

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2025

NEW ISSUE
(Book-Entry Only)

RATINGS:

Moody's: “Aa1” (Intercept Program) (Stable outlook)
“Aa3” (Underlying) (Stable outlook)
S & P: “AA+” (Intercept Program) (Stable outlook)
“AA-” (Underlying) (Stable outlook)
See “MISCELLANEOUS - Ratings” herein.

In the opinion of Bond Counsel, under current law and subject to conditions described under the caption “LEGAL MATTERS – Opinion of Bond Counsel,” interest on the Series 2025 Bonds, including original issue discount, (1) is excluded from gross income for Federal income tax purposes and (2) interest on the Series 2025 Bonds is not a specific “item of tax preference” for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), for the purpose of computing alternative minimum tax imposed on corporations. A holder may be subject to other Federal tax consequences as described in the Section herein entitled “LEGAL MATTERS – Opinion of Bond Counsel.” In the opinion of Bond Counsel, under current law and subject to conditions described under the caption “LEGAL MATTERS – Opinion of Bond Counsel,” interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation.

\$200,000,000*

JACKSON COUNTY SCHOOL DISTRICT (GEORGIA) **General Obligation School Bonds, Series 2025**

Dated: Date of Delivery

Due: March 1, as shown below

The General Obligation School Bonds, Series 2025 (the “Series 2025 Bonds” or the “Bonds”) are being issued by the Jackson County School District (the “District”), a political subdivision of the State of Georgia, for the purpose of financing the costs of (i) acquiring, constructing and equipping new schools, including a new high school, new middle school, new elementary school, and a replacement elementary school facility for the North Jackson Elementary School; (ii) adding to, renovating, repairing, improving, equipping and furnishing existing school system facilities, including but not limited to East Jackson Elementary School and East Jackson Middle School; (iii) making safety, security and technology additions and enhancements including but not limited to equipment and infrastructure; (iv) payment of a portion of the interest on the Bonds and (v) paying expenses incident thereto See “PLAN OF FINANCING” herein.

The Series 2025 Bonds are general obligations of the District and are payable, as to both principal and interest, from the general funds of the District, including ad valorem taxes which may be levied. The Bonds are also payable from any state appropriation to which the District may be entitled, which the State of Georgia Board of Education is required to withhold from the District and transfer to the Debt Service Fund Custodian for the Bonds under certain circumstances. See “THE SERIES 2025 BONDS - Security and Sources of Payment for the Series 2025 Bonds” herein.

Interest on the Series 2022 Bonds is payable semiannually on September 1 and March 1 of each year, commencing September 1, 2025. All Series 2025 Bonds bear interest from their date of issuance. See “INTRODUCTION - Description of the Series 2022 Bonds” herein.

The Series 2025 Bonds will be subject to optional and mandatory redemption at the times, under the conditions and at the prices set forth in “DESCRIPTION OF THE SERIES 2025 BONDS – Redemption Provisions” herein.

SEE MATURITY, RATE AND YIELD SCHEDULES ON INSIDE FRONT COVER

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to the approving opinion of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel. Certain legal matters will be passed on for the District by its general counsel, Periera, Kirby, Kinsinger & Nguyen, LLP, Gainesville, Georgia, and for the Underwriter by Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Disclosure Counsel. The Series 2025 Bonds in definitive form are expected to be delivered to The Depository Trust Company, New York, New York, on or about June 26, 2025.*

RAYMOND JAMES®

Dated: _____, 2025

*Preliminary; subject to change

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$200,000,000*
Jackson County School District (Georgia)
General Obligation School Bonds, Series 2025

Maturities, Principal Amounts, Interest Rates, and Yields

<u>Maturity (March 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>	<u>Maturity (March 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2028	\$7,000,000				2035	\$19,750,000			
2029	7,000,000				2036	20,500,000			
2030	8,000,000				2037	21,000,000			
2031	8,000,000				2038	20,750,000			
2032	8,500,000				2039	20,650,000			
2033	12,000,000				2040	20,120,000			
2034	18,000,000				2041	8,730,000			

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the District, public documents, records and other sources considered to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2025 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE SERIES 2025 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the District and the terms of the offering, including the merits and risks involved. The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

JACKSON COUNTY SCHOOL DISTRICT

ELECTED OFFICIALS

Jackson County Board of Education

Ricky J. Sanders, *Chairman*
Lynn Massey-Wheeler, *Vice Chairman*
Beau Hollett
Rob Johnson
Melissa Mullen

ADMINISTRATIVE OFFICIALS

Dr. Philip Brown, *Superintendent*
Annah Dodge, *Chief Financial Officer*

SPECIAL SERVICES

Auditors

State of Georgia Department of Audits
Atlanta, Georgia

General Counsel

Periera, Kirby, Kinsinger & Nguyen, LLP
Gainesville, Georgia

Bond Counsel and Disclosure Counsel

Stewart, Melvin & Frost, LLP
Gainesville, Georgia

Underwriter

Raymond James & Associates, Inc.
Atlanta, Georgia

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OFFICIAL STATEMENT
of the
JACKSON COUNTY SCHOOL DISTRICT (GEORGIA)
relating to its
\$200,000,000* GENERAL OBLIGATION SCHOOL BONDS,
SERIES 2025

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Jackson County School District of \$200,000,000* in aggregate principal amount of its General Obligation School Bonds, Series 2025 (the “Series 2025 Bonds”).

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The District

The Jackson County School District (the “District”), the issuer of the Series 2025 Bonds, is a political subdivision of the State of Georgia. The District is coextensive with the territorial limits of Jackson County, Georgia (the “County”), except the municipal limits of the City of Jefferson, Georgia and the City of Commerce, Georgia are excluded. For more complete information, see “THE DISTRICT” herein.

Security and Sources of Payment for the Bonds

The Series 2025 Bonds are general obligations of the District and except to the extent that they may be paid from other funds of the District legally available for such purpose, are payable, as to both principal and interest, from the general funds of the District, including ad valorem taxes which may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the District subject to taxation for school bond purposes. The Series 2025 Bonds and the Series 2020 Bonds are also payable from any state appropriation to which the District may be entitled, which the State of Georgia Board of Education is required to withhold from the District and transfer to the Debt Service Fund Custodian for the Series 2025 Bonds under certain circumstances. For more complete and detailed information, see “THE SERIES 2025 BONDS - Security and Sources of Payment for the Series 2025 Bonds,” “DISTRICT SALES TAX” and “DISTRICT AD VALOREM TAXATION” herein.

Purpose of the Bonds

The proceeds of the Series 2025 Bonds, net of underwriter’s discount and other issuance costs, will be used to pay the costs of (i) acquiring, constructing and equipping new schools, including a new high school, new middle school, new elementary school, and a replacement elementary school facility for the North Jackson Elementary School; (ii) adding to, renovating, repairing, improving, equipping and furnishing existing school system facilities, including but not limited to East Jackson Elementary School and East Jackson Middle School; (iii) making safety, security and technology additions and enhancements including but not limited to equipment and infrastructure; (iv) payment of a portion of the interest on the Bonds and (v) paying expenses incident thereto. For more complete information, see “PLAN OF FINANCING” herein.

*Throughout this Preliminary Official Statement, the asterisk indicates information which is preliminary and subject to change.

Description of the Series 2025 Bonds

Redemption. The Series 2025 Bonds are subject to optional and mandatory redemption prior to their stated maturity. See “DESCRIPTION OF THE SERIES 2025 BONDS--Redemption Provisions” herein.

Notices. At least thirty and not more than sixty days before the date upon which redemption is to be made, a redemption notice will be mailed by first class mail to all registered owners of Series 2025 Bonds to be redeemed.

Denominations. The Series 2025 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry of Series 2025 Bonds. Each of the Series 2025 Bonds will be issued as fully registered certificates in the denomination of one certificate per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Series 2025 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2025 Bonds purchased. Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered certificates of like principal amount and maturity in authorized denominations. For more complete information, see “THE SERIES 2025 BONDS - Book-Entry Only System” herein.

Payments. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2025 Bonds, payments of the principal of, premium, if any, and interest on the Series 2025 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Series 2025 Bonds.

For a more complete description of the Series 2025 Bonds, see “THE SERIES 2025 BONDS” herein.

Tax Exemption

In the opinion of Bond Counsel, under existing law, (a) interest on the Series 2025 Bonds, including original issue discount, is excluded from gross income for federal income tax purposes, (b) interest on the Series 2025 Bonds, including original issue discount, is not a specific “item of tax preference” for purposes of the federal alternative minimum tax, provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986 (the “Code”), for the purpose of computing alternative minimum tax imposed on corporations, and (c) interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation, subject to the conditions and limitations described herein. See **Appendix B** for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2025 Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Series 2025 Bonds, including certain exceptions to the tax treatment of interest, see “LEGAL MATTERS--Opinion of Bond Counsel” herein.

Bond Registrar and Paying Agent

The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, will act as bond registrar and as paying agent for the Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the District and its authorization and issuance of the Bonds are subject to the approving opinion of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix B. Certain legal matters will be passed on for the District by its general counsel, Periera, Kirby, Kinsinger & Nguyen, LLP, Gainesville, Georgia, and for the Underwriter by Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Disclosure Counsel. The general purpose financial statements of the District as of June 30, 2023, and for the year then ended, attached hereto as **Appendix A**, have been audited by the State of Georgia Department of Audits, Atlanta,

Georgia, to the extent and for the period indicated in its report thereon which appears in **Appendix A** hereto. See “MISCELLANEOUS - Experts” herein.

