



Annual 2024 Financial Report



**RICHMOND COUNTY BOARD OF EDUCATION
AUGUSTA, GA**

**For The
Fiscal Year Ended
June 30, 2024
(Including Independent
Auditors' Report)**

Annual Financial Report

**RICHMOND COUNTY BOARD OF EDUCATION
AUGUSTA, GA**

FOR THE FISCAL YEAR ENDED

**June 30, 2024
(Including Independent Auditors' Report)**

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Introductory Section

Chartered on August 23, 1872, the Richmond County School System provides an equitable education to more than 29,000 students and their families in Augusta, Georgia. The school system is comprised of 51 schools and seven programs which offer our families a variety of choices to meet the specific needs of each student. The

school system's central office has been located in historic downtown Augusta at 864 Broad Street since 2004.



Bordering the Savannah River and the South Carolina state line, Richmond County ranks 11th in population size in the state of Georgia with more than 205,000 residents calling this area home. Augusta is the county seat of Richmond County and is the second oldest city in Georgia. First settled in 1730, the city of Augusta was named after Princess Augusta of Saxe-Gotha-Alternburg. Augusta is known as the Garden City and home of the Masters Golf Tournament, held annually the first full week of April.

Vision

The Richmond County School System will provide an equitable education for all students to prepare them for life beyond the classroom.

Mission

Building a globally competitive school system that educates the whole child through teaching, learning, collaboration, and innovation.

Motto

Learning Today...Leading Tomorrow

Belief Statements

- Every person can learn and has the right to a quality education.
- Students thrive in a positive climate and culture where they are respected and all ideas are accepted.
- Effective communication is the key to understanding among people.
- Excellence in education is a collaborative effort and shared responsibility of the individual, home, school, and community.



About our Superintendent

For more than 34 years, Dr. Kenneth Bradshaw has been a champion for public education. Appointed in September 2019 as the Richmond County School System Superintendent, Bradshaw has consistently focused on implementing best practices to improve the educational offerings and student achievement in Richmond County. His professional educational career has included service as a teacher, assistant principal, principal, and regional superintendent in Georgia and Tennessee.

While starting his new role only six months before the coronavirus pandemic would put major initiatives on hold, Bradshaw accelerated a five-year plan to be a 1:1 technology school system, delivering a computer to every student in the school system. He secured a multi-year grant from Verizon Innovative Learning Schools to purchase devices and data plans for the students and teachers at five middle schools. By February 2022, all students in all schools and programs had access to a device and internet access.

Under Dr. Bradshaw's leadership, the school system has adopted a fiscally conservative approach to being stewards of taxpayer funds. As a result, the fund balance has tripled since 2019. In June 2019, the fund balance was \$13.7 million and at the end of the 2022 fiscal year, the fund balance had grown to \$61 million. One year after being in office, Dr. Bradshaw benefited from his highly visible efforts to continue public education during a pandemic when 80-percent of Richmond County voters approved a one-percent sales and use tax increase that would generate more than \$161 million for the school system. His success in financial gains did not end with eSPLOST, Dr. Bradshaw would secure the issuance of \$74,655,000 in bonds in August 2021 at 0.061-percent interest rate, the lowest rate in the history of the school system. In October 2023, Moody's Investors Service upgraded the issuer rating from Aa3 to A1.

Bradshaw holds an undergraduate degree in Business Administration from Savannah State College, a master's degree in Education Administration and Supervision from the University of West Georgia, and a doctorate in Educational Leadership from Argosy University.

Message from the Superintendent:

I am pleased to share an overview of the Richmond County School System's (RCSS) financial health and highlights the progress of our Special Purpose Local Option Sales Tax (SPLOST) projects, all serving nearly 30,000 students across 54 schools and programs. Fiscal responsibility and accountability remain cornerstones of our school system's strategic plan for operational and organizational effectiveness, and I am proud to highlight the impact of our Special Purpose Local Option Sales Tax (SPLOST) projects over the past year.

E-SPLOST funds have played a pivotal role in enhancing our educational infrastructure. This year, we celebrated the opening of the new Richmond Hill Elementary School and the conversion of the former Richmond Hill K-8 School into Richmond Hill Middle School. In January 2025, students will step into the newly completed Belair Middle School while the historic renovation of the Academy of Richmond County's iconic three-story classroom building nears completion after five and a half years. These projects, alongside investments in classroom technology and school safety, demonstrate our commitment to providing students with an environment that prepares them to succeed in a competitive global landscape.

This November, voters across the Central Savannah River Area (CSRA) once again showed their dedication to education by renewing the Education Special Purpose Local Option Sales Tax (E-SPLOST). This vital funding will allow us to continue improving our facilities, integrating cutting-edge technologies, and expanding programs that benefit students, families, and the wider community.

As we look to the future, we remain steadfast in our commitment to fiscal responsibility, ensuring every dollar is used wisely to create meaningful opportunities for our students. Together, we will continue building a world-class educational system that equips our students for success in the classroom and beyond.

Sincerely

Dr. Kenneth Bradshaw
Superintendent of Schools

Richmond County Board of Education



Charlie Walker, Jr.
President, District 7



Shawnda Griffin
Vice-President, District 1



Charlie Hannah
District 2



Walter H. Eubanks
District 3



Wayne Frazier, Ed. D.
District 4



Patsy Scott
District 5



Edward Lowery
District 6



Jimmy Atkins
District 8



Venus Cain
District 9 (at Large)



Helen Minchew
District 10 (at Large)

School Board Profile

The Richmond County Board of Education is composed of 10 citizens representing each of the city districts, serving for a term of four years. The Board of Education is a policy-making body and serves as a legislative body in the development and evaluation of policies. While the board is responsible for school programs and operations by law, it delegates some portion of that authority to the Superintendent. The board is governed by a President and a Vice-President who are elected by and from the board membership every two years on the Saturday preceding the second Thursday in January. As representatives of the people, board members are responsible for ensuring that school system operations are efficient, financially and legally sound, and focused on the best interest of the students and staff of the Richmond County School System.



Turf Fields and Tracks Resurfacing

- In order to host competitive athletic events and to support local sports leagues in our community, we determined that turf fields would be the best option for the future of our programs. Funds were available to install turf fields and update tracks at George P. Butler and Lucy C. Laney Comprehensive High Schools and Cross Creek and Westside High Schools was estimated at \$6.5M.
- The scope of the turf product included under-field drainage and pad system, 1½" AstroTurf turf system and sand & engineered wood pellet in fill which provides up to 50-degree temperature reduction.
- The project was approved by the Board of Education in July 2022 and was completed in July 2023.
- In addition to the installation of the turf fields, the tracks at Cross Creek, Butler and Laney were re-surfaced and the track at Westside was replaced.
- The discus and shot-put areas were relocated to eliminate damage to the turf fields.
- Scoreboards, play clocks, soccer goals, benches, sound systems, and security cameras were re-placed / installed.



Building a world-class school system through education, collaboration, and innovation

Student Demographics

Total Enrollment: 29,384 Grade
Range: PK-12

Schools

Comprehensive High Schools	8
Middle	8
Elementary	26
K-8 Schools	3
Magnet	4
Special	3
Special Programs	4

Student Demographics

American Indian/Alaskan Native	0.2%
Asian	0.6%
Black	76.0%
Hispanic	6.6%
Multi-Racial	4.5%
Pacific Islander	0.4%
White	11.7%

Employees

Certified	2,519
Non-Certified	1,662

Certified Personnel Data

Education/Certification Level of School Professional Staff

4 Yr Bachelor's	35.9%
5 Yr Master'	40.5%
6 Yr Specialist's	18.9%
Doctorate	4.7%

School Nutrition

Serves approximately 15,753 breakfasts, 20,666 lunches and 885 snacks to Primetime students at select sites.

Michelle Bennett, CPA
Rick L. Evans, CPA
E.J. Maddocks, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA

Abram J. Serotta, CPA
Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussey, CPA
Paul Wade, CPA



INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Richmond County Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As described in Note 2 to the financial statements, in fiscal year 2024, the Richmond County Board of Education adopted new accounting guidance, 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. Our opinion is not modified with respect to this matter.

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 Richmond County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Richmond County Board of Education'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 Richmond County Board of Education'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, proportionate share of net pension liability, proportionate share of net OPEB liability, schedules of contributions and budgetary comparison information on pages x through xxiii and pages 47 through 58 be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richmond County Board of Education's basic financial statements. Schedules 13 and 14 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (Schedule 12) 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the Richmond County Board of Education'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 Richmond County Board of Education'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 Richmond County Board of Education's internal control over financial reporting and compliance.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
December 17, 2024

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024



Introduction

The discussion and analysis of the Richmond County Board of Education's (subsequently referred to as the School System) financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School System's financial performance as a whole. Readers are encouraged to review the transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements to enhance their understanding of the School System's financial performance.

The basic financial statements are comprised of three components:

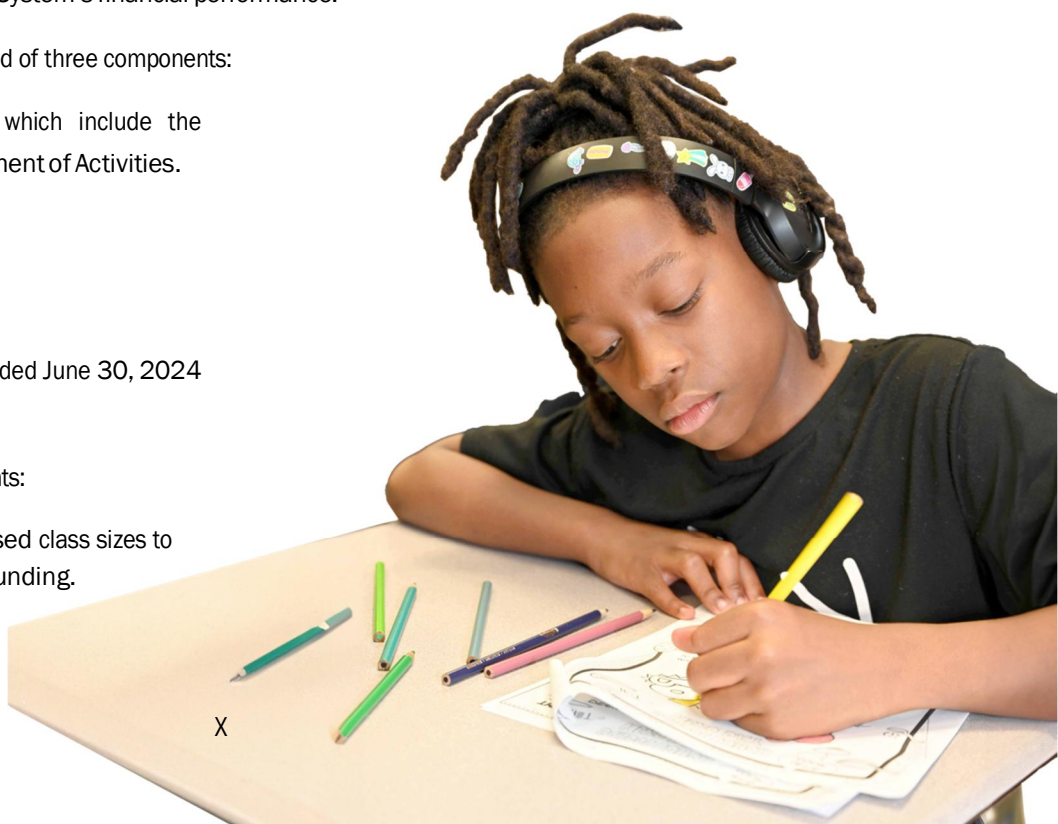
- 1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities.
- 2) Fund financial statements.
- 3) Notes to the financial statements.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

On the government-wide financial statements:

- The School System maintained increased class sizes to compensate for the reductions in state funding.



RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024



Richmond Hill K-8 School was built in 2019
with SPLOST V funds. The school currently serves
1,156 students in grades PreK - 8.

- For the fiscal year ended June 30, 2024 the School System collected \$11.2 million in Title Ad Valorem Taxes, net of fees, an increase of \$0.5 million compared to the prior fiscal year.
- On the Government-wide financial statements, the assets and deferred outflows of resources of the Board exceeded its liabilities and deferred inflows of resources by \$352.7 million at June 30, 2024. This represents an increase in net position of \$10.4 million. This total increase is due to governmental activities since the School System has no business-type activities.
- General revenues accounted for \$209.0 million or 40.2% of all revenues. Program specific revenues in the form of capital and operating grants and contributions and charges for services accounted for \$310.8 million of all revenues. Total Revenues increased by \$46.4 million. Program specific revenues increased by \$25.5 million and general revenues increased by \$20.9 million.
- The School System had \$509.4 million in expenses related to governmental activities of which \$310.8 million were offset by program specific charges for services or grants and contributions.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024



• Total net position includes the following:

- 1) Net investment in capital assets include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the construction or purchase of capital assets.
- 2) Restricted net position of \$143.1 million, constraints which are imposed outside of the School System. This includes restrictions for debt covenants and continuance of grants, and capital projects.
- 3) Unrestricted net assets, net of pension and OPEB liabilities, of \$255.5 million represents the net position available to sustain the School System's continuing obligations to its citizens and creditors.

