standardized procurement checklist that must be completed. Procurements will require two levels of review (program level review by child nutrition staff and District level) to confirm compliance before processing payments. District will provide staff training to ensure federal procurement regulations, district procurement policies along with documentation and recordkeeping requirements are being met. The finance department will conduct quarterly internal reviews of Child Nutrition expenditures to verify compliance.

Estimated Completion Date: November 10, 2025

Contact Person: Jon Erik Jones, Superintendent

Telephone: 229.321-1487

Email: jones@quitman.k12.ga.us

procedures, the reporting requirements and timelines. Also, Finance Director and Superintendent will review the financial statements before finalizing them for accuracy.

Estimated Completion Date: November 10, 2025

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CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Improve Controls over Procurement

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Estimated Completion Date: November 10, 2025

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