Authority for Issuance

The Series 2025 Bonds are being issued in accordance with the Constitution of the State of Georgia and pursuant to the authority granted by the laws of the State of Georgia, and pursuant to a resolution of the Board of Education of Jackson County (the “Board”) adopted on April 21, 2025 (the “Parameters Bond Resolution”), and a Supplemental Bond Resolution adopted by the Board on _____, 2025 (collectively, the “Bond Resolution”), authorizing the issuance of the Series 2025 Bonds. The issuance of the Bonds was approved by a majority vote of voters in the District voting in an election held on March 18, 2025. For more complete information, see “THE SERIES 2025 BONDS - Authority for Issuance and – Additional Bonds Authorized” herein.

Offering and Delivery of the Series 2025 Bonds

The Series 2025 Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2025 Bonds in definitive form are expected to be delivered to The Depository Trust Company, New York, New York, on or about June 26, 2025.*

Continuing Disclosure

The District has covenanted for the benefit of the owners of the Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) certain financial information and operating data relating to the District (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board (the “MSRB”), the present nationally recognized municipal securities information repository, through its Electronic Municipal Market Access system (“EMMA”), and to the state information repository (the “SIR”), if any, and (b) notices of the occurrence of certain events (the “Significant Events Notices”), to the MSRB through EMMA and to the SIR, if any. The form of the Disclosure Certificate containing the District’s undertaking to provide Operating and Financial Data and Significant Events Notices is set forth in **Appendix C** hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2 12 (the “Rule”). As of the date of this Official Statement, there is no SIR in the State of Georgia.

In addition to the requirements of the Rule discussed above, Securities and Exchange Commission Rule 15c2-12(f)(3) requires that this Official Statement set forth any instances in the previous five years in which the District failed to comply in all material respects with any previous continuing disclosure undertakings.

In connection with the issuance of its General Obligation Bonds, Series 2019 (the “Prior Bonds”) and pursuant to the prior undertaking (the “Prior Undertaking”) delivered contemporaneously with the issuance of the Prior Bonds, the District covenanted to provide operating and financial data and material events notices. The District has not complied in all material respects with the Prior Undertaking during the last five years. The District timely filed on EMMA the additional portion (the portion other than its audited financial statements) of its Annual Report (as defined in the Prior Undertaking) for fiscal years 2019, 2020, 2021, 2022, and 2023, except for fiscal year 2023 the information regarding the ten largest taxpayers of the District was filed 60 days late. The District filed its audited financial statements for fiscal year 2019 63 days late, its audited financial statements for fiscal year 2020 75 days late, its audited financial statements for fiscal year 2021 202 days late, its audited financial statements for fiscal year 2022 90 days late, and its audited financial statements for fiscal year 2023 88 days late. The District failed to file its unaudited financial statements for fiscal years 2019, 2020 and 2022. The District filed an event notice regarding a 2023 financed purchase agreement for school buses 802 days late. The District filed an event notice regarding a 2024 radio communications equipment agreement approximately 24 months late. In order to ensure that the District complied with the Prior Undertaking, the District hired Raymond James & Associates, Inc. (“Raymond James”), Atlanta, Georgia, to act as the District’s dissemination agent assisting with compliance with the Prior Undertaking. The District intends to continue its agreement with Raymond James to assist the District with compliance with the Prior Undertaking and any future undertakings, and the District’s finance director has been given the primary responsibility for such compliance on behalf of the District.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the District’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the District, the Series 2025 Bonds, and the security and sources of payment for the Series 2025 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2025 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Disclosure Certificate, and other documents and information are available, upon request and upon payment to the District of a charge for copying, mailing, and handling, from Dr. Philip Brown, Superintendent, Jackson County Board of Education, 1660 Winder Highway, Jefferson, Georgia 30549, telephone (706) 367-9457. During the period of the offering of the Series 2025 Bonds, copies of such documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing, and handling, from Raymond James and Associates, Inc., Two Buckhead Plaza, Suite 702, 3050 Peachtree Road, N.W., Atlanta, Georgia 30305, telephone: (404) 240-6805.

The Series 2025 Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the District or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been provided by the District. The information set forth herein has been obtained by the District from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by the District or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the District or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Series 2025 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2025 Bonds are estimated below.

Estimated Sources of Funds:	
Par Amount of Series 2025 Bonds	\$200,000,000.00*
Original Issue Premium	
Estimated Interest Earnings During Construction ¹	
Total Sources of Funds	
Estimated Applications of Funds:	
Capital Projects	
Costs of Issuance ²	
Total Applications of Funds	

¹ Based on estimated earnings on the unexpended construction funds at an investment rate of 4.0% over a period of 36 months.

² Includes legal and accounting fees, underwriter's discount, Bond Registrar's and Paying Agent's fees, printing and shipping costs, validation court costs, and other costs of issuance.

Capital Projects

The District presently contemplates that the net proceeds of the Bonds will be used to primarily finance the construction and equipping of a new high school (\$120,000,000.00), a new middle school (\$45,000,000.00) and a new elementary school (\$35,000,000.00). The District anticipates that these projects will qualify for partial reimbursement under the State of Georgia Capital Outlay Program. In addition the District may use proceeds of the Series 2025 Bonds for (i) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing school system facilities, (ii) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology equipment and infrastructure and safety and security equipment and infrastructure, (iii) acquiring school buses, school vehicles and transportation and maintenance equipment, and (iv) paying expenses, including capitalized interest, related to the Series 2025 Bonds. All of said projects are collectively referred to as the "Capital Projects."

Total expenditures for the Capital Projects are projected to be approximately \$275,000,000.

The District has developed a plan to finance the Capital Projects that relies on a combination of proceeds of the Series 2025 Bonds, investment earnings on the proceeds, the District's share of proceeds from the sales and use tax for educational purposes, and State of Georgia Capital Outlay funds. The District expects that these sources of funds will be sufficient to provide funding for the Capital Projects.

The expected completion date of the total Capital Projects is June 30, 2028.

The District selected Southern A & E, Austell, Georgia, to serve as architect for the major Capital Projects, and Carroll Daniel Construction Company, Gainesville, Georgia, to serve as the construction manager for the major Capital Projects. The District will be required to submit the plans to the State of Georgia Department of Education for approval. The District will advertise in local newspapers for bids, and after the advertisements run for thirty days, the District will award the contracts and subcontracts for the construction based on bid prices and qualifications.

Change of Use of Series 2025 Bond Proceeds

The notice of the election regarding the issuance of the Bonds stated that the purposes for which the Bonds are being issued are to provide funds to pay or be applied toward the cost of (i) acquiring, constructing and equipping new schools, including a new high school, new middle school, new elementary school, and a replacement elementary school facility for the North Jackson Elementary School; (ii) adding to, renovating, repairing, improving, equipping and furnishing existing school system facilities, including but not limited to East Jackson Elementary School and East

Jackson Middle School; (iii) making safety, security and technology additions and enhancements including but not limited to equipment and infrastructure; (iv) payment of a portion of the interest on the Bonds and (v) paying expenses incident thereto.

Section 36-82-4.2 of the Official Code of Georgia Annotated allows the Board, subsequent to the issuance of the Series 2025 Bonds, to adopt a resolution by a two-thirds' majority vote of the Board declaring that (1) a portion of the proceeds of the Series 2025 Bonds remain after the purpose stated in the election notice has been accomplished, (2) the purpose stated in the election notice is no longer necessary, or (3) circumstances have changed such that expenditure of all or part of the proceeds of the Series 2025 Bonds is no longer practicable or feasible. Such resolution must (a) set forth the reason the proceeds of the Series 2025 Bonds were not expended for the purpose stated in the election notice and (b) state the purpose for which the proceeds of the Series 2025 Bonds will be expended. Upon the adoption of such a resolution, the Board will be authorized to expend such proceeds of the Series 2025 Bonds, including interest earnings thereon, for purposes of a nature substantially similar to the purpose stated in the election notice or to reduce the bonded indebtedness of the District; provided the District, not earlier than ten days prior to expending such Series 2025 Bond proceeds, publishes the resolution described above once in the official Jackson County organ. In addition, the District must send a copy of the resolution described above by registered or certified mail to the Paying Agent for the Series 2025 Bonds.

THE SERIES 2025 BONDS

Description

The Series 2025 Bonds, as initially issued, will be dated as of their date of issuance and will bear interest at the rates specified on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on each September 1 and March 1, commencing September 1, 2025. Interest on the Series 2025 Bonds is payable by check or draft mailed to the registered owner of record as of the August 15 or February 15 immediately preceding the applicable interest payment date, at such owner's address as it appears on the registration books of the District, maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Prior to any record date, any owner of Series 2025 Bonds in an aggregate principal amount of not less than \$500,000, by written instructions filed with the Paying Agent, may instruct that interest payments be made by wire transfer. The Series 2025 Bonds will mature on the dates and in the amounts set forth on the cover page of this Official Statement. The principal of the Series 2025 Bonds will be payable upon the presentation and surrender of the Series 2025 Bonds at the corporate trust office of The Bank of New York Mellon Trust Company, Jacksonville, Florida, as Paying Agent.

The Series 2025 Bonds are issuable only as fully registered bonds, without coupons, in any authorized denomination. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form and purchasers will not receive certificates representing interests in the Series 2025 Bonds so purchased. If the book-entry system is discontinued, Series 2025 Bonds will be delivered as described in the Bond Resolution, and beneficial owners of the Series 2025 Bonds will become the registered owners of the Series 2025 Bonds. See "THE BONDS - Book-Entry Only System" herein.