On the fund financial statements:

- The School System's General Fund reported a fund balance of \$78.4 million at June 30, 2024, which represents a decrease of \$1.2 million from the prior fiscal year.

The financial highlights noted above are explained in more detail within the financial analysis section of this document.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Overview of the Basic Financial Statements

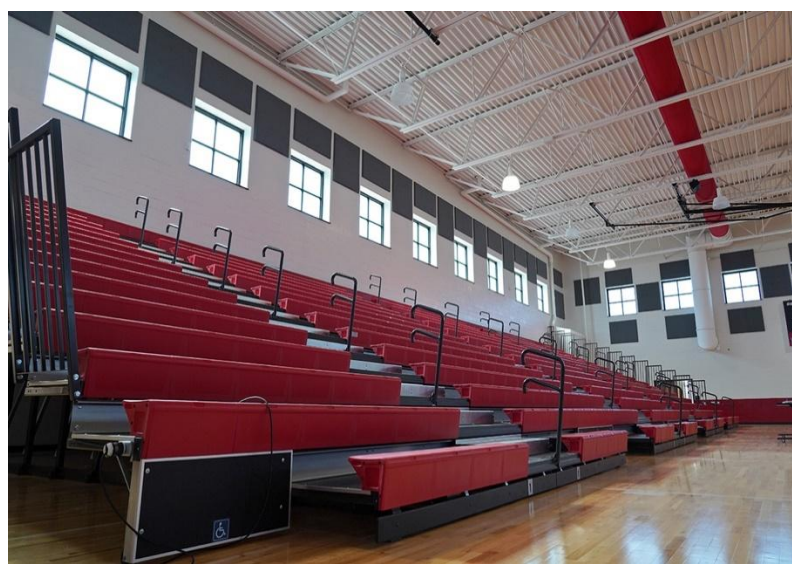
This annual report consists of a series of financial statements, the government-wide, and fund statements, and notes to those statements.

The government-wide financial statements, the Statement of Net Position, and the Statement of Activities are designed to illustrate the School System as an aggregate of its financial activities and present a longer-term view of its finances. Increases or decreases to net position may provide an informative indicator of the financial position of the school system as a whole.

The next level of detail is provided by the fund financial statements. These statements reflect the short-term finances as well as the balances available for future needs. Fund financial statements are useful in assessing annual financing requirements and the commitment of existing spendable resources. The fund level statements report the School System's operations in more detail than the government-wide statements.

The notes to the financial statements serve to supplement and clarify the information contained within the financial statements and will provide the reader a more comprehensive understanding of the School System's financial position.

Figure 1 (page xiv) summarizes the significant features of the Richmond County Board of Education's annual financial statements and provides information on the School System's activities and the types of information found in the financial statements.



RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Figure 1.

Significant Features of the Government-Wide and Fund Level Financial Statements

	Government-wide Statements	Fund Level Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School System (excluding fiduciary funds)	The activities of the School System that are not proprietary or fiduciary. This includes instruction, support services, administration, transportation, and maintenance.	Funds for which the School System administers resources on behalf of someone else. This includes scholarships and student funds.
Required Financial Statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities (financial, capital, short-term and long-term).	Generally includes assets expected to be consumed and liabilities that are due within the year or soon thereafter. No capital assets or long-term liabilities are included.	All assets and liabilities. Includes short-term and long- term and may include capital assets.
Type of Inflow/Outflow Information	All revenues and expenditures earned or incurred during the fiscal year regardless of when cash is received or paid out.	Revenues for which cash is received during the year or soon thereafter. Expenditures for which goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid out.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Reporting the School System as a Whole (Government-Wide)

Statement of Net Position and the Statement of Activities

The analysis of the School System as a whole looks at all financial transactions and enables the reader of the financial statements to ascertain whether the School System's financial position has improved or diminished. The statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This methodology is similar to the accounting of most private-sector businesses. This basis of accounting considers all the current year's revenues and expenses regardless of when cash is received or paid. There are many factors, some financial, some not, affecting the financial position of the School System. Some of these factors include the School System's property tax base, state austerity reductions, state and federal mandates that are unfunded, the age and condition of school facilities, and the economy of the area.

In the Statement of Net Position and the Statement of Activities, all of the School System's activities are reflected as governmental activities. The governmental activities of the Richmond County Board of Education are financed through taxes, state QBE funds, competitive and non-competitive grants.

The Statement of Net Position provides information about the overall financial activities of the School System; whereas, the Statement of Activities provides a comparison of direct expenses and program revenues. Direct expenses are incurred in association with a specific program or function. Program and services reported here include instruction, support services, operation and maintenance of plant, pupil transportation, food service, school activity accounts and various others.

Reporting the School System's Most Significant Funds (Fund Financials)

Governmental Funds: The fund financial statements provide detailed information about the School System's most significant funds. The School System's major governmental funds are the General Fund, Capital Projects Fund, and the Debt Service Fund.

Most of the School System's activities are reported in governmental funds which focus on how money flows into and out of these funds and the balances remaining at year-end that are available for spending in future periods. These funds are reported using an accounting methodology called modified accrual accounting. This methodology measures cash and all other financial assets that may be readily converted to cash. The fund statements offer a detailed short-term view of the School System's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources available to finance educational programs in the near future. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in these statements.

Reporting the School System as a Whole

The Statement of Net Position provides the perspective of the School System as a whole.

Table 1 (page xvi) provides a comparative summary of the School System's net position for fiscal years 2024 and 2023.



RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

TABLE 1
NET POSITION
(in Thousands)

	Governmental Activities June 30, 2024	Governmental Activities (restated) June 30, 2023
Assets		
Current and Other Assets	\$ 266,523	\$ 215,890
Capital Assets, Net	754,168	702,219
Total Assets	<u>\$ 1,020,691</u>	<u>\$ 918,109</u>
Deferred Outflows of Resources	175,639	249,276
Liabilities		
Current and Other Liabilities	\$ 60,769	\$ 40,350
Long-Term Liabilities	694,325	664,504
Total Liabilities	<u>\$ 755,094</u>	<u>\$ 704,854</u>
Deferred Inflows of Resources	88,520	120,224
Net Position		
Net Investment in Capital Assets	\$ 667,158	\$ 646,795
Restricted	143,144	107,865
Unrestricted	(457,586)	(412,353)
Total Net Position	<u><u>\$ 352,716</u></u>	<u><u>\$ 342,307</u></u>

The School System's net position increased \$10.4 million.

Table 2 shows the comparative changes in net position for fiscal years 2024 and 2023.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

TABLE 2
CHANGE IN NET POSITION
(in Thousands)

	Governmental Activities June 30, 2024	Governmental Activities (Restated) June 30, 2023
Revenues		
Program Revenues		
Charges for Services	\$ 1,539	\$ 1,501
Operating Grants and Contributions	307,354	282,925
Capital Grants and Contributions	1,897	896
Total Program Revenues	<u>\$ 310,790</u>	<u>\$ 285,322</u>
General Revenues		
Taxes		
Property Taxes	\$ 120,883	\$ 108,107
Sales Tax	57,506	57,280
Grants and Contributions not Restricted	13,059	14,132
Investment Earnings	10,323	3,393
Miscellaneous	5,893	5,173
Gain (Loss) on Sale of Assets	1,365	-
Total General Revenues	<u>\$ 209,029</u>	<u>\$ 188,085</u>
Total Revenues	<u>\$ 519,819</u>	<u>\$ 473,407</u>
Program Expenses		
Instruction	\$ 265,086	\$ 230,619
Support Services		
Pupil Services	29,046	22,533
Improvement of Instruction	33,231	24,652
Educational Media Services	6,952	5,950
General Administration	8,309	5,579
School Administration	36,714	31,803
Business Administration	3,655	3,605
Maintenance and Operations of Plant	62,119	49,953
Student Transportation Services	19,914	16,800
Central Support Services	10,992	9,091
Other Support Services	3,275	2,824
Operations of Non-Instructional Services		
Community Services	10	7
Food Services	27,652	24,024
Interest on Short-Term and Long-Term Debt	2,454	298
Total Expenses	<u>\$ 509,409</u>	<u>\$ 427,738</u>
Change in Net Position	<u>\$ 10,410</u>	<u>\$ 45,669</u>

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Governmental Activities

The Statement of Activities details the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for governmental activities. It identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Cost of service comparisons are provided for fiscal years 2024 and 2023.

TABLE 3
Governmental Activities
(In Thousands)

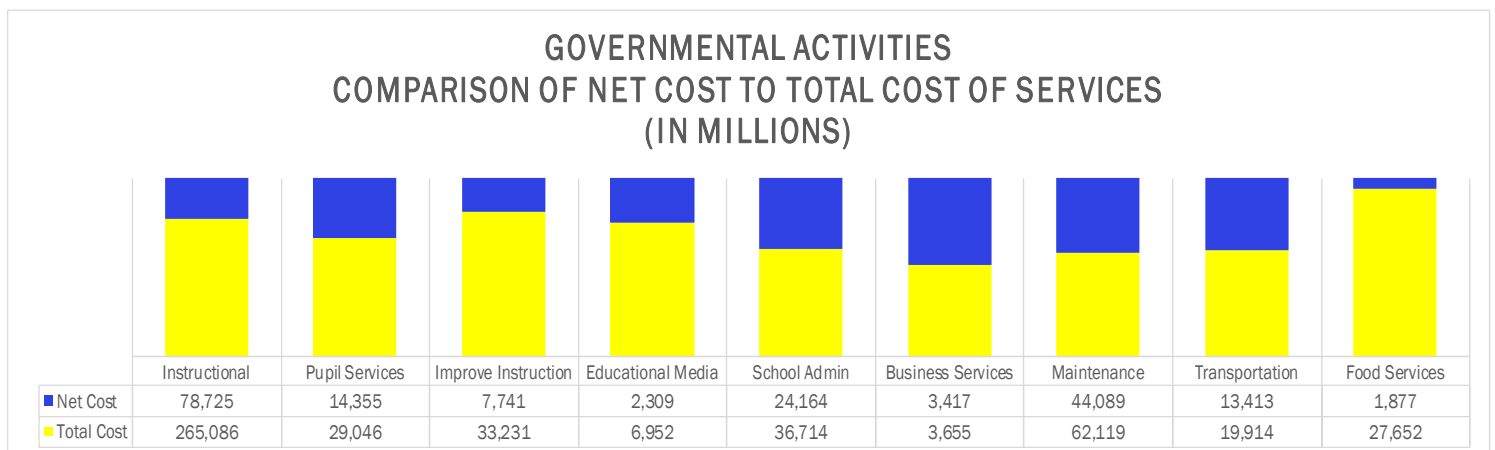
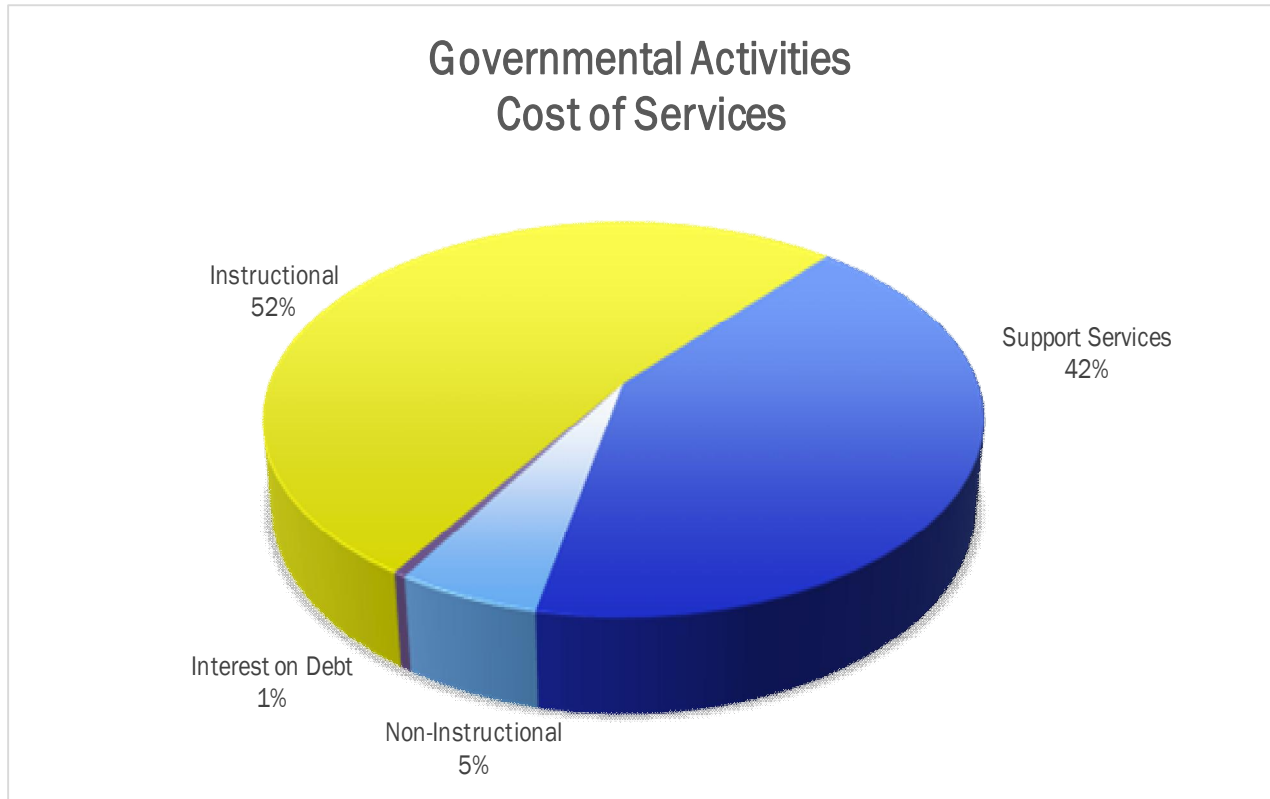
	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023
Instructional	\$ 265,086	\$ 230,619	\$ 78,725	\$ 55,519
Support Services				
Pupil Services	29,046	22,533	14,355	10,551
Improvement of Instruction	33,231	24,652	7,741	3,293
Educational Media Services	6,952	5,950	2,309	1,610
General Administration	8,309	5,579	(1,723)	(2,327)
School Administration	36,714	31,803	24,164	20,438
Support Services Business	3,655	3,605	3,417	3,428
Maintenance and Operation of Plant	62,119	49,953	44,089	35,881
Student Transportation	19,914	16,800	13,413	10,463
Central Support Services	10,992	9,091	4,584	3,625
Other Support Services	3,275	2,824	3,204	2,785
Operations of Non-Instructional Services				
Community Services	10	7	10	7
Food Services	27,652	24,024	1,877	(3,156)
Interest on Short-Term and Long-Term Debt	2,454	298	2,454	298
Total Expense	\$ 509,409	\$ 427,738	\$ 198,619	\$ 142,415