Redemption Provisions

Optional Redemption.

The Series 2025 Bonds maturing on March 1, 2036, and thereafter are redeemable prior to maturity at the option of the District, in whole or in part on any date at any time on or after March 1, 2035, in any order of maturity (less than all of such Series 2025 Bonds of a single maturity to be selected by lot in a manner determined by the Paying Agent) from any moneys available therefor at par plus accrued interest to the redemption date, all in the manner provided in the Indenture.

If less than all of a maturity of the Series 2025 Bonds is to be redeemed, the particular Series 2025 Bond or portion of the Series 2025 Bonds will be redeemed pro rata within a maturity, rounded to the nearest \$5,000.

Mandatory Redemption. The Series 2025 Bonds maturing on March 1, 20____, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20____ amount to be paid rather than redeemed):

March 1 of the Year

Principal Amount

In addition, the Series 2025 Bonds maturing on March 1, 20____, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20____ amount to be paid rather than redeemed):

March 1 of the Year

Principal Amount

In addition, the Series 2025 Bonds maturing on March 1, 20____, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20____ amount to be paid rather than redeemed):

March 1 of the Year

Principal Amount

The Issuer shall redeem an aggregate principal amount of the Series 2025 Bonds maturing on any mandatory redemption date at a redemption price equal to the principal amount thereof plus the interest due thereon on the mandatory redemption date.

Notices. Official notice of any redemption must be given by the Bond Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2025 Bond or Series 2025 Bonds to be redeemed at the address shown on the books maintained by the Bond Registrar. Failure to mail any such redemption notice or any defect therein will not affect the validity of the proceedings for the redemption of Series 2025 Bonds for which proper notice was given. Neither the Bond Registrar nor the Issuer will have any responsibility whatsoever if any such notice is mailed as described above but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such notice will in any manner defeat the effectiveness of a call for redemption for which proper notice was given.

Security and Sources of Payment for the Series 2025 Bonds

The Series 2025 Bonds will constitute valid and legally binding general obligations of the District payable, except to the extent not satisfied from other legally available funds of the District, from the general funds of the District, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the District subject to taxation for school bond purposes, including real and personal property, privately owned utilities, motor vehicles, and mobile homes.

Prior to the issuance of the Series 2025 Bonds, the Board of Commissioner of Jackson County, upon the recommendation of the Board, as required by law, will levy an ad valorem tax on all taxable property within the territorial limits of the County subject to taxation for school bond purposes in an amount sufficient to pay the principal of and interest on the Series 2025 Bonds as the same become due and payable.

See “DISTRICT DEBT STRUCTURE” herein for a discussion of the District’s outstanding debt and legal ability to incur future indebtedness. See “DISTRICT AD VALOREM TAXATION” herein for a discussion of District ad valorem taxation.

Prior to the issuance of the Series 2025 Bonds, the Board, pursuant to Section 20-2-480 of the Official Code of Georgia Annotated, will notify the State of Georgia Board of Education of the proposed issuance of the Series 2025 Bonds and authorize and direct the State of Georgia Board of Education to withhold from the District sufficient moneys from any state appropriation to which the District may be entitled and to apply so much as shall be necessary to the

payment of the principal of and interest on the Series 2025 Bonds then due. Pursuant to Section 20-2-170 of the Official Code of Georgia Annotated, if the State of Georgia Board of Education has received the notification described in the preceding sentence and if at any time the State of Georgia Board of Education is notified by the Paying Agent, as custodian of the Debt Service Fund created by the Bond Resolution (the “Debt Service Fund Custodian”), that the District has failed to effect the punctual payment of the principal of or interest on the Series 2025 Bonds, the State of Georgia Board of Education is authorized to and shall withhold from any state appropriation to which the District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on the Series 2025 Bonds then due.

Under the terms of the Bond Resolution, the District is required to deposit with the Debt Service Fund Custodian on or before each February 10 and August 10 (or, if such day is not a business day, the next succeeding business day) amounts sufficient to pay in full the principal of and interest on the Series 2025 Bonds on the following March 1 or September 1, respectively. Under the terms of the Bond Resolution, if on any February 10 or August 10 (or, if such day is not a business day, the next succeeding business day) the Debt Service Fund Custodian has not received from the District amounts sufficient to pay in full the principal of and interest on the Series 2025 Bonds on the following March 1 or September 1, respectively, then the Debt Service Fund Custodian is required to notify the State of Georgia Board of Education by February 15 or August 15, respectively, of the amount of any such deficiency. Under the terms of the Bond Resolution, all funds received by the Debt Service Fund Custodian from the State of Georgia Board of Education to pay principal of and interest on the Series 2025 Bonds must be held by the Debt Service Fund Custodian in trust until paid to the Paying Agent for the Series 2025 Bonds to make the payments on the Series 2025 Bonds on such March 1 or September 1.

The amounts subject to interception by the State of Georgia Board of Education for the benefit of the owners of the Series 2025 Bonds will depend upon the amount and timing of annual appropriations made by the General Assembly of the State of Georgia to the District. See “DISTRICT FINANCIAL INFORMATION - Five Year General Fund History” herein for the amounts paid to the District by the State of Georgia for general operating purposes over the District’s past five fiscal years. The State of Georgia paid to the District for general operating purposes during fiscal year ending June 30, 2024 approximately \$68,408,301, during fiscal year ending June 30, 2023 approximately \$61,402,506, and during fiscal year ended June 30, 2022 approximately \$53,115,855. The District expects to receive at least \$79,122,543 from the State of Georgia for general operating purposes during fiscal year ending June 30, 2025. The State of Georgia disburses the amount committed to the District for each fiscal year in 12 approximately equal installments on or before the last day of each month of such fiscal year. The timing of the payment of any amounts subject to interception by the State of Georgia Board of Education to the Paying Agent for the benefit of the owners of the Series 2025 Bonds will depend upon the ability of the State of Georgia Board of Education to promptly liquidate investments of money appropriated but not disbursed by the General Assembly of the State of Georgia to the District. No assurance can be given concerning the timing or amounts of future appropriations by the General Assembly of the State of Georgia to the District or the timing of the payment of any amounts subject to interception by the State of Georgia Board of Education to the Debt Service Fund Custodian.

The realization of value from the pledge of the taxing power of the District to the payment of the Series 2025 Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2025 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no school district created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any school district created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Book-Entry Only System

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered Series 2025 Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2025 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. **BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER TO RECEIVE NOTICES (INCLUDING NOTICES OF REDEMPTION) AND OTHER INFORMATION REGARDING SERIES 2025 BONDS THAT MAY BE SO CONVEYED TO DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS.**

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the District or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Series 2025 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2025 Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2025 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE PAYING AGENT NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OR OF REDEMPTION PREMIUM, IF ANY, OR INTEREST ON SERIES 2025 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2025 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2025 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF SERIES 2025 BONDS.

Authority for Issuance

Paragraph I(a) of Section V of Article IX of the Constitution of the State of Georgia provides (1) that no political subdivision may incur any new debt without the assent of a majority of the qualified voters of such political subdivision voting in an election held for that purpose as provided by law and (2) that the debt incurred by any political subdivision may never exceed 10 percent of the assessed value of all taxable property within such political subdivision. Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires a political subdivision, at or

before the time of incurring bonded indebtedness, to provide for the assessment and collection of an annual tax sufficient in amount to pay the principal of and interest on the debt within 30 years from its incurrence.

Paragraph III of Section V of Article IX of the Georgia Constitution provides that a political subdivision may provide for the refunding of outstanding bonded indebtedness without the necessity of a referendum being held therefor, provided that neither the term of the original debt is extended nor the interest rate of the original debt is increased. The principal amount of any debt issued in connection with such refunding may exceed the principal amount being refunded in order to reduce the total principal and interest payment requirements over the remaining term of the original issue. The original debt refunded shall not constitute debt within the meaning of Paragraph I, Section V, Article IX, but the refunding issue shall constitute a debt such as will count against the limitation on debt measured by 10 percent of assessed value of taxable property as expressed in Paragraph I, Section V, Article IX.

The Series 2025 Bonds were authorized to be issued pursuant to an election in the District held on March 18, 2025, called under a resolution adopted by the Jackson County Board of Education on January 29, 2025, and are being issued pursuant to the authority granted by Article 1 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated (“O.C.G.A.”) and O.C.G.A. Section 20-2-430. In addition, the Bonds are being issued pursuant to the Bond Resolution.

The resolution calling the election and the notice of the election stipulated an interest rate for the Series 2025 Bonds not exceeding 6.0% per annum. The canvass of the election showed that 1,496 “Yes” votes, and 487 “No” votes were cast in the election. The issuance of the Bonds was approved by 75.44% of the voters casting votes in the election.

Disbursement and Investment of Bond Proceeds and Other Moneys

The proceeds of the sale of the Series 2025 Bonds will be held by and under the control of the District and will be disbursed by the District, as the District desires, to pay the costs of issuing the Series 2025 Bonds and the costs of the Capital Projects described in “PLAN OF FINANCING - Capital Projects” herein.

Section 36-82-7 of the Official Code of Georgia Annotated provides that the proceeds of the Bonds may be invested and reinvested by the governing authority of the District in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;
- (2) bonds or obligations of the District or bonds or obligations of the State of Georgia or other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (4) obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;
- (5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
- (6) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:
 - (A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in clause (3) above and repurchase agreements fully collateralized by any such obligations,

- (B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,
- (C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and
- (D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(7) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds.

The portion of the certificates of deposit described in clause (7) above in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in clause (3) above, obligations of the agencies of the United States government described in clause (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in clause (5) above.

In addition, Section 36-83-4(a)(1) of the Official Code of Georgia Annotated authorizes the governing authority of the District, or the financial officer of the District to whom investment authority is delegated, to invest and reinvest any money subject to its control and jurisdiction in:

- (1) obligations of the State of Georgia or of other states;
- (2) obligations issued by the United States government;
- (3) obligations fully insured or guaranteed by the United States government or a United States government agency;
- (4) obligations of any corporation of the United States government;
- (5) prime bankers' acceptances;
- (6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated;
- (7) repurchase agreements; and
- (8) obligations of other political subdivisions of the State of Georgia.

Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires the proceeds of the tax assessed and collected to pay the principal of and interest on the Series 2025 Bonds, together with any other moneys collected for this purpose, to be placed in a sinking fund to be used exclusively for paying the principal of and interest on the Series 2025 Bonds and to be held and kept separate and apart from all other revenues collected by the District.

Section 36-80-3 of the Official Code of Georgia Annotated provides that the governing body of the District, or the financial officer of the District to whom investment authority is delegated pursuant to Section 36-80-4 of the Official Code of Georgia Annotated, may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the United States and of its agencies and instrumentalities;
 - (2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities;
- and
- (3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Section 45-8-14 of the Official Code of Georgia Annotated provides that the Jackson County Board of Education designate one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations as depositories of moneys belonging to the school funds of the District.

Section 45-8-12 of the Official Code of Georgia Annotated prohibits the District from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, with a market value of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Section 45-8-11 of the Official Code of Georgia Annotated allows the Superintendent or the finance officer of the District, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The District presently deposits its general funds with United Bank, Jefferson, Georgia. The District plans to deposit the proceeds of the sale of the Series 2025 Bonds with the Georgia Office of the State Treasurer, Atlanta, Georgia, in Georgia Fund 1, which is a local governments investment pool. Georgia Fund 1 is offered to the various government and public school entities in Georgia as a conservative, efficient, and liquid investment alternative. The primary investment objectives of Georgia Fund 1 are safety of capital, liquidity, yield, and diversification with primary emphasis on safety of capital and liquidity. The District may, in its discretion, but subject to the provisions of Georgia law described in the above paragraph, deposit these funds with other financial institutions.

Principal and Interest Requirements

Set forth below are the principal and interest payment requirements with respect to the Series 2025 Bonds, compared to the principal and interest payment requirements with respect to the outstanding general obligation bonds of the District, for the years shown below. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory redemption amount is used.

Fiscal Year Ending June 30	Prior Bonds ¹			Series 2025 Bonds			Combined Total Debt Service Requirements
	Principal	Interest	Total Debt Service Requirements	Principal	Interest	Total Debt Service Requirements	
2026	\$6,470,000.00	\$2,633,000.00	\$9,103,000.00	\$ --	\$ --	\$ --	\$ --
2027	6,790,000.00	2,309,500.00	9,099,500.00	--	--	--	--
2028	7,130,000.00	1,970,000.00	9,100,000.00				
2029	7,485,000.00	1,613,500.00	9,098,500.00				
2030	7,860,000.00	1,239,250.00	9,099,250.00				
2031	8,255,000.00	846,250.00	9,101,250.00				
2032	8,670,000.00	433,500.00	9,103,500.00				
2033	--	--	--				
2034	--	--	--				
2035	--	--	--				
2036	--	--	--				
2037	--	--	--				
2038	--	--	--				
2039	--	--	--				
2040	--	--	--				
2041	--	--	--	--	--	--	--
Totals	\$52,660,000.00	\$11,045,000.00	\$63,705,000.00	\$ --	\$ --	\$ --	\$ --

¹ Represents remaining principal and interest on the District's Series 2019 Bonds.

See "THE DISTRICT - Summary of District Debt by Category and Overlapping Debt" herein for a summary of other indebtedness of the District.

THE DISTRICT

Introduction

The Jackson County School District is a political subdivision of the State of Georgia, separate from and legally and fiscally independent of Jackson County and all other political subdivisions. The boundaries of the District are coextensive with the territorial limits of Jackson County, except the municipal limits of the City of Jefferson, Georgia and the City of Commerce, Georgia are excluded. The City of Jefferson, Georgia and the City of Commerce, Georgia each owns and operates a school system within its municipal limits that is independent of the District's school system. With the exception of the City of Jefferson school system and the City of Commerce school system, the District is the only school district in Jackson County and is vested with the power to conduct a system of public education within the territorial limits of Jackson County (excluding the municipal limits of the City of Jefferson, Georgia and the City of Commerce, Georgia).

District Administration and Officials

Under Georgia law, the District is controlled and managed by the Board of Education of Jackson County. The Board of Education was created under the Constitution of the State of Georgia to manage and control the school system of the District. In addition, various local acts have been passed by the General Assembly of the State of Georgia regarding the Board of Education of Jackson County (the "Acts").

Under the Acts, the Board consists of five members, each of whom is elected by one of five Education Districts. Candidates for the Board must reside in the Education District for which they seek election for at least one year prior to the date of election. Members of the Board representing an Education District must reside in the Education District which they represent during their terms of office and may not reside in an independent school district. The Board elects

one of its number to serve as chairman and one of its number to serve as vice chairman. Under the Acts, the members of the Board are elected to office for terms of four years or until their successors are elected and qualified. If a vacancy occurs on the Board prior to the expiration of a member’s term, the remaining members of the Board elect a successor to serve for the remainder of the unexpired term. A successor member selected in this fashion must meet the Education District residency requirements.

Information concerning the current members of the Board of Education is set forth below:

<u>Name and Office Held</u>	<u>Expiration of Term</u>	<u>Number of Years in Office</u>	<u>Principal Occupation</u>
Ricky J. Sanders, <i>Chairman</i>	12/31/2026	3.0	Jackson County Parks & Recreation Director
Lynn Massey-Wheeler,, <i>Vice Chairman</i>	12/31/2028	20.5	Retired Educator
Rob Johnson	12/31/2028	4.5	Retired Educator
Beau Hollett	12/31/2026	6.5	University of Georgia Facilities Operation Professional
Melissa Mullen	12/31/2028	1.0	Dental Office Insurance Coordinator

The school superintendent of the District is the executive officer of the Board of Education and is employed by the Board of Education under written contract for a term of not less than one year, but not exceeding three years. The school superintendent acts as the Secretary of the Board of Education, ex officio. No person will be eligible to be appointed or employed as school superintendent unless such person is of good moral character, has never been convicted of any crime involving moral turpitude, and possesses acceptable business or management experience as specified by the Professional Standards Commission or the minimum valid certificate or a letter of eligibility for such certificate required by the Professional Standards Commission.

Dr. Philip Brown is the superintendent of the school system. He has served the District in this capacity since 2022. He has full responsibility for overseeing the operation of the school system. Before becoming Superintendent, Dr. Brown served as principal of North Oconee High School for eleven years. He holds a doctor of philosophy in middle grades education from the University of Georgia, an education specialist degree in educational leadership, a master’s of education degree in instructional technology, and a bachelor of science degree, all from Valdosta State College, and a bachelor of science degree in business administration from Georgia College and State University. He also holds an education specialist degree from Georgia College and State University.

Annah Dodge has been employed by the District since December, 2013, as Chief Financial Officer for the District. Prior to serving as Chief Financial Officer, she served as Assistant Finance Director and Director of Finance. Prior to her employment with the Jackson County School District, she served as an auditor for the Georgia Department of Audits & Accounts. Ms. Dodge received her bachelors of business administration in accounting and finance from the University of North Georgia and holds a license as a Certified Public Accountant.

Operations

The District’s school system serves all of the area within the territorial limits of Jackson County (excluding the municipal limits of the City of Jefferson and the City of Commerce). Funds for the general maintenance and operation of the District’s school system are derived from local, state, and federal sources. Local revenues consist primarily of ad valorem property taxes. See “DISTRICT AD VALOREM TAXATION” herein. Funds received from the State of Georgia are determined by certain formulas, generally based upon the number of students served and the relative wealth of the school district in relation to other school districts in Georgia, established by the State of Georgia Department of Education. Funds received from the federal government are primarily for programs for disadvantaged and handicapped students and for the school food service program. During the District’s five fiscal years ended June 30, 2020 through June 30, 2024, approximately 49.56% of the District’s total revenues were derived from local sources, 42.61% from state sources, and 7.84% from federal sources. See “DISTRICT FINANCIAL INFORMATION - Five Year General Fund History” herein.

Schools

The School District's school system consists of 12 schools: seven elementary schools, three middle schools, and two high schools. The School District's school system has a total enrollment of approximately 11,183 students as of the beginning of the 2024-25 school year. Set forth below is information concerning the school system.

<u>School Name</u>	<u>Grades</u>	<u>Size of Enrollment</u>
East Jackson Elementary School	PK-5	632
Gum Springs Elementary School	PK-5	939
Heroes Elementary School	PK-5	966
Maysville Elementary School	PK-5	464
North Jackson Elementary School	PK-5	512
South Jackson Elementary School	PK-5	733
West Jackson Elementary School	PK-5	1,077
East Jackson Middle School	6-7	545
Legacy Knoll Middle School	6-8	718
West Jackson Middle School	6-8	939
East Jackson High School	8-12	1,424
Jackson County High School	9-12	<u>2,234</u>
Total		11,183

The School District employs approximately 957 professionals, 73% of whom hold advanced degrees. Specialists are available in the fields of learning disabilities, behavior disorders and intellectual disabilities, as well as speech therapy and psychological testing for children. There are also approximately 618 support employees.