The State's Quality Basic Education Funding (QBE) is not sufficient to provide basic education services or to provide adequate maintenance of the School System's facilities. To provide further funding, the School System levies a millage rate of 16.493 mills in addition to a 1% Education Special Purpose Local Option Sales Tax (SPLOST) authorized by local referendum. The millage rate was approved at a rate of 18.330 mills in August 2024 an increase of 1.837 mills.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The net cost reflects the financial burden placed on the School System's local taxpayers. The increase in the net cost of services indicates that the School System's taxpayers have had to provide a larger percentage of the total cost of services.

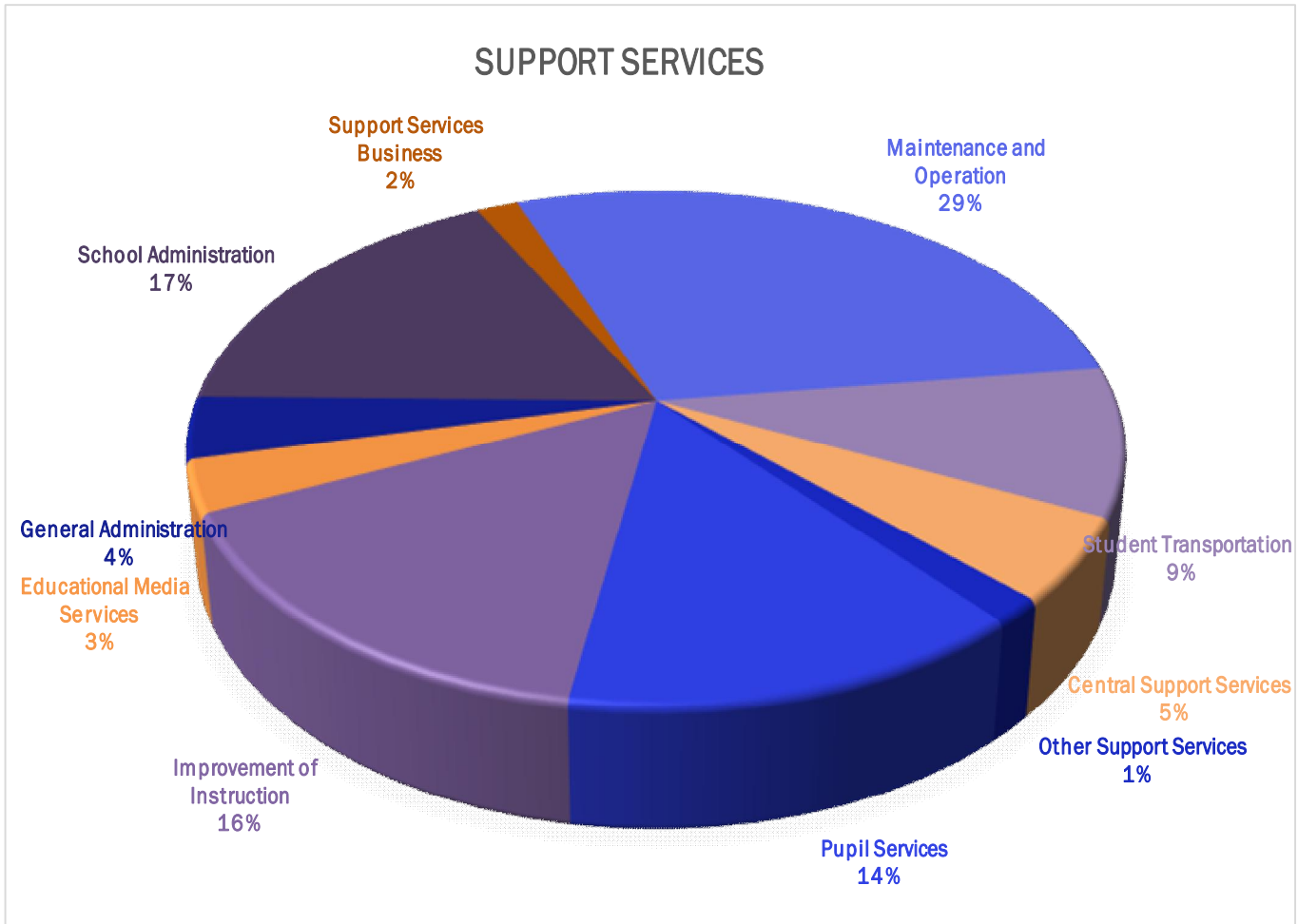
Figure 2.



Instruction expenditures include activities related to the interaction between students and teachers. Instruction expenditures account for the largest percentage of the cost of service for governmental activities.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Figure 3.



Support services include activities that assess and supplement the teaching process, assist teachers in developing and evaluating the technique of providing instruction, operation of the educational media centers, administration of the policy of the School System, maintenance of the fiscal responsibilities of the School System, transportation costs, and upkeep of the grounds and facilities.

The School System's Funds

The School System's funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues and other financing sources of \$609.2 million and expenditures and other financing uses of \$578.4 million. The general fund's fund balance reflected a decrease of \$1.2 million, and the capital projects funds increased by \$34.4 million.

The general fund operation's revenues increase is attributed to an increase in state funds, federal funds, and property taxes.

The capital projects fund operation's decrease is related to use of bond proceeds for the Phase 6 Bond construction projects.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

General Fund Budgeting Highlights

The School System's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund. Throughout fiscal year 2024, the School System amended its general fund budget several times. Site-based budgeting is used by the School System and is designed to tightly control total site budgets but allow some management flexibility. The School System's top management monitors a detailed report comparing actual revenues and expenditures to budget on a monthly basis. Site management has access to this information on a demand basis through a report available using the School System's accounting software.

For the general fund, the final budgeted revenues of \$500.3 million were less than the original budget of \$487.0 million by \$13.3 million. Actual revenues were less than budgeted revenues by \$46.2 million. The final budgeted expenditures of \$513.8 million were less than the original budget of \$500.1 million by \$13.7 million. Actual expenditures were \$57.5 million less than the final budgeted amount. The significant difference in the comparison of the budget to actual expenditures is the result of many of the federal program funds being budgeted for periods exceeding the fiscal year or crossing two fiscal years. The actual fund balance decreased by \$1.2 million.

Capital Assets and Debt Administration

At the end of fiscal year 2024, the School System had capital assets and right-to-use assets of \$754.2 million, net of accumulated depreciation and amortization.

The primary increase occurred in construction work in progress. Due to funding from a Special Purpose Local Option Sales Tax and a bond issue, the School System is building and renovating numerous schools.

Table 4 shows comparative statements for 2024 and 2023.

TABLE 4
CAPITAL ASSETS
(Net of Depreciation and Amortization, in Thousands)

	Governmental Activities June 30, 2024	Governmental Activities June 30, 2023
Land	\$ 18,555	\$ 18,571
Construction Work in Progress	101,838	55,868
Works of Art	42	42
Building and Building Improvements	601,983	599,456
Equipment	23,045	18,275
Land Improvements	7,130	8,087
Right-to-Use Equipment	75	117
Right-to-Use Subscription Based Assets	1,500	1,803
Total Capital Assets, Net of Depreciation and Amortization	<u>\$ 754,168</u>	<u>\$ 702,219</u>

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Debt

On June 30, 2024, the School System had \$126.0 million in general obligation bonds, with \$31.5 million due within one year. Debt comparisons between fiscal year 2024 and 2023 are shown below.

TABLE 5
DEBT
(in Thousands)

	Governmental Activities June 30, 2024	Governmental Activities June 30, 2023
General Obligation Bonds	\$ 126,050	\$ 74,655
Arbitrage	961	961
Lease Liability	272	482
Subscription Based License Liability	1,401	1,696
Compensated Absences	2,444	2,280
Unamortized Bond Premium	3,436	3,141
Total Debt	<u>\$ 134,564</u>	<u>\$ 83,215</u>

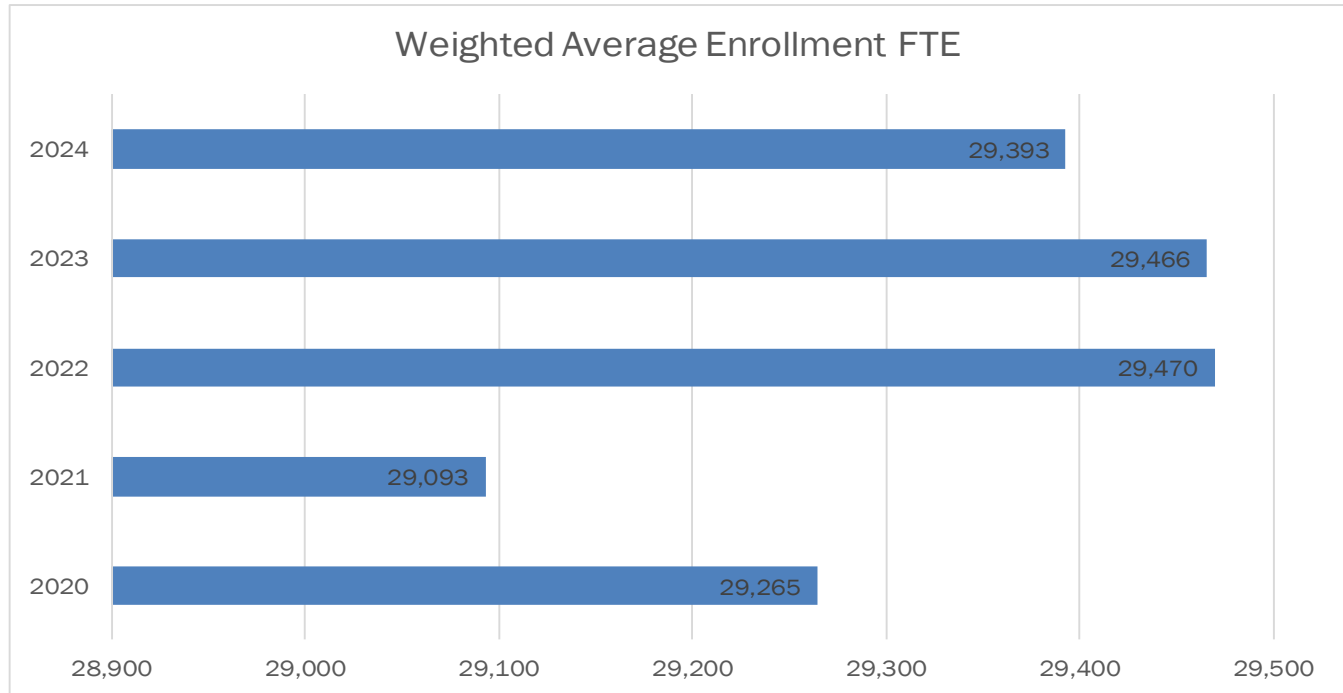
Current Issues

The Richmond County Board of Education has maintained its economic stability by budgeting conservatively and monitoring its expenditures. Areas of concern are the rising costs in employee benefits and declining student growth.

Student enrollment is the driving factor in the State's education funding formula. Student enrollment is converted to a "Full Time Equivalent" (FTE) for funding purposes. As student enrollment and FTE decrease so does State funding.

The School System showed a decrease in the weighted average of full-time equivalent students. From 2023 to 2024 the weighted average of full-time equivalent students decreased by 73 students. The figure shown below shows the trend in the School System's enrollment over the past five years.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024



The School System has maintained classroom size waivers and made certain efforts to reduce operating expenses to help offset increases in pension contribution rate increases.

Contacting the School System's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School System's finances and to reflect the School System's accountability for the funds it receives. For questions about this report or additional financial information, please contact the Chief Financial Officer or the Director of Budget and Finance, Richmond County Board of Education, 864 Broad Street, Augusta, GA 30901.

RICHMOND COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2024

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 113,306,572
Investments	103,963,460
Receivables, Net	
Taxes	8,550,466
State Government	27,438,441
Federal Government	10,582,037
Lease	90,130
Other	356,611
Inventories	1,456,660
Prepaid Items	778,296
Other Current Assets	-
Intangible Right-to-Use Assets (Net of Accumulated Amortization)	75,436
Subscription Right-to-Use Assets (Net of Accumulated Amortization)	1,499,560
Capital Assets, Non-Depreciable	120,435,242
Capital Assets, Depreciable (Net of Accumulated Depreciation)	632,157,737
	<hr/>
Total Assets	1,020,690,648
	<hr/>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	127,464,911
Related to OPEB Plan	48,174,233
	<hr/>
Total Deferred Outflows of Resources	175,639,144
	<hr/>
<u>LIABILITIES</u>	
Accounts Payable	10,612,641
Salaries and Benefits Payable	31,557,933
Interest Payable	1,575,625
Claims Incurred but not Reported (IBNR)	2,614,552
Contracts Payable	8,502,303
Retainages Payable	5,377,466
Deposits and Unearned Revenue	527,999
Net Pension Liability	377,786,238
Net OPEB Liability	181,974,975
Long-Term Liabilities	
Due Within One Year	34,053,154
Due in More Than One Year	100,510,628
	<hr/>
Total Liabilities	755,093,514
	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Lease Revenue	90,130
Related to Defined Benefit Pension Plans	8,282,975
Related to OPEB Plans	80,146,456
	<hr/>
Total Deferred Inflows of Resources	88,519,561
	<hr/>
<u>NET POSITION</u>	
Net Investment in Capital Assets	667,158,919
Restricted for	
Continuation of Federal Programs	8,530,294
Debt Service	34,859,500
Capital Projects	94,604,215
Other	5,149,435
Unrestricted Deficit	(457,585,646)
	<hr/>
Total Net Position	\$ 352,716,717
	<hr/>

The notes to the basic financial statements are an integral part of this statement.

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

	<u>EXPENSES</u>
<u>GOVERNMENTAL ACTIVITIES</u>	
Instruction	\$ 265,086,034
Support Services	
Pupil Services	29,045,849
Improvement of Instructional Services	33,230,922
Educational Media Services	6,952,309
General Administration	8,308,667
School Administration	36,714,616
Business Administration	3,654,710
Maintenance and Operation of Plant	62,119,058
Student Transportation Services	19,914,116
Central Support Services	10,992,186
Other Support Services	3,274,700
Operations of Non-Instructional Services	
Community Services	10,194
Food Services	27,652,082
Interest on Short-Term and Long-Term Debt	<u>2,453,858</u>
Total Governmental Activities	<u>\$ 509,409,301</u>
General Revenues	
Taxes	
Property Taxes	
For Maintenance and Operations	
Railroad Cars	
Other Taxes	
Sales Taxes	
Special Purpose Local Option Sales Tax	
For Debt Service	
For Capital Projects	
Other Sales Tax	
Grants and Contributions not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Transfers	
Gain on sale of assets	
Total General Revenues and Special Items	
Change in Net Position	
Net Position - Beginning of Year	
Net Position - End of Year	

EXHIBIT "B"

PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
\$ 640,835	\$ 185,449,540	\$ 270,845	\$ (78,724,814)
-	14,657,857	32,318	(14,355,674)
-	25,489,266	131	(7,741,525)
-	4,643,446	-	(2,308,863)
-	10,031,510	537	1,723,380
-	12,495,026	55,622	(24,163,968)
-	232,996	4,933	(3,416,781)
92,994	16,655,330	1,281,551	(44,089,183)
-	6,410,980	90,424	(13,412,712)
-	6,368,696	39,696	(4,583,794)
-	13,157	56,923	(3,204,620)
-	-	541	(9,653)
804,844	24,906,541	64,029	(1,876,668)
-	-	-	(2,453,858)
<u>\$ 1,538,673</u>	<u>\$ 307,354,345</u>	<u>\$ 1,897,550</u>	<u>(198,618,733)</u>
			109,514,278
			119,998
			11,248,876
			37,226,290
			18,786,666
			1,492,911
			13,058,644
			10,322,273
			5,893,930
			<u>1,365,000</u>
			<u>209,028,866</u>
			10,410,133
			<u>342,306,584</u>
			<u>\$ 352,716,717</u>

The notes to the basic financial statements are an integral part of this statement.

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 78,767,757	\$ 34,520,933	\$ 17,882	\$ 113,306,572
Investments	154,711	68,967,130	34,841,619	103,963,460
Receivables, Net				
Taxes	3,950,446	4,600,020	-	8,550,466
State Government	27,438,441	-	-	27,438,441
Federal Government	10,582,037	-	-	10,582,037
Lease	90,130	-	-	90,130
Other	356,611	-	-	356,611
Inventories	1,456,660	-	-	1,456,660
Prepaid Items	778,296	-	-	778,296
Total Assets	\$ <u>123,575,089</u>	\$ <u>108,088,083</u>	\$ <u>34,859,501</u>	\$ <u>266,522,673</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 10,612,641	\$ -	\$ -	\$ 10,612,641
Salaries and Benefits Payable	31,557,933	-	-	31,557,933
Contracts Payable	368,323	8,133,980	-	8,502,303
Retainages Payable	27,578	5,349,888	-	5,377,466
Deposits and Unearned Revenue	527,999	-	-	527,999
Total Liabilities	43,094,474	13,483,868	-	56,578,342
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	2,016,978	-	-	2,016,978
Lease Revenue	90,130	-	-	90,130
Total Deferred Inflows of Resources	2,107,108	-	-	2,107,108
<u>FUND BALANCES</u>				
Nonspendable	2,234,956	-	-	2,234,956
Restricted	8,034,724	94,604,215	34,859,501	137,498,440
Committed	3,864,999	-	-	3,864,999
Unassigned	64,238,828	-	-	64,238,828
Total Fund Balances	78,373,507	94,604,215	34,859,501	207,837,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>123,575,089</u>	\$ <u>108,088,083</u>	\$ <u>34,859,501</u>	\$ <u>266,522,673</u>

The notes to the basic financial statements are an integral part of this statement.

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	207,837,223
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Land	\$	18,554,963	
Construction in progress		101,838,279	
Buildings and improvements		902,589,712	
Equipment		81,549,010	
Land improvements		24,819,352	
Works of art		42,000	
Accumulated depreciation		<u>(376,800,337)</u>	752,592,979

Right-to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Leased Equipment		210,431	
Subscription Assets		2,341,454	
Accumulated amortization - Right to use assets		<u>(976,889)</u>	1,574,996

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

Net pension liability	\$	(377,786,238)	
Net OPEB liability		<u>(181,974,975)</u>	(559,761,213)

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	\$	119,181,936	
Related to OPEB		<u>(31,972,223)</u>	87,209,713

Taxes that are not available to pay for current period expenditures are deferred in the funds.		2,016,978
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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 and notes payable	\$	(126,050,000)	
Lease Liability Payable		(272,555)	
SBITA Liability Payable		(1,401,122)	
Accrued interest payable		(1,575,625)	
Bond arbitrage payable		(960,588)	
Compensated absences payable		(2,443,876)	
Premium on issuance of bonds		(3,435,641)	
Claims Incurred but not Reported (IBNR)		<u>(2,614,552)</u>	(138,753,959)

Net position of governmental activities (Exhibit "A")	\$	<u>352,716,717</u>
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The notes to the basic financial statements are an integral part of this statement.

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 121,396,937	\$ -	\$ -	\$ 121,396,937
Sales Taxes	1,492,912	18,786,666	37,226,290	57,505,868
State Funds	203,309,085	1,897,550	-	205,206,635
Federal Funds	116,357,474	-	-	116,357,474
Charges for Services	1,538,673	-	-	1,538,673
Investment Earnings	4,163,816	5,047,544	488,864	9,700,224
Miscellaneous	5,893,930	-	-	5,893,930
Total Revenues	<u>454,152,827</u>	<u>25,731,760</u>	<u>37,715,154</u>	<u>517,599,741</u>
<u>EXPENDITURES</u>				
Current				
Instruction	243,455,117	2,924,654	-	246,379,771
Support Services				
Pupil Services	26,470,318	-	-	26,470,318
Improvement of Instructional Services	32,038,732	-	-	32,038,732
Educational Media Services	6,543,631	-	-	6,543,631
General Administration	6,663,281	1,246,518	-	7,909,799
School Administration	32,988,910	-	-	32,988,910
Business Administration	3,344,718	-	-	3,344,718
Maintenance and Operation of Plant	38,656,382	2,184,647	-	40,841,029
Student Transportation Services	18,707,358	457,778	-	19,165,136
Central Support Services	13,139,935	-	-	13,139,935
Other Support Services	2,202,473	-	-	2,202,473
Food Services Operation	26,884,754	-	-	26,884,754
Capital Outlay	4,398,906	75,191,954	-	79,590,860
Debt Services				
Principal	674,639	-	35,375,000	36,049,639
Dues and Fees	-	-	4,250	4,250
Interest	122,730	-	4,716,340	4,839,070
Total Expenditures	<u>456,291,884</u>	<u>82,005,551</u>	<u>40,095,590</u>	<u>578,393,025</u>
Revenues over (under) Expenditures	<u>(2,139,057)</u>	<u>(56,273,791)</u>	<u>(2,380,436)</u>	<u>(60,793,284)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of Bonds	-	90,096,821	-	90,096,821
Sale of Capital Assets	1,365,000	-	-	1,365,000
Subscription Liability Proceeds	169,847	-	-	169,847
Transfers In	-	600,000	-	600,000
Transfers Out	(600,000)	-	-	(600,000)
Total Other Financing Sources (Uses)	<u>934,847</u>	<u>90,696,821</u>	<u>-</u>	<u>91,631,668</u>
Net Change in Fund Balances	(1,204,210)	34,423,030	(2,380,436)	30,838,384
Fund Balances - Beginning	<u>79,577,717</u>	<u>60,181,185</u>	<u>37,239,937</u>	<u>176,998,839</u>
Fund Balances - Ending	<u>\$ 78,373,507</u>	<u>\$ 94,604,215</u>	<u>\$ 34,859,501</u>	<u>\$ 207,837,223</u>

The notes to the basic financial statements are an integral part of this statement.

RICHMOND COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ 30,838,384

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	\$	75,846,353	
Intangible right-to-use outlay		169,847	
Depreciation expense		(22,510,968)	
Amortization expense		(514,696)	
		52,990,536	52,990,536

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. (1,041,685)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (513,785)

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

General obligation bonds issued, including a premium of \$3,326,821		(90,096,821)	
Bond principal retirements		35,375,000	
Amortization on bond premium		3,031,899	
Lease liability payments		209,912	
Subscription asset - liability proceeds		(169,847)	
Subscription asset - payments		464,727	

District pension 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 liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Net pension expense		(35,233,807)	
Net OPEB expense		14,850,555	

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

Accrued interest on issuance of bonds	\$	(642,437)	
Compensated absences		(163,859)	
Claims and judgments		511,361	(294,935)

Change in net position of governmental activities (Exhibit "B") \$ 10,410,133

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: DESCRIPTION OF SCHOOL SYSTEM AND REPORTING ENTITY

Reporting Entity

The Richmond Board of Education (School System) 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 System 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 System 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 System 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 System's accounting policies are described below.

Basis of Presentation

The School System'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 System 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 System. 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 System'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 System'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 System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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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 System related to the administration and support of the School System'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 System's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School System reports the following major governmental funds:

- The general fund is the School System'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, lease proceeds, and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School System 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 System uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School System considers certain revenues reported in the governmental funds to be available if they are

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collected within 60 days after year-end. The School System considers all intergovernmental revenues to be available if they are collected within 60 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 long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases and subscriptions are reported as other financing sources.

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

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

Receivables

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

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

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

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

Amortization of intangible assets such as water, timber and mineral rights, easements, patents, trademarks, copyrights, and internally generated software is computed using the straight-line method over the estimated useful lives of the assets.

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	\$ 5,000	20 years
Buildings and Improvements	\$ 100,000	25 to 30 years
Equipment	\$ 5,000	5 to 30 years
Bulk Purchases	\$ 1,000,000	5 to 10 years
Intangible Assets	\$ 1,000,000	5 years
Infrastructure	\$ 1,000,000	65 years
Vehicles	\$ 5,000	8 years
Works of Art	Any Amount	N/A

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During the fiscal year, management approved a \$1,000,000 capital asset threshold for bulk purchases. The changes in threshold did not have a material or significant impact on the financial statements.