All teachers in the school system hold bachelor's degrees, and many have master's degrees. Most have a continuing interest in professional and personal growth through formal study and staff development workshops.

All schools in the school system are accredited by the Georgia Accrediting Commission and have met the requirements for Standard Schools as set forth by the Georgia Department of Education. All schools in the School District are also accredited by AdvancED, the nationally recognized accrediting agency that consists of a merger between the Pre-K-12 divisions of the North Central Association Commission on Accreditation and School Improvement (NCA CASI), the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI) and the Northwest Accreditation Commission (NWAC). The School District and each of the schools have also met the requirements and standards as set forth by the Georgia Department of Education.

Enrollment

Set forth below is information concerning enrollment in the District's school system over the past five school years as of the beginning of each school year.

<u>School Year</u>	<u>Total Enrollment</u>
2024-25	11,183
2023-24	10,646
2022-23	10,036
2021-22	9,245
2020-21	8,675

Employees, Employee Relations, and Labor Organizations

The District’s school system had approximately 1,547 full-time employees as of May 1, 2025, in the following categories:

	<u>Number</u>
Classroom Teachers	820
Administrators and Supervisors	65
Librarians, Guidance Counselors, and Psychologists	52
Professional/Technical Support	86
Aides, Clerical, and Attendance Officers	224
Transportation and Maintenance	159
Food Service and Custodians	<u>141</u>
 Total	 1,547

No employees of the District are represented by labor organizations or are covered by collective bargaining agreements, and the District is not aware of any union organizing efforts at the present time. The School Superintendent believes that employee relations are good.

DISTRICT DEBT STRUCTURE

Summary of District Debt By Category

Set forth below is information concerning debt of the District as of May 1, 2025. The information set forth below should be read in conjunction with the District’s financial statements included as **Appendix A** and **Appendix A-1** hereto.

<u>Category of Debt</u>	<u>Amount Authorized But Unissued</u>	<u>Amount Outstanding (less Sinking Fund Installments Paid)</u>	<u>Amount To Be Outstanding Upon Issuance of Bonds</u>
General Obligation Bonds ¹	\$200,000,000	\$52,660,000	\$252,660,000*
Intergovernmental Contract ²	--	182,653	182,653
Finance Purchase Agreement ³	<u> --</u>	<u>1,726,279</u>	<u>1,726,279</u>
 Total	 \$200,000,000	 \$54,568,932	 \$254,568,932*

¹ General obligations of the District to which its full faith and credit and taxing power are pledged.

² Represents payments due from the District under an intergovernmental agreement between the District and Jackson County, Georgia under which the District makes payments to be applied for the upgrade of radio communications system. The District’s obligations under the intergovernmental agreement do not constitute debt of the District for purposes of the constitutional debt limit described in “DISTRICT DEBT – Limitations on District Debt” herein and do not count against the District’s debt limitation.

³ The financial obligations of the District under the financed purchase agreement do not constitute general obligations of the District to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the Board of Education to pay purchase payments due in each fiscal year under the agreement. The District’s obligations under the agreement are from year to year only and do not constitute mandatory payment obligations of the District in any fiscal year in which funds are not appropriated by the Board of Education to pay the agreement due in such fiscal year. The District’s obligations under the financed purchase agreement do not constitute debt of the District for purposes of the constitutional debt limit described in “DISTRICT DEBT STRUCTURE - Limitations on District Debt” herein and do not count against the District’s debt limitation. For a description of a legal limitation on the ability of the District to enter into lease and installment purchase contracts subject to annual appropriation, see “DISTRICT DEBT STRUCTURE - Limitations on District Debt” herein.

There has never been a default in payment of the principal of or interest on any general obligation bonds issued by the District.

Additional General Obligation Bonds

The District anticipates that during the next five years it will not issue additional general obligation bonds.

Debt Service Requirements

Set forth below are the debt service requirements of the District for its debt upon the issuance of the Series 2025 Bonds.

<u>Fiscal Year Ending June 30</u>	<u>General Obligation Bonds¹</u>	<u>Intergovernmental Contracts</u>	<u>Financed Purchase Agreements</u>	<u>Total¹</u>
2026	\$9,103,000.00	\$192,266.00	\$630,582.00	\$9,925,848.00
2027	9,099,500.00	--	630,582.00	9,730,082.00
2028	9,100,000.00	--	630,582.00	9,730,582.00
2029	9,098,500.00	--	--	9,098,500.00
2030	9,099,250.00	--	--	9,099,250.00
2031	9,101,250.00	--	--	9,101,250.00
2032	9,103,500.00	--	--	9,103,500.00
2033	--	--	--	--
2034	--	--	--	--
2035	--	--	--	--
2036	--	--	--	--
2037	--	--	--	--
2038	--	--	--	--
2039	--	--	--	--
2040	--	--	--	--
2041	--	--	--	--
2042	--	--	--	--
Total	\$63,705,000.00	\$192,266.00	\$891,746.00	\$65,789,012.00

¹ Does not include debt service of the Series 2025 Bonds; such debt service will be added to the table in the final Official Statement.

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Overlapping Debt [Update]

In addition to the District’s debt obligations, property owners in the District are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the District overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the District. Although the District has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity which has this information available, and the amounts are based on information supplied by others.

<u>Name of Overlapping Entity</u>	<u>Amount of Outstanding Debt</u>	<u>Percent of Outstanding Debt Chargeable to Property in the District¹</u>	<u>Amount of Outstanding Debt Chargeable to Property in the District¹</u>
Jackson County ²	\$63,002,980	67.61%	\$42,596,315
City of Arcade ³	0	100%	0
City of Braselton ⁴	23,982,473	37.08%	8,892,701
City of Hoschton ⁵	846,943	100%	846,943
City of Maysville ⁶	2,549,758	50.97%	1,299,612
City of Nicholson ⁷	0	100%	0
City of Pendergrass ⁸	<u>436,867</u>	100%	<u>436,867</u>
Total	\$90,819,021		\$54,072,438

¹ The percentage of each overlapping entity’s outstanding debt chargeable to property in the District is calculated by dividing the gross assessed valuation of property of the overlapping entity located in the District by the gross assessed valuation of property in the overlapping entity as a whole.

² The Jackson County debt is as of December 31, 2023 and is comprised of intergovernmental contract debt.

³ The City of Arcade has no debt at this time.

⁴ The City of Braselton debt is as of June 30, 2024 and is comprised of intergovernmental contract debt totaling \$17,899,657 and notes totaling \$6,082,816 payable to GEFA.

⁵ The City of Hoschton debt is as of December 31, 2023 and is comprised of a note in the principal amount of \$655,899 payable to a bank and a note in the principal amount of \$191,044 payable to a bank.

⁶ The City of Maysville debt is as of December 31, 2023 and is comprised of a note in the principal amount of \$852,337 payable to GEFA, a note payable to GEFA in the amount of \$1,232,376, and a note in the principal amount of \$465,045 payable to GEFA, all of which are intended to be paid from revenues of the City’s water and sewer system.

⁷ The City of Nicholson has no debt at this time.

⁸ The City of Pendergrass debt is comprised of a note in the principal amount of \$436,867 as of December 31, 2023.

Limitations on District Debt

The Constitution of the State of Georgia provides that the District may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the District voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the District may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the District.

As computed in the table below, based upon its 2024 assessed value and after the issuance of the Series 2025 Bonds, the District could incur (upon necessary voter approval) approximately \$220,955,566* of long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin

General Obligation Bond Tax Digest as of January 1, 2024	\$ 4,736,155,668
Debt Limit (10% of Assessed Value)	\$ 473,615,566
Amount of Debt Applicable to Debt Limit ¹	\$ 252,660,000*
Legal Debt Margin	\$ 220,955,566*

¹ Comprised of the aggregate principal amount of the Series 2025 Bonds (\$200,000,000*) and the aggregate outstanding principal of the Series 2019 Bonds (\$52,660,000).

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation (such as the Capital Leases described in “DISTRICT DEBT STRUCTURE - Summary of District Debt by Category” herein), and intergovernmental obligations are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the District’s debt limitation upon being refunded.

Section 20-2-506(b)(4) of the Official Code of Georgia Annotated provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5 percent of the total local revenue collected for maintenance and operation of the District in the most recently completed fiscal year. For more information about the District’s leases and installment purchase contracts, see “DISTRICT DEBT STRUCTURE – Summary of District Debt by Category” herein.

Tax Supported Debt Ratios

The following table sets forth certain debt ratios following issuance of the Series 2025 Bonds.

	Tax Supported Debt*	Overlapping Tax Supported Debt	Overall Tax Supported Debt*
Per Capita Debt ¹	\$3,648.06	\$774.88	\$4,422.94
Percentage of Bond Tax Digest ²	5.38%	1.14%	6.52%
Percentage of Fair Market Value ³	1.84%	0.39%	2.23%
Per Capita Debt as Percentage of Per Capita Personal Income ⁴	6.20%	1.32%	7.52%

¹ Based upon 2024 population estimate of 69,782.

² Based upon 2024 General Obligation Bond Tax Digest of \$4,736,155,668.

³ Based on estimated actual value of \$13,834,229,880 of the 2024 Gross Tax Digest.

⁴ Based upon 2023 per capita personal income figure of \$58,834; Jackson County per capita personal income used as an estimate.