Intangible Right-To-Use Assets

Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. Subscription-based information technology arrangements (SBITAs) result in an intangible right-to use subscription asset and a subscription liability on the Statement of Net Position.

An intangible right-to-use asset represents the School System's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the School System's liability to make lease and subscription payments arising from the lease or subscription agreement. Intangible right-to-use assets, lease obligations and subscription liabilities are recognized based on the present value of lease or subscription payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease or subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or subscription term or useful life of the underlying asset.

Capitalization thresholds of intangible right-to-use assets reported in the government-wide statements are as follows:

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Equipment	\$ 5,000	5 to 30 years
Subscription Assets	\$ 50,000	5 to 30 years

Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight-line basis over the lease term.

Leases as Lessee

The School System is a lessee for noncancellable leases of equipment owned by third parties.

At the commencement of a lease, the School System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the School System determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

The lease agreements entered into by the School System as lessee do not contain stated interest rates. Therefore, the School System has used its estimated incremental borrowing rate as the discount rate for the leases. The School System has estimated this incremental borrowing rate to be 1.0% to 9.89% for the leases in which the School System is currently involved as the lessee.

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The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments the School System will make over the lease term.

The School System monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and long-term debt on the Statement of Net Position.

Leases as Lessor

The School System is a lessor for building space owned by the School System. The School System recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in the Statement of Net Position.

At the commencement of a lease, the School System initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources for deferred lease receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee. Subsequently, the deferred inflow of resources is amortized on a straight-line basis over the lease term.

Key estimates and judgments related to leases include how the School System determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The lease agreements entered into by the School System do not contain stated interest rates. Therefore, the School System has used its estimated incremental borrowing rate as the discount rate for the leases. The School System has estimated this incremental borrowing rate to be 1.0% to 5.0% for the leases in which the School System is currently involved as the lessor.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the School System will receive over the lease term.

The School System monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

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Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School System pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

In the School System'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 effective interest method. 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 System 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.

Post-Employment Benefits Other Than Pensions (SEAD - 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 State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) plan (the Plan) and additions to/deductions from the SEAD-OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, death benefits are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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Fund Balances

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

The School System'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 System'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 System'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 Augusta-Richmond County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on September 7, 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 Augusta-Richmond County Tax Commissioner bills and collects the property taxes for the School System, withholds 2.50% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School System. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$109,514,278.

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

School Operations	<u>16.493</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$11,248,876 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 \$56,012,956 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 System's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America. The budget for the general fund was not prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School System'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 System'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.

The Superintendent is authorized by the Board to approve adjustments of no more than 10 % of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 10% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds \$100,000 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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, CASH EQUIVALENTS AND INVESTMENTS

Collateralization of Deposits

O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School System's deposits may not be returned to it. The School System has a formal deposit policy for custodial risk in place, wherein there will not be on deposit at any time in any depository for a time longer than 10 days a sum of public-derived money which has not been secured by surety bond, by guarantee of insurance, or by collateral in an amount of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. At June 30, 2024, the School System had deposits with a carrying amount of \$21,812,057, and a bank balance of \$25,075,843. The bank balances insured by Federal depository insurance were \$411,358 and the bank balances collateralized with securities held by the pledging financial institution in the School System's name were \$0.

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At June 30, 2024, \$24,664,485 of the School System's bank balance was exposed to custodial credit risk as follows:

Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the School System's name	\$ <u>24,664,485</u>
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Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Cash and cash equivalents Statement of Net Position	\$ <u>113,306,572</u>
Total cash and cash equivalents	\$ 113,306,572
Less:	
Cash on hand	511
Investment pools reported as cash and cash equivalents Georgia Fund 1	\$ <u>91,494,004</u>
Total carrying value of deposits - June 30, 2024	\$ <u>21,812,057</u>

Categorization of Cash Equivalents

The School System reported cash equivalents of \$91,494,004 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2024 was 33 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School System 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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Categorization of Investments

At June 30, 2024, the School System had the following investments:

Investment Type	Fair Value	Investment Maturity			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More than 10 Years
Debt Securities					
U. S. Treasuries	\$ 103,808,749	\$ 103,808,749	\$ -	\$ -	\$ -
	<u>103,808,749</u>	<u>\$ 103,808,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments					
Equity Securities - Domestic	<u>154,711</u>				
Total Investments	<u>\$ 103,963,460</u>				

Fair Value of Investments

The School System measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2024 the School System had the following investments by fair value level:

Investments by fair value level:	Fair Value	Level 1	Level 2	Level 3
U. S. Treasuries	\$ 103,808,749	\$ 103,808,749	\$ -	\$ -
Equity Mutual Funds - Domestic	<u>154,711</u>	<u>154,711</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 103,963,460</u>	<u>\$ 103,963,460</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School System's policy for managing interest rate risk is to maintain an investment portfolio designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the investment risk and cash flow requirements.

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Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School System will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School System's policy for managing custodial credit risk is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the School System and conforming to all state and local statutes governing the investment of local funds.

As of June 30, 2024, the School System did not have any investments to which this risk would apply.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School System's policy for managing credit quality risk is in line with the authorities granted under O.C.G.A. §36-83-4. The Superintendent or designee may authorize the investment of proceeds derived from the sale of general obligation bonds in any of the instruments authorized under O.C.G.A. §36-82-7, and may authorize investment of idle surplus funds to the extent practical in qualifying assets.

The investments subject to credit quality risk are reflected below:

Rated Debt Investments	Fair Value	Quality Ratings				
		AAA	AA	A	A1	Unrated
Debt Securities						
U. S.Treasuries	\$ 103,808,749	\$ 103,808,749	\$ -	\$ -	\$ -	\$ -
Totals by Quality Ratings	\$ 103,808,749	\$ 103,808,749	\$ -	\$ -	\$ -	\$ -

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EXHIBIT "G"

NOTE 5: CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE 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:				
Works of Art	\$ 42,000	\$ -	\$ -	\$ 42,000
Land	18,570,963	-	16,000	18,554,963
Construction in Progress	55,867,685	67,519,967	21,549,373	101,838,279
Total Capital Assets				
Not Being Depreciated	74,480,648	67,519,967	21,565,373	120,435,242
Capital Assets,				
Being Depreciated				
Buildings and Improvements	883,234,233	21,549,373	2,193,894	902,589,712
Equipment	74,129,695	8,326,386	907,071	81,549,010
Land Improvements	24,837,263	-	17,911	24,819,352
Total Capital Assets				
Being Depreciated	982,201,191	29,875,759	3,118,876	1,008,958,074
Less Accumulated				
Depreciation:				
Buildings and Improvements	283,777,984	18,027,186	1,198,221	300,606,949
Equipment	55,854,790	3,526,574	877,059	58,504,305
Land Improvements	16,749,786	957,208	17,911	17,689,083
Total Accumulated				
Depreciation	356,382,560	22,510,968	2,093,191	376,800,337
Total Capital Assets,				
Being Depreciated, Net	625,818,631	7,364,791	1,025,685	632,157,737
Governmental Activities				
Capital Assets - Net	\$ 700,299,279	\$ 74,884,758	\$ 22,591,058	\$ 752,592,979

The capital assets above include significant amounts of buildings and improvements that have been valued at estimated historical cost. The estimated historical cost was based on (standard costing, normal costing, replacement cost).

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Current year depreciation expense by function is as follows:

Instruction		\$ 3,272,430
Support Services		
Pupil Services	\$ 392,149	
Improvements of Instructional Services	1,596	
General Administration	3,291	
School Administration	674,922	
Maintenance and Operation of Plant	15,160,873	
Student Transportation Services	1,073,626	
Central Support Services	457,884	
Other Support Services	690,705	
Community Services	6,567	18,461,613
Food Services		776,925
		<u>\$ 22,510,968</u>

The following is a summary of changes in the intangible right-to-use assets for governmental activities during the fiscal year:

	Balances July 1, 2023	Increases	Decreases	Balance June 30, 2024
Intangible Right-to-Use Assets				
Equipment	\$ 210,431	\$ -	\$ -	\$ 210,431
Subscription Assets	2,171,607	169,847	-	2,341,454
Total Intangible Right-to-Use Assets	2,382,038	169,847	-	2,551,885
Less Accumulated Amortization:				
Equipment	92,909	42,086	-	134,995
Subscription Assets	369,284	472,610	-	841,894
Total Accumulated Amortization, Intangible Right-to-Use Assets	462,193	514,696	-	976,889
Governmental Activities				
Intangible Right-to-Use Assets - Net	\$ 1,919,845	\$ (344,849)	\$ -	\$ 1,574,996

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Current year amortization expense by function is as follows:

Instruction		\$	14,018
Support Services			
General Administration	\$	3,225	
Business Administration		59,852	
Maintenance and Operation of Plant		390,224	
Student Transportation Services		23,590	
Central Support Services		23,787	<u>500,678</u>
		\$	<u><u>514,696</u></u>

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Transfers

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

		Transfers from:
		General Fund
		<u> </u>
Transfers to:		
Capital Projects Fund	\$	<u>600,000</u>
	\$	<u><u>600,000</u></u>

Transfers are used to move property tax revenues collected by the general fund to capital projects fund as required match or supplemental funding source for capital construction projects.

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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
General Obligation (G.O.) Bonds	\$ 74,655,000	\$ 86,770,000	\$ 35,375,000	\$ 126,050,000
Unamortized Bond Premiums	3,140,719	3,326,821	3,031,899	3,435,641
Arbitrage	960,588	-	-	960,588
Leases	482,467	-	209,912	272,555
Subscription Liabilities	1,696,002	169,847	464,727	1,401,122
Compensated Absences(1)	2,280,017	1,838,828	1,674,969	2,443,876
	<u>\$ 83,214,793</u>	<u>\$ 92,105,496</u>	<u>\$ 40,756,507</u>	<u>\$ 134,563,782</u>

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

General Obligation Bonds

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

The School System 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 System. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School System to be transferred to the Debt Service Account Custodian for the payment of debt.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2021	2.00% - 5.00%	2021	2026	\$ 74,655,000	\$ 39,280,000
General Government - Series 2023	2.00% - 5.00%	2023	2028	86,770,000	86,770,000
				<u>\$ 161,425,000</u>	<u>\$ 126,050,000</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized Bond Premium
	Principal	Interest	
2025	\$ 31,500,000	\$ 5,121,250	\$ 1,842,006
2026	32,465,000	3,818,625	987,545
2027	33,455,000	2,267,875	502,853
2028	28,630,000	715,750	103,237
<hr/>			
Total Principal and Interest	<u>\$ 126,050,000</u>	<u>\$ 11,923,500</u>	<u>\$ 3,435,641</u>

Leases

The School System has acquired copiers and postage machines under the provisions of various contracts that convey control of the right to use another entity's asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as leases for accounting purposes.

The following is a summary of the carrying values of intangible right-to-use assets under lease at June 30, 2024:

	Governmental Activities
Equipment	\$ 210,431
Less: Accumulated Amortization	<u>134,995</u>
	<u>\$ 75,436</u>

Leases currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
MFP Copiers	9.89%	7/22/2020	6/22/2025	\$ 849,471	\$ 203,220
Postage Machines	1.00%	10/1/2019	9/30/2024	16,126	885
Printshop Copiers	9.54%	2/16/2022	1/16/2027	<u>118,934</u>	<u>68,450</u>
				<u>\$ 984,531</u>	<u>\$ 272,555</u>

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EXHIBIT "G"

The following is a schedule of total lease payments:

<u>Fiscal Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 228,630	\$ 16,535
2026	26,969	3,031
2027	16,956	543
	<hr/>	<hr/>
Total Principal and Interest	\$ <u>272,555</u>	\$ <u>20,109</u>

Subscription Liabilities

The School System has entered into certain subscription-based contracts to use vendor-provided information technology (IT) under the provisions of various contracts that convey control of the right-to-use another entity's asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as subscription liabilities for accounting purposes. The subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the subscription based information technology arrangement term.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

The following is a summary of the carrying values of intangible right-to-use assets under lease at June 30, 2024:

	<u>Governmental Activities</u>
Subscription Assets	\$ 2,341,454
Less: Accumulated Amortization	<u>841,894</u>
	<u>\$ 1,499,560</u>

During the current fiscal year, the School System entered into a subscription agreement for the right-to-use transportation software at a cost of \$169,847 with a down payment of \$59,399. This subscription liability qualifies as a subscription liability for accounting purposes, and, therefore, has been recorded at the present value of the future minimum subscription payments as of the date of inception.

At the commencement of the subscription-based information technology arrangement (SBITA), the School System initially measures the subscription liability at the present value of payments expected to be made during the term of the SBITA. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The right-to-use subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the SBITA term.

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Subscription liabilities currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Time and Attendance	5.00%	September 2022	June 2026	\$ 238,530	\$ 121,856
Security	5.00%	August 2022	August 2027	2,146,000	1,168,818
Transportation	5.00%	February 2024	February 2027	169,847	110,448
				<u>\$ 2,554,377</u>	<u>\$ 1,401,122</u>

The following is a schedule of total subscription liability payments:

Fiscal Year Ended June 30:	Principal	Interest
2025	\$ 482,518	\$ 70,056
2026	509,842	45,930
2027	408,762	20,438
	<u>1,401,122</u>	<u>136,424</u>
Total Principal and Interest	\$ 1,401,122	\$ 136,424

Compensated Absences

Compensated absences represent obligations of the School System relating to employees' rights to receive compensation for future absences based upon service already rendered. This obligation relates only to vesting accumulating leave in which payment is probable and can be reasonably estimated. Typically, the general fund is the fund used to liquidate this long-term debt. The School System uses the vesting method to compute compensated absences.