DISTRICT AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the District is ad valorem property taxes. Ad valorem property taxes accounted for an annual average of approximately 38% of District general fund revenues for the past five fiscal years of the District and are budgeted to account for approximately 39.5% of general fund revenues for the year ending June 30, 2025. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the District. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

In addition, the District allows exemptions from ad valorem taxation for school purposes for (1) homesteads, or owner-occupied residences, of all persons, up to \$2,000 of assessed value (this exemption, however, is inapplicable to taxes levied to pay bonded indebtedness), (2) homesteads, or owner-occupied residences, of disabled veterans, up to \$121,812 of assessed value, as determined by federal law, (3) homesteads, or owner-occupied residences, of unremarried surviving spouse of a disabled veteran, up to \$121,812 of assessed value, as determined by federal law; (4) homesteads, or owner-occupied residences, of an unremarried surviving spouse of a peace officer or firefighter who was killed in the line of duty, for the full value of the homestead, (5) homesteads, or owner-occupied residences, of an unremarried surviving spouse of a member of the United States armed forces killed in war or armed conflict, up to \$121,812 of assessed value, or an amount as determined by federal law, (6) homesteads, or owner occupied residences, of persons who are between 62 and 64 years of age with net annual income that does not exceed \$400,000, up to \$40,000 of assessed value, (7) homesteads, or owner occupied residences, of persons who are between 65 and 69 years of age with net annual income that does not exceed \$400,000, up to \$75,000 of assessed value, (8) homesteads, or owner-occupied residences of persons who are 70 years of age or older with net annual income that does not exceed \$400,000, up to \$125,000 of assessed value, (9) homesteads, or owner-occupied residences, of persons who are 62 years of age or older, up to the amount by which the value of the property exceeds the value of the property as of the “base year” of the owner (in effect, this homestead exemption freezes the value of the property for tax purposes so long as the owner of the property continues to own the property after being granted the exemption), and (10) the inventory of companies that manufacture or warehouse goods in the District, known as the “freepport” exemption.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property’s fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally-sensitive real property (otherwise known as conservation use property) and certain single-family real property located in transitional developing areas to be valued at their “current uses” (as opposed to fair market value).

The chief appraiser of Jackson County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the Jackson County Board of Tax Assessors. The tax assessors are required to present the tax returns of Jackson County to the Jackson County Board of Tax Assessors by April 1 of each year. The Jackson County Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and

equalized between and within counties. Assessments may also be subject to review at various stages by the Jackson County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to Jackson County which bills these taxes to the utilities. See also “State of Georgia Tax Reform Legislation” below for a discussion of legislation that changes the ad valorem taxation of motor vehicles by local governments.

Annual Tax Levy

Neither the District nor the Board of Education of Jackson County has the power to levy ad valorem property taxes. The Board of Commissioners of Jackson County annually levies the ad valorem property taxes for the District. The Board of Education is required by Georgia law to annually certify to the council of the Board of Commissioners of Jackson County the rate of levy needed to produce the necessary amount of property tax revenues to support and maintain the District’s school system. The Board of Education determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within the territorial limits of the District, will produce the necessary amount of property tax revenues. Under Georgia law, the Board of Commissioners of Jackson County is required to annually levy the ad valorem property tax certified to it by the Jackson County Board of Education upon the assessed value of all taxable property within the District.

Under Georgia law, the annual rate of levy for the support and maintenance of the District’s school system may not exceed 20 mills. This 20-mill limitation may be increased or removed by action of the Jackson County Board of Education, but only after such action has been approved by a majority of the qualified voters of the District. **Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the District.** Ad valorem property taxes received for the payment of debt service on general obligation bonds of the District are required by law to be held and accounted for separately from other funds of the District. See “THE SERIES 2019 BONDS - Disbursement and Investment of Bond Proceeds and Other Moneys” herein.

Property Tax Collections

Jackson County bills and collects the property taxes of the District on behalf of the District. Under Georgia law, the tax collector of Jackson County is required to pay over to the Board of Education once a week all taxes collected for school purposes, after deducting a commission for collecting the taxes. Jackson County charges the District a collection fee of 2.0% of taxes collected for the District. Real and personal property taxes, except motor vehicle taxes, are levied normally in August of each year on the assessed value listed as of January 1. Taxes levied by Jackson County on January 1 are normally billed on October 20 and are normally payable on or before December 20. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year. Interest at 1% per month applies to taxes paid after the due date. Interest applies to taxes paid after the due date as prescribed in O.C.G.A. § 48-2-40, and penalties apply to taxes paid more than 120 days after the due date as prescribed in § 48-2-44.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of the realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer’s personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

At any time after the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the Sheriff may issue an execution for nonpayment of taxes. The Sheriff may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Sheriff at the Jackson County Courthouse on the first Tuesday of the month after the required notices are given.

State of Georgia Tax Reform Legislation

In the 2012 legislative session, the Georgia General Assembly enacted legislation known as House Bill 386 (“HB 386”). HB 386 was subsequently signed into law by Georgia Governor Nathan Deal. HB 386 provides a number of changes to Georgia’s tax laws that impact local governments in Georgia, including the District as regards its ad valorem tax base. These changes include the following:

- Eliminated the sales tax and ad valorem tax on motor vehicles titled after March 1, 2013, replacing it with a one-time title tax of 6.5% in 2013, 6.75% in 2014, and 7% in 2015 and thereafter when titling a motor vehicle. The title tax also applies to casual (non-dealer) sales of motor vehicles, whereas prior law did not require sales tax to be collected on casual sales of motor vehicles.
- Eliminated the state and local sales tax on the energy used in manufacturing, subject to a four year phase-in of 25% per year until it reaches the full exemption in 2016. The legislation allows for counties and cities to pass an ordinance to collect an excise tax on the energy used in manufacturing to make up for the sales tax revenues lost through the exemption established by the State of Georgia.
- Expansion of the number of out-of-state companies required to collect local and state sales tax on internet transactions that have previously not been taxed because the business did not have a physical presence in the State of Georgia.
- Restoration of sales tax holidays for school supplies and energy-efficient appliances. These holidays were eliminated several years ago as a result of the economic downturn.

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Historical Property Tax Data

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the District for calendar years 2020 through 2024.

Calendar Year	Assessed Values					Gross Tax Digest	Bond Exemptions	General Obligation Bond Tax Digest ¹	Maintenance & Support Exemptions	Maintenance & Support Tax Digest ²	Estimated Actual Value
	Real & Personal Property	Public Utilities	Motor Vehicles	Mobile Homes	Timber 100%						
2024	\$5,408,501,829	\$86,195,468	\$27,079,480	\$9,550,544	\$364,630	\$5,533,691,951	\$(797,536,283)	\$4,736,155,668	\$ (962,421,720)	\$4,571,270,231	\$13,834,229,880
2023	4,818,853,792	74,223,080	28,473,000	9,417,181	178,424	4,931,145,477	(869,464,645)	4,061,680,832	(1,021,294,981)	3,909,850,496	12,327,596,057
2022	3,403,773,012	74,124,932	24,217,410	6,199,438	564,352	3,508,879,144	(509,493,174)	2,999,385,970	(659,898,314)	2,848,980,830	8,771,351,332
2021	2,994,900,084	55,959,635	25,262,818	5,061,536	318,256	3,081,502,329	(435,082,108)	2,646,420,221	(560,804,905)	2,520,697,424	7,703,278,439
2020	2,568,025,841	63,284,294	29,229,590	6,107,877	296,332	2,666,943,934	(484,453,749)	2,182,490,185	(602,162,385)	2,064,781,549	6,666,915,337

¹ Total assessed value, after deducting exemptions, for purposes of levying tax for the District's general obligation bonds.

² Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the District's school system.

Source: State of Georgia Department of Revenue, Property Tax Division; Jackson County Tax Commissioner.

Millage Rates

Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the District, unincorporated and incorporated Jackson County and the State of Georgia for calendar years 2020 through 2024.

Calendar Year	School District			Jackson County		State of Georgia	District-Wide	
	Maintenance & Operations ¹	Bond Debt Service ²	Total	Unincorporated	Incorporated		Incorporated Total ³	Unincorporated Total ⁴
2024	15.395	2.600	17.695	5.571	6.948	0.000	24.943	23.566
2023	15.495	2.600	18.095	6.171	7.748	0.000	25.843	24.266
2022	16.576	2.700	19.276	7.800	9.138	0.000	28.414	27.076
2021	16.576	2.700	19.276	8.000	9.428	0.000	28.704	27.276
2020	18.390	2.700	21.090	8.950	10.447	0.000	31.537	30.040

¹ The annual rate of levy for maintenance and operations of the District may not exceed 20 mills. For more complete information, see "DISTRICT AD VALOREM TAXATION - Annual Tax Levy" herein.

² The annual rate of levy for payment of bond debt service of the District is without limitation as to rate or amount.

³ In addition to the District-wide incorporated totals, some incorporated cities in Jackson County have their own maintenance and operations millage rates for property within their city limits. The City of Maysville assessed 0.252 mills in 2024, 0.264 mills in 2023, 0.332 mills in 2022, 0.329 mills in 2021, and 0.360 mills in 2020. The excluded cities and independent school districts of Commerce and Jefferson assessed total millage as follows: Commerce (city and its school district): 20.658 mills in 2024, 21.860 mills in 2023, 23.288 mills in 2022, 22.938 mills in 2021, and 25.785 mills in 2020; Jefferson (city and its school district): 20.614 mills in 2024, 20.616 mills in 2023, 23.006 mills in 2022, 23.302 mills in 2021, and 24.587 mills in 2020.

⁴ In addition to the District-wide unincorporated totals, some unincorporated areas in the County have their own fire district maintenance and operations millage rates.

Source: State of Georgia Department of Revenue, Local Government Services Division and Jackson County Tax Commissioner.

Property Tax Levies and Collections of the School District

Set forth below is information concerning total property tax collections of the School District reported as of the end of each respective fiscal year ended June 30 for the prior calendar year’s M&O tax levy.

	Fiscal Year <u>2020</u>	Fiscal Year <u>2021</u>	Fiscal Year <u>2022</u>	Fiscal Year <u>2023</u>	Fiscal Year <u>2024</u>
Current Year’s M&O Tax Levy ¹ :	\$ 34,201,922	\$ 37,316,030	\$ 41,275,147	\$ 46,711,103	\$56,525,891
Tax Collections:					
Collection of Current Year’s Taxes:	33,424,941	36,552,461	40,702,190	45,106,931	53,025,367
Collection of Prior Year’s Taxes:	<u>674,564</u>	<u>615,410</u>	<u>507,565</u>	<u>312,824</u>	<u>492,470</u>
Total Tax Collections:	\$ 32,544,683	\$37,167,871	\$ 41,209,755	\$ 45,419,755	\$53,517,837
Current Year’s Tax Collection as a Percent of Current Year’s Levy:	87.14%	97.95%	98.61%	96.57%	93.81%
Total Year’s Tax Collections as a Percent of Current Year’s Levy:	87.40%	99.60%	99.84%	97.24%	94.68%
Uncollected ³ Current Year’s Property Taxes ² :	\$ 998,643	\$ 846,511	\$ 636,512	\$ 580,147	\$ 905,732
Due Date of Taxes:	12/20/2019	12/20/2020	12/20/2021	12/20/2022	12/20/2023

¹ Current year’s M&O Tax Levy is derived from the School District’s five year history of the tax digest and current year’s digest values published pursuant to O.C.G.G. § 48-5-32, is prior to adjustments, and does not include taxes on property not on the digest.
² Real and personal property taxes only; does not include mobile homes, heavy equipment, timber and motor vehicles.
³ Uncollected as of the end of the applicable fiscal year, for example, the amount in the 2020 column is uncollected as of June 30, 2020.

Source: Jackson County Tax Commissioner

Delinquent property taxes of the District are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

Ten Largest Taxpayers of the School District

Set forth below are the ten largest taxpayers of the District for calendar year 2024. A determination of the largest taxpayers within the District can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the District. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District.

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>2024 M&O Taxes Levied¹</u>	<u>2024 Bond Taxes Levied¹</u>	<u>2024 Total (M&O + Bond) Taxes Levied¹</u>	<u>2024 Assessed Value for the School District</u>	<u>2024 Assessed Value as a % of 2024 M&O Tax Digest²</u>	<u>2024 Assessed Value as a % of 2024 Bond Tax Digest³</u>
Amazon.com Services	Online Retail Distribution	\$1,045,604	\$176,588	\$ 1,222,192	\$67,918,445	1.49%	1.43%
TD Automotive Compressor Georgia LLC	Automotive Manufacturer	769,758	130,001	899,759	50,000,541	1.09	1.06
Toyota Industries North America Inc.	Automotive Manufacturer	634,214	107,110	741,324	41,196,129	0.90	0.87
Georgia Power Company	Public Utility	592,738	100,105	692,843	38,501,999	0.84	0.81
Jackson EMC	Public Utility	569,360	96,157	665,517	36,983,424	0.81	0.78
Souther Power Company	Public Utility	509,164	85,991	595,155	33,073,346	0.72	0.70
Huber Engineered Woods LLC	Building Material Manufacturer	430,897	72,772	503,669	27,989,410	0.61	0.59
Uline Inc	Online Retail Distribution	397,064	67,059	454,123	25,791,777	0.56	0.54
The William Carter Co	Online Retail Distribution	376,141	63,525	439,666	24,432,658	0.53	0.52
Arc Blakely LLC	Real Estate Investor	<u>373,454</u>	<u>63,071</u>	<u>436,525</u>	<u>24,258,160</u>	0.53	0.51
Total		\$5,698,394	\$962,379	\$6,660,773	\$370,145,883		

¹ 2024 taxes were levied October 3, 2024; bills were mailed on October 22, 2024 and were due December 20, 2024.

² Based on calendar year 2024 M&O Tax Digest of \$4,571,270,231.

³ Based on calendar year 2024 Bond Tax Digest of \$4,736,155,668.

Source: Jackson County Tax Commissioner.

Recent Ad Valorem Tax Legislation

House Bill 581 (“HB 581”) was passed by both houses of the General Assembly on March 28, 2024, following reconciliation in conference committee. The Governor of Georgia signed the legislation on April 18, 2024. For the legislation to become effective, the voters state-wide in Georgia had to approve an amendment to the Georgia Constitution permitting the legislation. On November 5, 2024, the amendment to the Georgia Constitution was approved by Georgia voters. HB 581 implements a floating homestead exemption for ad valorem taxing jurisdictions in Georgia.

For homes first receiving this exemption in taxable year 2025, the base year assessed value will be the 2024 assessed value. For homes first receiving this exemption in later years, the base year assessed value will be the assessed value for the immediately preceding year. The base year value may increase each year by up to the inflationary rate determined by the Georgia Revenue Commissioner, which may utilize the Consumer Price Index (CPI). This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. This is also true if a local floating homestead exemption is added in the future. Any governing authority may elect to opt out of the floating homestead exemption created by this bill by advertising and conducting three public hearings on their intent to opt out and later adopting the resolution. This process may not begin until the bill takes effect on January 1, 2025, and must be completed by March 1, 2025. A governing authority may not opt-out of the statewide floating homestead exemption after this deadline.

Pursuant to HB 581, in effect, the homestead exemption limits the amount of any increase in the assessed value of homes to no more than the rate of inflation experienced over the prior year. It does not freeze the value. This is best described as an adjusted base-year homestead exemption, because it grants an exemption equal to the difference between the homestead’s adjusted base-year value (generally the value for the year prior to the homeowner’s application for the exemption plus an inflation factor for each year since the exemption was first granted) and the current year’s true value.

The Board of Education of Jackson County decided to opt out of the floating homestead exemption created by HB 581 and adopted a resolution to that effect on January 13, 2025.

In addition, House Bill 92 (“HB 92”) was passed by both houses of the General Assembly in late March of 2025. The Governor of Georgia signed the legislation on April 1, 2025. HB 92 added provisions regarding the floating homestead exemption law. For an election to opt out of the homestead exemption to remain effective for tax years 2027 and thereafter, the local governing authority is required to elect to continue its election to opt out by adopting a resolution to that effect by March 2, 2027 after following the same procedures and hearings as required for originally opting out. Also, under HB 92 a local governing authority may rescind its election to opt out by adopting a resolution to do so by March 1 of the applicable tax year, but in all events by March 1, 2029.

DISTRICT SALES TAX

Description

Georgia law authorizes the Board in concert with other school districts and independent school systems in Jackson County, to by resolution impose, levy, and collect a sales and use tax for educational purposes at the rate of one percent and for a period of time not to exceed five years, conditioned upon approval by a majority of the qualified voters of Jackson County voting in a referendum thereon. Pursuant to an amendment to the Constitution of the State of Georgia ratified on November 6, 2018 and the laws of the State of Georgia, including Article 3 of the Sales Tax Act (O.C.G.A. Section 48-8-140, et seq., as amended), the proceeds of the such sales and use tax will be divided pro rata based upon applicable student enrollment, among the District, the School District of the City of Jefferson and the School District of the City of Commerce, which comprise all of the school districts and independent school systems located in Jackson County.

A sales and use tax for educational purposes of the District (the “First Sales Tax”) was authorized to be imposed pursuant to an election in Jackson County held on March 18, 1997, called under a resolution adopted by the Board and under concurrent resolutions of the Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The First Sales Tax began to be imposed on July 1, 1997, and ceased to be imposed on March 31, 2002. A sales and use tax for educational purposes of the District (the “Second Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on September 18, 2001, called under a resolution adopted by the Board

and under concurrent resolutions of Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The Second Sales Tax began to be imposed on April 1, 2002, and ceased to be imposed on March 31, 2007. A sales and use tax for educational purposes of the District (the “Third Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on September 19, 2006, called under a resolution adopted by the Board and under concurrent resolutions of Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The Third Sales Tax began to be imposed on April 1, 2007, and ceased to be imposed on March 31, 2012. A sales and use tax for educational purposes of the District (the “Fourth Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on March 15, 2011, called under resolution adopted by the Board and under concurrent resolutions of Board of Education of the Jackson County and the Board of Education of the City of Commerce. The Fourth Sales Tax began to be imposed on April 1, 2012, and ceased to be imposed on March 31, 2017. A sales and use tax for educational purposes of the District (the “Fifth Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on March 1, 2016, called under a resolution by the Board and under concurrent resolutions of Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The Fifth Sales Tax began to be imposed on April 1, 2017, and ceased to be imposed on March 31, 2022. A sales and use tax for educational purposes of the District (the “Sixth Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on March 16, 2021, called under a resolution adopted by the Board and under concurrent resolutions of Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The Sixth Sales Tax began to be imposed on April 1, 2022 and will cease to be imposed on the earlier of (1) March 31, 2027 or (2) the end of the calendar quarter during which the Revenue Commissioner determines that the Sixth Sales Tax has raised revenues sufficient to provide all the school districts located in Jackson County combined total net proceeds of \$100,000,000.