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

The School System 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 describe below, the School System carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceed commercial insurance coverage in any of the past three fiscal years.

The School System has elected to self-insure for losses related to torts, assets and natural disasters. In addition, the School System has elected to self-insure for errors or omissions, which includes, among other risks, risks for sexual harassment and discrimination. The School System has not experienced any losses related to these risks in the past three years.

Georgia School Boards Association Risk Management Fund

The School System 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

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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 System 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

The School System has established a limited risk management program for workers' compensation claims. In connection with this program, a self-insurance reserve has been established within the general fund by the School System. The School System 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. An excess coverage insurance policy covers individual claims in excess of \$1,000,000 loss per occurrence, up to \$2,000,000.

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

		Beginning of Year Liability		Claims and Changes in Estimates		Claims Paid		End of Year Liability
2023	\$	3,179,871	\$	1,643,261	\$	1,697,219	\$	3,125,913
2024	\$	3,125,913	\$	1,672,708	\$	2,184,069	\$	2,614,552

Unemployment Compensation

The School System is self-insured with regard to unemployment compensation claims. In connection with this program, a self-insurance reserve has been established within the general fund by the School System. The School System accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

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

		Beginning of Year Liability		Claims and Changes in Estimates		Claims Paid		End of Year Liability
2023	\$	361,962	\$	46,371	\$	-	\$	408,333
2024	\$	408,333	\$	50,420	\$	-	\$	458,753

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Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000
President	\$ 50,000
Vice President	\$ 50,000
Chief Financial Officer	\$ 50,000
Deputy Superintendent	\$ 50,000
Director of Budget and Finance	\$ 20,000
Accounting Supervisors	\$ 20,000
Accounting and Professional Learning Bookkeepers	\$ 10,000
Each Principal	\$ 5,000
Each School Bookkeeper	\$ 5,000
Each High School Business Manager	\$ 5,000
Each Lunchroom Manager	\$ 5,000

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

<u>FUND BALANCES</u>		
Nonspendable		
Inventories	\$ 1,456,660	
Prepaid Assets	778,296	\$ 2,234,956
Restricted		
Capital Projects	\$ 94,604,215	
Continuation of Federal Programs	7,922,811	
Debt Service	34,859,501	
Scholarships	111,913	137,498,440
Committed		
Athletics	\$ 24,700	
Employee Benefits	774,029	
School Activity Accounts	3,066,270	3,864,999
Unassigned		64,238,828
Fund Balance, June 30, 2024		\$ 207,837,223

When multiple categories of fund balance are available for an expenditure, the School System 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 System to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 5-10% of prior year general fund budgeted

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expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. §20-2-167(a)5. If the unassigned fund balance at fiscal year-end falls below the goal, the School System shall develop a restoration plan to achieve and maintain the minimum fund balance.

NOTE 10: SIGNIFICANT COMMITMENTS

Commitments Under Construction Contracts

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

Project	Project Number	Unearned Executed Contracts (1)	Payments through June 30, 2024 (2)	Funding Available From State (1)
Central Office	B-21-024-0422.2	\$ 89,765	\$ 147,783	\$ -
Tubman HVAC Project	B-22-035-0452	517,000	128,000	-
Academy of Richmond County High School	B-21-005-4060.2	17,058,294	14,432,291	-
Gracewood Elementary School	B-21-017-4054	442,800	624,245	502,920
Hornsby Elementary School	B-21-003-0210	4,171,274	966,979	582,992
Richmond Middle School	B-21-001-1052.2	1,311,085	29,929,867	-
Belair Middle School	B-21-001-1062.2	3,000,000	26,825,836	-
Meadowbrook Elementary HVAC Project	B-21-022-0177	320,000	483,450	-
Maintenance & Facilities Project	B-21-012-0445	185,495	1,204,835	-
Wilkinson Gardens	B-21-019-0104	352,500	214,500	518,255
		<u>\$ 27,448,213</u>	<u>\$ 74,957,787</u>	<u>\$ 1,604,167</u>

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

(2) Payments include Contracts and Retainages Payable at year end.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Arbitrage Rebate Tax

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of Investment Income received at yields that exceed the issuer's tax-exempt borrowing rates. The U. S. Treasury requires payment every five years, or upon maturity of the bonds, whichever is earlier. The arbitrage calculation resulted in \$960,588 of possible excess earnings, which has the potential of being rebated to the IRS. At June 30, 2024, this amount is reported as a reserve for arbitrage commitments in Governmental activities.

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

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of the School System. However, the School System believes that such disallowances, if any, will be immaterial to its overall financial position.

Litigation

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

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School System were \$6,673,894 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 System reported a liability of \$182,001,898 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 System'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 System's proportion was 1.6616%, which was a decrease of 0.00656% from its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the School System recognized OPEB expense of (\$8,184,313). At June 30, 2024, the School System 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	\$ 5,305,054	\$ 52,273,083
Changes of assumptions	33,066,167	22,729,276
Net difference between projected and actual earnings on OPEB plan investments	109,192	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	3,001,660	5,144,097
School System contributions subsequent to the measurement date	6,673,985	-
Total	\$ 48,156,058	\$ 80,146,456

School System 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	\$ (8,240,302)
2026	\$ (9,766,682)
2027	\$ (10,983,940)
2028	\$ (4,544,643)
2029	\$ 1,271,688
Thereafter	\$ 273,481

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

OPEB:

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

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

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

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

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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

Discount Rate: In order to measure the total OPEB liability for the School OPEB, 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 System's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.68%, as well as what the School System'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:

	<u>1% Decrease (2.68%)</u>	<u>Current Discount Rate (3.68%)</u>	<u>1% Increase (4.68%)</u>
School System's proportionate share of the Net OPEB liability	\$ 206,307,549	\$ 182,001,898	\$ 161,531,403

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Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the School System's proportionate share of the net OPEB liability, as well as what the School System'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 System's proportionate share of the Net OPEB liability	\$ 156,770,506	\$ 182,001,898	\$ 213,106,767

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>.

Post-Employment Benefits Other Than Pensions (SEAD – OPEB)

Plan Description: SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits Provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions: Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2024.

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 (\$26,923) for its proportionate share of the net OPEB liability. The net OPEB asset 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 System's proportion of the net OPEB liability was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2023. At June 30, 2023, the School System's proportion was 0.006105% which was a decrease of (0.002028) % from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School System recognized OPEB expense of \$9,242. At June 30, 2024, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SEAD-OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 172	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	1,455	-
Changes in proportion and differences between School System contributions and proportionate share of contributions	3,708	-
School System contributions subsequent to the measurement date	<u>12,840</u>	<u>-</u>
Total	\$ <u>18,175</u>	\$ <u>-</u>

The School System 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, 2024. 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:	SEAD-OPEB
2024	\$ 16,508
2025	\$ (496)
2026	\$ 2,835
2027	\$ (672)

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

SEAD – OPEB:

Inflation	2.50%
Salary increases:	
ERS	3.00% – 6.75%
GJRS	3.75%
LRS	N/A
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Mortality rates are as follows:

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

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

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

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 returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	SEAD - OPEB Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.20%
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 OPEB 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 State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's proportionate share of the net OPEB asset to changes in the discount rate: The following presents the School District's proportionate share of the net OPEB asset calculated using the discount rate of 7.00 %, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 %) or 1-percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net OPEB asset	\$ (18,980)	\$ (26,923)	\$ (33,442)

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS annual comprehensive financial report which is publicly available at www.ers.ga.gov/financials.

NOTE 13: RETIREMENT PLANS

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

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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 System's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School System payroll, of which 99.81% of payroll was required from the School System and 0.19% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$38,503,732 and \$64,077 from the School System and the State, respectively.

Employees' Retirement System

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

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

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

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is

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payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School System's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$18,917 for the current fiscal year.

Public School Employees Retirement System (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$693,649.

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

At June 30, 2024, the School System reported a liability of \$377,786,238 for its proportionate share of the net pension liability for TRS (\$377,649,686) and ERS (\$136,552).

The TRS net pension liability reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel. The amount recognized by the School System 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 System were as follows:

School System's proportionate share of the net pension liability (TRS)	\$ 377,649,686
School System's proportionate share of the net pension liability (ERS)	136,552
School System's proportionate share of net pension liability	<u>377,786,238</u>
State of Georgia's proportionate share of the net pension liability associated with the School System	<u>639,791</u>
Total	<u>\$ 378,426,029</u>

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

At June 30, 2023, the School System's TRS proportion was 1.279115%, which was a decrease of 0.001657% from its proportion measured as of June 30, 2022. At June 30, 2023, the School System's ERS proportion was 0.002289%, which was a decrease of 0.001114% from its proportion measured as of June 30, 2022.

At June 30, 2024, the School System 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 System is \$3,867,638.

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 System 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 System recognized pension expense of \$73,583,127 for TRS, (\$20,854) for ERS and \$698,052 for PSERS and revenue of \$48,738 for TRS and \$698,052 for PSERS. The revenue is support provided by the State of Georgia.

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

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	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,176,543	\$ 1,561,454	\$ 2,074	\$ 320
Changes of assumptions	38,852,044	-	5,254	-
Net difference between projected and actual earnings on pension plan investments	26,561,117	-	5,563	36,568
Changes in proportion and differences between School System contributions and proportionate share of contributions	4,339,667	6,684,633	-	-
School System contributions subsequent to the measurement date	38,503,732	-	18,917	-
Total	<u>\$ 127,433,103</u>	<u>\$ 8,246,087</u>	<u>\$ 31,808</u>	<u>\$ 36,888</u>

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

Year Ended June 30:	TRS		ERS	
2025	\$ 63,304,846	\$ (7,074)		
2026	\$ 15,261,145	\$ (6,578)		
2027	\$ 49,947,506	\$ 11,116		
2028	\$ (9,326,481)	\$ (2,544)		

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

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

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

Employees' Retirement System:

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

Mortality rates are as follows:

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

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

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

Public School Employees Retirement System:

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

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Mortality rates are as follows:

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

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

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

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

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

* Rates shown are net of inflation

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

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Sensitivity of the School System's proportionate share of the net pension liability to changes in the discount rate: The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00%, as well as what the School System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability	\$ 597,108,086 \$	377,649,686 \$	198,432,359
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net pension liability	\$ 187,378 \$	136,552 \$	93,781

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

Defined Contribution Plan

In November 1999, the School System began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School System selected Variable Annuity Life Insurance Company (VALIC) as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal up to 3% of the employee's base pay.

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

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and five years of service to the Richmond County School System. If an employee terminates employment prior to achieving five years of service, funds paid on behalf of the non-vested employee are credited back to the School System.

The vendor for the plan changed to Corebridge Financial in October 2022.

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

EXHIBIT "G"

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

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2024	100%	\$ 288,969
2023	100%	\$ 290,613
2022	100%	\$ 286,375

NOTE 14: TAX ABATEMENTS

Richmond 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 Richmond County.

For the fiscal year ended June 30, 2023, Richmond County abated property taxes due to the School System that were levied on September 7, 2023 and due on November 15, 2023 totaling \$1,916,169. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 100 percent property tax abatement to a Tax Allocation District (TAD 2) employing residents. The TAD provides an abatement of taxes in the amount of \$1,667,742.
- A 100 percent property tax abatement to a Tax Allocation District (TAD 3) employing residents. The TAD provides an abatement of taxes in the amount of \$248,427.

NOTE 15: SUBSEQUENT EVENTS

As of July 1, 2024, the School System increased the employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). For each employee covered under PSERS, the Board began contributing to the plan an amount equal up to 6% of the employee's base pay. Employees may receive matching contributions upon employment with the Richmond County School System.

RICHMOND 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 System's proportion of the net pension liability	School System's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School System	Total	School System's covered payroll	School System's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	1.28%	\$ 377,649,686	\$ 639,791	\$ 378,289,477	\$ 187,976,419	200.90%	76.29%
2023	1.28%	\$ 415,891,426	\$ 703,667	\$ 416,595,093	\$ 174,761,334	237.98%	72.85%
2022	1.34%	\$ 118,875,265	\$ 217,217	\$ 119,092,482	\$ 175,986,671	67.55%	92.03%
2021	1.29%	\$ 311,416,340	\$ 646,779	\$ 312,063,119	\$ 166,173,980	187.40%	77.01%
2020	1.28%	\$ 275,756,267	\$ 573,047	\$ 276,329,314	\$ 156,868,021	175.79%	78.56%
2019	1.34%	\$ 249,114,897	\$ 583,779	\$ 249,698,676	\$ 162,629,880	153.18%	80.27%
2018	1.39%	\$ 258,854,125	\$ 2,859,350	\$ 261,713,475	\$ 165,244,807	156.65%	79.33%
2017	1.42%	\$ 292,228,603	\$ 3,992,533	\$ 296,221,136	\$ 155,958,419	187.38%	76.06%
2016	1.44%	\$ 219,730,377	\$ 3,042,061	\$ 222,772,438	\$ 154,846,238	141.90%	81.44%
2015	1.49%	\$ 188,706,514	\$ 2,631,975	\$ 191,338,489	\$ 154,863,683	121.85%	84.03%

See notes to the basic financial statements

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

SCHEDULE "2"

For the Year Ended June 30	Contributions in relation		Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
	Contractually required contribution	to the contractually required contribution			
2024	\$ 38,503,732	\$ 38,503,732	\$ -	\$ 193,002,989	19.95%
2023	\$ 37,494,496	\$ 37,494,496	\$ -	\$ 187,976,419	19.95%
2022	\$ 34,571,707	\$ 34,571,707	\$ -	\$ 174,761,334	19.78%
2021	\$ 33,493,032	\$ 33,493,032	\$ -	\$ 175,986,671	19.03%
2020	\$ 35,063,017	\$ 35,063,017	\$ -	\$ 166,173,980	21.10%
2019	\$ 32,679,487	\$ 32,679,487	\$ -	\$ 156,868,021	20.83%
2018	\$ 27,879,425	\$ 27,879,425	\$ -	\$ 162,629,880	17.14%
2017	\$ 23,112,521	\$ 23,112,521	\$ -	\$ 165,244,807	13.99%
2016	\$ 22,255,266	\$ 22,255,266	\$ -	\$ 155,958,419	14.27%
2015	\$ 20,034,076	\$ 20,034,076	\$ -	\$ 154,846,238	12.94%

See notes to the basic financial statements

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

SCHEDULE "3"

Year Ended	School System's proportion of the net pension liability	School System's proportionate share of the net pension liability		School System's covered payroll	School System's proportionate share of the net pension liability as a percentage of covered payroll		Plan fiduciary net position as a percentage of total net pension liability
2024	0.002289%	\$	136,552	\$	62,839	217.30%	71.20%
2023	0.003403%	\$	227,268	\$	96,991	234.32%	67.44%
2022	0.004955%	\$	115,893	\$	118,770	97.58%	87.62%
2021	0.005798%	\$	244,383	\$	146,195	167.16%	76.21%
2020	0.006927%	\$	285,845	\$	174,629	163.69%	76.74%
2019	0.006633%	\$	272,685	\$	169,434	160.94%	76.68%
2018	0.006458%	\$	262,281	\$	181,731	144.32%	76.33%
2017	0.004710%	\$	222,803	\$	141,105	157.90%	72.34%
2016	0.003872%	\$	156,870	\$	86,574	181.20%	76.20%
2015	0.003339%	\$	125,233	\$	91,809	136.41%	77.99%

See notes to the basic financial statements

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

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School System's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 18,917	\$ 18,917	\$ -	\$ 64,454	29.35%
2023	\$ 19,486	\$ 19,486	\$ -	\$ 62,839	31.01%
2022	\$ 23,891	\$ 23,891	\$ -	\$ 96,991	24.63%
2021	\$ 29,289	\$ 29,289	\$ -	\$ 118,770	24.66%
2020	\$ 36,052	\$ 36,052	\$ -	\$ 146,195	24.66%
2019	\$ 43,273	\$ 43,273	\$ -	\$ 174,629	24.78%
2018	\$ 41,289	\$ 41,289	\$ -	\$ 169,434	24.37%
2017	\$ 43,930	\$ 43,930	\$ -	\$ 181,731	24.17%
2016	\$ 27,153	\$ 27,153	\$ -	\$ 141,105	19.24%
2015	\$ 19,440	\$ 19,440	\$ -	\$ 86,574	22.45%

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

SCHEDULE "5"

For the Year Ended June 30	School System's proportion of the net pension liability	School System's proportionate share of the net pension liability	State of Georgia's		School System's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability	
			proportionate share of the net pension liability associated with the School System	Total			
2024	0.00%	\$ -	\$ 3,867,638	\$ 3,867,638	\$ 15,963,790	N/A	85.67%
2023	0.00%	\$ -	\$ 5,116,154	\$ 5,116,154	\$ 15,757,189	N/A	81.21%
2022	0.00%	\$ -	\$ 524,543	\$ 524,543	\$ 15,546,739	N/A	98.00%
2021	0.00%	\$ -	\$ 3,805,288	\$ 3,805,288	\$ 16,221,989	N/A	84.45%
2020	0.00%	\$ -	\$ 3,493,102	\$ 3,493,102	\$ 16,082,071	N/A	85.02%
2019	0.00%	\$ -	\$ 3,707,324	\$ 3,707,324	\$ 18,668,558	N/A	85.26%
2018	0.00%	\$ -	\$ 3,565,584	\$ 3,565,584	\$ 21,691,771	N/A	85.69%
2017	0.00%	\$ -	\$ 4,330,927	\$ 4,330,927	\$ 14,721,301	N/A	81.00%
2016	0.00%	\$ -	\$ 2,704,777	\$ 2,704,777	\$ 12,766,477	N/A	87.00%
2015	0.00%	\$ -	\$ 2,429,212	\$ 2,429,212	\$ 12,294,592	N/A	88.29%

See notes to the basic financial statements

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

SCHEDULE "G"

For the Year Ended June 30	School System's proportion of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School System		Total	School System's covered- employee payroll	School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
		School System's proportionate share of the net OPEB liability	of the net OPEB liability associated with the School System				
2024	1.66160%	\$ 182,001,898	\$ -	\$ 182,001,898	\$ 155,141,253	117.31%	6.05%
2023	1.66816%	\$ 165,200,821	\$ -	\$ 165,200,821	\$ 134,623,323	122.71%	6.17%
2022	1.65735%	\$ 179,504,499	\$ -	\$ 179,504,499	\$ 154,303,914	116.33%	6.14%
2021	1.64553%	\$ 241,690,475	\$ -	\$ 241,690,475	\$ 138,246,787	174.83%	3.99%
2020	1.62723%	\$ 199,696,033	\$ -	\$ 199,696,033	\$ 125,044,442	159.70%	4.63%
2019	1.74795%	\$ 222,159,208	\$ -	\$ 222,159,208	\$ 143,158,148	155.18%	2.93%
2018	1.74795%	\$ 248,008,625	\$ -	\$ 248,008,625	\$ 118,577,531	209.15%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the basic financial statements

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution		Contribution deficiency (excess)	School System's covered-employee payroll		Contribution as a percentage of covered-employee payroll
2024	\$ 6,673,984	\$	6,673,984	\$ -	\$	161,138,294	4.14%
2023	\$ 6,387,919	\$	6,387,919	\$ -	\$	155,141,253	4.12%
2022	\$ 6,031,647	\$	6,031,647	\$ -	\$	134,623,323	4.48%
2021	\$ 6,165,056	\$	6,165,056	\$ -	\$	154,303,914	4.00%
2020	\$ 5,564,809	\$	5,564,809	\$ -	\$	138,246,787	4.03%
2019	\$ 8,763,763	\$	8,763,763	\$ -	\$	125,044,442	7.01%
2018	\$ 9,059,466	\$	9,059,466	\$ -	\$	143,158,148	6.33%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the basic financial statements

RICHMOND COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
SEAD - OPEB

SCHEDULE "8"

For the Year Ended June 30	School System's proportion of the net OPEB asset	School System's proportionate share of the net OPEB asset	School System's covered- employee payroll	School System's proportionate share of the net OPEB liability as a percentage of covered- employee payroll	Plan fiduciary net position as a percentage of total OPEB liability
2024	0.006105%	\$ (26,923)	\$ 50,272	-53.55%	144.49%
2023	0.008133%	\$ (29,896)	\$ 96,445	-31.00%	138.03%
2022	0.010957%	\$ (67,476)	\$ 120,620	-55.94%	164.76%
2021	-0.012269%	\$ (34,846)	\$ 131,842	-26.43%	129.20%
2020	-0.013690%	\$ (38,711)	\$ 174,629	-22.17%	129.73%
2019	-0.012222%	\$ (33,078)	\$ 116,419	-28.41%	129.46%
2018	-0.010878%	\$ (28,272)	\$ 40,659	-69.53%	130.17%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the basic financial statements

RICHMOND COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SEAD - OPEB

SCHEDULE "9"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School System's covered-employee payroll	Contribution as a percentage of covered- employee payroll
2024	\$ 18,917	\$ 18,917	\$ -	\$ 67,703	27.94%
2023	\$ 19,486	\$ 19,486	\$ -	\$ 50,272	38.76%
2022	\$ 23,891	\$ 23,891	\$ -	\$ 96,445	24.77%
2021	\$ 29,289	\$ 29,289	\$ -	\$ 120,620	24.28%
2020	\$ 36,052	\$ 36,052	\$ -	\$ 131,842	27.34%
2019	\$ 43,273	\$ 43,273	\$ -	\$ 174,629	24.78%
2018	\$ 41,289	\$ 41,289	\$ -	\$ 116,419	35.47%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the basic financial statements

Teachers Retirement System

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

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

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

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

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

Employees' Retirement System

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

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

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

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

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

Public School Employees Retirement System

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

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

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

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

School OPEB Fund

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

Changes in assumptions: 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, and to 2.22% as of June 30, 2020.

SEAD-OPEB Employer

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

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

A new funding policy was initially adopted by the Board on March 15, 2018. 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 Systems based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. 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 OPEB Liability.

RICHMOND COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

SCHEDULE "11"

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
<u>REVENUES</u>				
Property Taxes	\$ 119,600,000	\$ 119,600,000	\$ 121,396,937	\$ 1,796,937
Sales Taxes	1,800,000	1,800,000	1,492,912	(307,088)
State Funds	195,395,262	201,555,797	203,309,085	1,753,288
Federal Funds	159,770,514	166,779,864	116,357,474	(50,422,390)
Charges for Services	1,604,630	1,604,630	1,538,673	(65,957)
Investment Earnings	564,450	564,450	4,163,816	3,599,366
Miscellaneous	8,281,688	8,416,616	5,893,930	(2,522,686)
Total Revenues	487,016,544	500,321,357	454,152,827	(46,168,530)
<u>EXPENDITURES</u>				
Current				
Instruction	261,815,369	264,125,341	243,455,117	20,670,224
Support Services				
Pupil Services	26,235,312	26,949,823	26,470,318	479,505
Improvement of Instructional Services	39,575,790	43,314,542	32,038,732	11,275,810
Educational Media Services	6,347,949	6,429,535	6,543,631	(114,096)
General Administration	16,244,311	16,514,991	6,663,281	9,851,710
School Administration	35,171,095	35,936,731	32,988,910	2,947,821
Business Administration	3,565,917	3,606,121	3,344,718	261,403
Maintenance and Operation of Plant	39,092,295	41,028,037	38,656,382	2,371,655
Student Transportation Services	20,375,648	21,268,820	18,707,358	2,561,462
Central Support Services	13,980,404	13,841,072	13,139,935	701,137
Other Support Services	275,333	275,333	2,202,473	(1,927,140)
Food Services Operation	27,303,817	27,716,982	26,884,754	832,228
Capital Outlay	10,163,898	12,816,710	4,398,906	8,417,804
Debt Service				
Redemption of Principal	-	-	674,639	(674,639)
Interest	-	-	122,730	(122,730)
Total Expenditures	500,147,138	513,824,038	456,291,884	57,532,154
Excess of Revenues over (under) Expenditures	(13,130,594)	(13,502,681)	(2,139,057)	11,363,624
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale or Compensation for the Loss of Capital Assets	-	-	1,365,000	1,365,000
Other Revenue	250,000	250,000	-	(250,000)
Lease Liability Proceeds	-	-	169,847	169,847
Operating Transfers from Other Funds	108,500	108,500	-	(108,500)
Operating Transfers to Other Funds	(708,500)	(708,500)	(600,000)	108,500
Total Other Financing Sources (Uses)	(350,000)	(350,000)	934,847	1,284,847
Net Change in Fund Balances	(13,480,594)	(13,852,681)	(1,204,210)	12,648,471
Fund Balances - Beginning	79,577,717	79,577,717	79,577,717	-
Fund Balances - Ending	\$ 66,097,123	\$ 65,725,036	\$ 78,373,507	\$ 12,648,471

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 (\$0) or expenditures (\$0) of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$3,926,588 and \$3,706,281, 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.

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

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	
Agriculture, U. S. Department of				
Child Nutrition Cluster				
Pass-Through From Georgia Department of Education				
Food Services				
School Breakfast Program	10.553	245GA324N1199	\$ 7,433,509	
National School Lunch Program	10.555	245GA324N1199	16,868,981	(1)(3)
COVID-19 - National School Lunch Program	10.555	225GA324N1099	908,853	
Special Milk Program for Children	10.556	245GA324N1199	939,933	
Fresh Fruit and Vegetable Program	10.582	245GA324N1199	307,513	
Total Child Nutrition Cluster			26,458,789	
Total U. S. Department of Agriculture			26,458,789	
Education, U. S. Department of				
Direct				
Impact Aid				
Payments for Federally Connected Children - Section 7003	84.041B			(2)
Education Stabilization Fund				
Pass-Through From Georgia Department of Education				
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200049	1,388	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	135,746	
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D240012	263,743	
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	16,801,121	
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U240012	31,154,484	
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	164,314	
Total Education Stabilization Fund			48,520,796	
Special Education Cluster				
Pass-Through From Georgia Department of Education				
Special Education				
Grants to States	84.027A	H027A220073		
Grants to States	84.027A	H027A240073	7,100,042	
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	293,024	
Preschool Grants	84.173A	H173A240081	155,090	
Total Special Education Cluster			7,548,156	

See notes to the schedule of federal awards

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

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Other Programs			
Direct			
Innovative Approaches to Literacy	84.215G		1,083,496
Career and Technical Education - Basic Grants to States	84.048A	V048A240010	383,034
Education for Homeless Children and Youth	84.196A	S196A230011	4,248
Education for Homeless Children and Youth	84.196A	S196A240011	99,826
English Language Acquisition State Grants	84.365A	S365A240010	83,225
Student Support and Academic Enrichment Program	84.424A	S424A230011	633
Student Support and Academic Enrichment Program	84.424A	S424A240011	956,035
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A230001	183,738
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A240001	2,056,885
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,822,775
Title I Grants to Local Educational Agencies	84.010A	S010A240010	24,284,817
Twenty-First Century Community Learning Centers	84.287C	S287C230010	2,656
Twenty-First Century Community Learning Centers	84.287C	S287C240010	392,821
Total Other Programs			<u>31,354,189</u>
Total U. S. Department of Education			<u>87,423,141</u>
Federal Communications Commission, U.S.			
Direct			
COVID-19 - Emergency Connectivity Fund Program	32.009		<u>2,985,433</u>
Health and Human Services, U. S. Department of			
Pass-Through From Georgia Southern University:			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.575	DMDVPTGMLTS5	873,682
Total Pass-Through from Georgia Southern University			<u>873,682</u>
Total U.S. Department of Health and Human Services			<u>873,682</u>
Defense, U. S. Department of			
Direct			
Department of the MARINES			
R.O.T.C. Program	12.UNKNOWN		72,697
Department of the AIR FORCE			
R.O.T.C. Program	12.UNKNOWN		45,593
Department of the ARMY			
R.O.T.C. Program	12.UNKNOWN		215,175
Department of the NAVY			
R.O.T.C. Program	12.UNKNOWN		134,797
Total U. S. Department of Defense			<u>468,262</u>
Total Expenditures of Federal Awards			<u>\$ 118,209,307</u>

See notes to the schedule of federal awards

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

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 Richmond 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.

- (1) Expenditures for the fund earned on the Snack Program (\$148,618) and the Supply Chain Assistance Grant (\$740,041) were not maintained separately and are included in the 2024 National School Lunch Program.
- (2) Funds earned on the Impact Aid Program, in the amount of (\$1,204,329), do not require reporting of expenditures.
- (3) During the year ended June 30, 2024, program income and federal funds related to the Child Nutrition Cluster were comingled and are included in the accompanying schedule of federal awards.
- (4) Funds earned from Medicaid reimbursements, in the amount of (\$417,633), do not require reporting of expenditures.

Note 4. Elementary and Secondary School Emergency Relief Fund Activity

For the year ended June 30, 2024, the amount reflected on the Schedule for the Elementary and Secondary School Emergency Relief Fund/American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ALN 84.425D/U) includes \$0 of approved eligible expenditures that were incurred in a prior fiscal year.

Note 5. Schoolwide Consolidation of Funds

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

ALN	Program Name	Amount
84.010A	Title I Grants to Local Educational Agencies	\$ 10,835,097
	Total Federal Funds in Schoolwide Consolidation of Funds	<u>\$ 10,835,097</u>

See notes to the schedule of federal awards

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

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		
	GENERAL	CAPITAL PROJECTS	TOTAL
	FUND	FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 6,107,722	\$ -	\$ 6,107,722
Education, Georgia Department of			
Quality Basic Education (1)			
Direct Instructional Cost			
Kindergarten Program	9,294,847	-	9,294,847
Kindergarten Program - Early Intervention Program	6,186,166	-	6,186,166
Primary Grades (1-3) Program	22,079,550	-	22,079,550
Primary Grades - Early Intervention (1-3) Program	14,786,825	-	14,786,825
Upper Elementary Grades (4-5) Program	11,380,137	-	11,380,137
Upper Elementary Grades - Early Intervention (4-5) Program	7,750,076	-	7,750,076
Middle School (6-8) Program	24,465,162	-	24,465,162
High School General Education (9-12) Program	24,882,461	-	24,882,461
Vocational Laboratory (9-12) Program	4,954,142	-	4,954,142
Students with Disabilities	36,726,179	-	36,726,179
Gifted Student - Category VI	6,120,126	-	6,120,126
Remedial Education Program	2,911,975	-	2,911,975
Alternative Education Program	1,832,942	-	1,832,942
English Speakers of Other Languages (ESOL)	1,342,435	-	1,342,435
Media Center Program	4,358,903	-	4,358,903
Twenty Days Additional Instruction	1,367,169	-	1,367,169
Staff and Professional Development	805,483	-	805,483
Principal Staff and Professional Development	18,708	-	18,708
Indirect Cost			
Central Administration	3,837,828	-	3,837,828
School Administration	9,637,202	-	9,637,202
Facility Maintenance and Operations	8,439,964	-	8,439,964
Categorical Grants			
Pupil Transportation			
Pupil Transportation	2,568,510	-	2,568,510
Nursing Services	674,098	-	674,098
Mid-term Hold-Harmless	484,397	-	484,397
Vocational Supervisors	28,877	-	28,877
Education Equalization Funding Grant	13,058,644	-	13,058,644
Food Services	651,552	-	651,552
Career, Technical and Agricultural Education (CTAE)	178,845	-	178,845
Other State Programs			
Dyslexia Services Grant	64,386	-	64,386
GNETS State Grant	1,197,841	-	1,197,841
Hygiene Products in Georgia Schools	23,951	-	23,951
Math and Science Supplements	192,307	-	192,307
Preschool Disability Services	558,969	-	558,969
Residential Treatment Centers Grant	278,316	-	278,316
School Security Grant	2,650,000	-	2,650,000
Teachers Retirement	64,077	-	64,077
Office of the State Treasurer			
Public School Employees Retirement	693,649	-	693,649
	232,654,421	-	232,654,421
OTHER			
QBE Contra Account			
Local Fair Share (Current Year)	(32,421,052)	-	(32,421,052)
Total Quality Basic Education Formula Earnings (State and Local Funds)	3,075,716	-	3,075,716
One Time QBE Adjustment			
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	1,897,550	-
	(29,345,336)	1,897,550	(29,345,336)
	\$ 203,309,085	\$ 1,897,550	\$ 203,309,085

(1) Payments to the Georgia Department of Community Health by the Georgia Department of Education on behalf of the School System are reported separately in the schedule above; however, the payments are part of the Quality Basic Education revenue allotments for the School System.

See notes to the basic financial statements.

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

	ORIGINAL ESTIMATED COST (1) (6)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COMPLETION DATE
SPLOST 2017 (4)						
(a)(e) Acquiring, Constructing, Equipping New Elementary School and						
(b) Acquiring, Constructing, Equipping Additions to Facilities		\$	751,518	\$	\$	Various
(c) Textbooks and Technology			3,195,374	89,431,108	92,626,482	Various
(d) School Buses and Vehicles			447,118	22,853,014	23,300,132	Various
(f) Interest on General Obligation Debt			436,386	6,271,932	6,708,318	Various
(g) Expenses for the Imposition of the SPLOST			-	23,299,188	23,299,188	October 2022
Total SPLOST 2017	\$ 225,000,000	\$ 243,000,000	3,220	512,437	515,657	June 2022
			4,833,616	235,939,360	240,772,976	
SPLOST 2021 (5)						
(a) Acquiring, Constructing, Equipping New School Buildings and Facilities						Various
(b) (f) Adding to Existing Schools and Replacing Furniture		\$	42,528,713	\$	\$	Various
(c) Acquiring Technology and Computers			25,486,871	11,149,389	36,636,260	Various
(d) School Buses and Vehicles			2,924,654	676,856	3,601,510	Various
(e) Replacing Roofs, Heating, Ventilation and Air Conditioning			3,405,590	181,855	3,587,445	Various
(g) Acquiring Property Rights			575,534	105,712	681,246	Various
(h) Interest on General Obligation Debt			4,720,590	-	-	Various
(i) Expenses for the Imposition of the SPLOST			1,246,518	6,127,931	10,848,521	October 2025
Total SPLOST 2021	\$ 230,000,000	\$ 230,000,000	80,888,470	2,192,586	3,439,104	June 2025
GRAND TOTAL	\$ 455,000,000	\$ 473,000,000	85,722,086	51,232,111	132,120,581	
				287,171,471	372,893,557	

See notes to the basic financial statements.

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

The School System's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

The School System's current estimate of total cost for the projects. Includes all costs from project inception to completion. The current estimated cost may increase over the original cost estimate as a result of increased tax collections and investment earnings.

The voters of Richmond 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.

The purpose of the SPLOST issued in 2017 was for (a) acquiring, constructing, installing and equipping new school buildings and facilities and other buildings and facilities useful or desirable in connection therewith; (b) Acquiring, constructing, installing and equipping additions to existing schools, including without limitation new classroom space and athletic facilities for physical and general educational purposes, adding to, renovating, removing, repairing, improving and equipping existing school buildings and other buildings and facilities useful or desirable in connection therewith; acquiring, constructing and equipping safety structures and facilities useful or desirable in connection with any of the foregoing, acquiring the necessary property and rights in property therefor, both real and personal; (c) Acquiring text books and technology hardware and software and equipment in connection with the foregoing; (d) acquiring, constructing, installing and equipping school buses and other vehicles for the safety, security and maintenance of the school facilities and equipment and buildings and facilities for the repair and maintenance thereof; (e) Demolishing existing buildings and facilities located on school property that are no longer useful for public school purposes; (f) To pay capitalized interest on the general obligation debt to be incurred and, (g) To pay or reimburse the expenses of the Board necessary to accomplish the foregoing, including the expenses of the Board incurred in connection with calling the election and imposing the SPLOST.

The purpose of the SPLOST issued in 2021 was for (a) Acquiring, constructing, installing and equipping new school buildings and facilities and other buildings and facilities useful or desirable in connection therewith; (b) Adding to, renovating, removing, repairing, improving and equipping existing schools, including without limitation new classroom space, athletic facilities for physical and general educational purposes as well as interscholastic athletics, and new and existing theaters and auditoriums; (c) Acquiring technology hardware and software, including without limitation computers or computing devices for student use; (d) Acquiring school buses and other vehicles for the safety, security and maintenance of the school facilities and equipment and buildings and facilities for the repair and maintenance thereof; (e) Replacing roofs and heating, ventilation and air conditioning equipment throughout the School System; (f) Replacing furniture, fixtures and equipment at schools throughout the School System; (g) Acquiring the necessary property and rights in property therefor, both real and personal; (h) To pay capitalized interest on the general obligation debt to be incurred and, (i) To pay or reimburse the expenses of the Board necessary to accomplish the foregoing, including the expenses of the Board incurred in connection with calling the election and imposing the SPLOST.

The original estimated cost for the 2017 and 2021 SPLOSTs include estimated proceeds from the imposition of a 1% sales tax, state capital outlay funding, and other local funds.

Michelle Bennett, CPA
Rick L. Evans, CPA
E.J. Maddocks, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA

Abram J. Serotta, CPA
Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussey, CPA
Paul Wade, CPA



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

To the Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richmond County Board of Education as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Richmond County Board of Education's basic financial statements, and have issued our report thereon dated December 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Richmond County Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Richmond County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Richmond County Board of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Richmond County Board of Education'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
December 17, 2024

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

To the Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Richmond County Board of Education's 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 Richmond County Board of Education's major federal programs for the year ended June 30, 2024. The Richmond County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Richmond County Board of Education'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 Richmond County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Richmond County Board of Education's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Richmond County Board of Education'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 Richmond County Board of Education'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 Richmond County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
December 17, 2024

RICHMOND COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Prior Year Findings and Questioned Costs - Financial Statement Audit

No matters were reported.

Prior Year Findings and Questioned Costs - Major Federal Award Programs Audit

No matters were reported.

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

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Richmond County Board of Education were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Richmond County Board of Education, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for Richmond County Board of Education expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) reported in this Schedule.
7. The programs tested as major programs included:

Child Nutrition Cluster:

School Breakfast Program (Assistance Listing No. 10.553)
National School Lunch Program (Assistance Listing No. 10.555)
Special Milk Program for Children (Assistance Listing No. 10.556)
Fresh Fruit and Vegetable Program (Assistance Listing No. 10.582)

Student Support and Academic Enrichment Program (Assistance Listing No. 84.196)

8. The threshold used for distinguishing between Type A and Type B programs was \$3,000,000.
9. The Richmond County Board of Education was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

NONE

C. Findings and Questioned Costs - Major Federal Award Programs Audit

NONE