A sales and use tax for educational purposes of the District (the “Sales Tax”) was authorized to be reimposed pursuant to an election in Jackson County held on March 18, 2025, called under a resolution adopted by the Board and under concurrent resolutions of the Board of Education of the City of Jefferson and the Board of Education of the City of Commerce. The resolution calling the election and the notice of the election authorized the reimposition of the Sales Tax for a period of time not to exceed five years, beginning with the calendar quarter following the calendar quarter in which the sales and use tax for educational purposes presently in effect expires, for the purposes of raising not more than \$200,000,000 of net proceeds.

The Sales Tax will begin to be imposed on April 1, 2027 (or earlier if the maximum proceeds of the Sixth Sales Tax is reached), and will cease to be imposed in five years from the beginning date or (2) the end of the calendar quarter during which the Revenue Commissioner determines that the Sales Tax has raised revenues sufficient to provide all the school districts located in Jackson County combined total net proceeds of \$200,000,000.

The canvass of the election showed 2062 “Yes” votes and 524 “No” votes, an approximately 77% approval by those who voted in the election.

Sales Subject to Taxation

The Sales Tax is imposed on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on services within Jackson County, subject to numerous exemptions, including sales to certain governmental entities and to certain non-profit organizations, professional, insurance, and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, and sales of prescription drugs, certain medical devices and equipment, and lottery tickets.

Sales Tax Collections

The Sales Tax is generally imposed on the purchaser of tangible personal property or services and is generally collected by the seller of tangible personal property or services from the purchaser at the time of sale. Sellers of tangible personal property or services is generally required to file tax returns with the Revenue Commissioner on or before the 20th day of each month, showing taxable sales during the preceding calendar month, and to remit the Sales Tax shown due on the return with the return. Sellers of tangible personal property or services are allowed the following deductions from Sales Taxes timely remitted to the Revenue Commissioner: (1) 3 percent of the first \$3,000 of Sales Tax reported due on each monthly return (other than Sales Tax on motor fuel), (2) 0.50 percent of Sales Tax in excess of \$3,000

reported due on each monthly return (other than Sales Tax on motor fuel), and (3) 3 percent of Sales Tax on motor fuel reported due on each monthly return. When any seller fails to make any return or to pay the full amount of the Sales Tax, there is imposed a penalty to be added to the Sales Tax in the amount of 5 percent or \$5.00, whichever is greater, if the failure is for not more than 30 days and an additional 5 percent or \$5.00, whichever is greater, for each additional 30 days or fraction of 30 days during which the failure continues. The penalty for any single violation does not exceed 25 percent or \$25.00 in the aggregate, whichever is greater.

Permitted Uses

Georgia law provides that the District’s share of the Sales Tax shall be exclusively administered and collected by the Revenue Commissioner for the use and benefit of the District. The District’s share of proceeds of the Sales Tax collected by the Revenue Commissioner must be disbursed to the District as soon as practicable after collection, after deducting one percent of the amount collected for the state treasury in order to defray the costs of administration.

Georgia law provides that the District’s share of the proceeds received from the Sales Tax shall be used by the District exclusively for the purpose or purposes specified in the resolution calling for reimposition of the Sales Tax. Such proceeds are required by Georgia law to be kept in a separate account from other funds of the District and may not in any manner be commingled with other funds of the District prior to expenditure.

Historical Sales Tax Data

Set forth below are the net proceeds of the District’s share of the sales and use taxes received by the District beginning with calendar year 2015 and through calendar year 2024, and for the four months ended April 30, 2025.

<u>Year Ended December 31</u>	<u>Existing Sales Tax Collections¹</u>
2025 ²	\$ 4,915,155
2024	14,294,730
2023	14,159,797
2022	13,879,672
2021	11,184,280
2020	8,570,463
2019	7,818,444
2018	7,458,549
2017	6,789,718
2016	6,275,728
2015	5,992,649

¹ Net of deductions allowed to dealers and net of commission allowed to the Revenue Commissioner.

² Four months ended April 30, 2025.

Source: State of Georgia Department of Revenue

Recent Sales Tax Legislation

House Bill 276 (“HB 276”) was passed by both houses of the Georgia General Assembly on January 16, 2020, following reconciliation in conference committee. The Governor of Georgia signed the legislation on January 30, 2020. HB 276 requires “marketplace facilitators” to collect and remit sales tax on behalf of marketplace sellers. Under HB 276 a marketplace facilitator is a person that is paid by a seller to facilitate a retail sale by providing a way for sellers to connect with customers and facilitates payment for the retail sale. Marketplace facilitators are required to collect and remit sales tax to the state of Georgia if the total number of retail sales facilitated on behalf of various sellers meets or exceeds \$100,000. Popular online shopping destinations that would be subject to HB 276 include Amazon, Google, and eBay. HB 276 took effect on April 1, 2020. HB 276 is likely to have a positive impact on the District’s sales tax revenues, but the extent of such impact is presently unknown.

Ride sharing companies, such as Uber and Lyft, which connect drivers with riders and facilitate payment for the car ride, are considered marketplace facilitators under HB 276. House Bill 105 (“HB 105”) would exempt ride sharing companies from the requirements of HB 276 and instead necessitate that ride sharing companies collect and remit a flat sales tax of \$0.50 per ride. Currently, HB 105 has passed both houses of the Georgia General Assembly and has been transmitted to the Governor for signature. If HB 105 becomes effective it will reduce the amount of sales tax collected and remitted by ride sharing companies from the amount they are currently required to collect under HB 276. However, prior to HB 276 becoming effective on April 1, 2020 ride sharing companies did not collect sales tax, so the reduction will likely have very little impact on the District.

DISTRICT FINANCIAL INFORMATION

Accounting System and Policies

The accounting practices and policies of the District conform to generally accepted accounting principles as applied to governments as prescribed by the Governmental Accounting Standards Board. The District’s accounting system is organized and operated generally on a fund basis. The District’s funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The District’s primary fund is the General Fund, which contains all District revenues except those which are specifically allocated for other purposes. The District may appropriate money from the General Fund for all ordinary District expenses. The District also maintains several other funds to account for specific activities or to attain certain objectives.

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Major governmental funds maintained by the District are as follows:

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

The District’s basic financial statements are collectively comprised of the District-wide financial statements, fund financial statements and notes to the basic financial statements.

The District-wide financial statements are divided into the Statement of Net Position and the Statement of Activities, which display information about the financial activities of the District overall, except for fiduciary activities. Eliminations are 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 District’s non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- **Net investment in capital assets** consists of the District’s total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

- **Restricted net position** consists of resources for which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
- **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 District’s governmental activities.

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

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

The fund financial statements provide information about the District’s funds. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Note 2 of the audited financial statements of the District included as **Appendix A** and Note 2 of the unaudited financial statements of the District included as **Appendix A-1** contain a detailed discussion of the District’s significant accounting policies.

Five Year General Fund History

Set forth below is an historical, comparative summary of the revenues, expenditures, and changes in fund balance of the District’s General Fund for the past five fiscal years. Information in the following table for fiscal years 2020 to 2023 has been extracted from audited financial statements of the District for the years ended June 30, 2020 to 2023. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the District for the fiscal years shown. Information in the following table for fiscal year 2024 is unaudited because the State of Georgia Department of Audits has not yet completed its audit of the District’s financial statements and has not prepared the audited financial statements for the District for fiscal year 2024 as of the date hereof. For more complete information, reference is made to the audited financial statements for fiscal years 2020 to 2023, copies of which are available from the District upon request. In addition, the audited financial statements of the District for fiscal year 2023 are attached hereto as **Appendix A** and the unaudited financial statements of the District for fiscal year 2024 are attached hereto as **Appendix A-1**.

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School District General Fund

	2020 (audited)	2021 (audited)	2022 (audited)	2023 (audited)	2024 (unaudited)
Revenues					
Property Taxes	\$ 37,721,986.35	\$ 42,050,531.16	\$ 46,758,519.24	\$ 50,902,759.06	\$ 64,361,203.03
Sales Taxes	1,961,689.62	2,917,109.13	3,397,102.85	2,480,554.76	2,455,157.00
State Funds	48,213,217.89	49,197,196.00	57,549,179.54	66,016,081.67	77,208,729.29
Federal Funds	6,315,607.76	10,401,991.86	15,214,022.81	17,112,558.22	10,760,390.00
Charges for Services	1,979,167.87	1,300,884.21	2,020,907.62	2,968,936.26	2,860,329.21
Investment Earnings	225,444.81	14,420.15	7,348.22	339,896.22	276,709.27
Miscellaneous	<u>907,655.18</u>	<u>1,598,179.57</u>	<u>2,435,574.86</u>	<u>2,613,452.75</u>	<u>3,917,400.64</u>
Total Revenues	\$ 97,324,769.48	\$107,480,312.08	\$127,382,655.14	\$ 142,434,238.94	\$161,859,918.44
Expenditures					
Current					
Instruction	\$58,280,995.45	\$64,401,841.31	\$75,028,676.20	\$85,667,045.21	\$94,997,427.67
Support Services					
Pupil Services	2,497,550.38	2,873,991.61	3,168,059.65	4,095,786.00	5,104,331.27
Improvement of Instructional Services	3,159,269.02	2,474,472.52	3,289,345.04	4,566,399.93	4,709,981.07
Educational Media Services	1,179,733.31	1,197,291.73	1,352,104.72	1,646,247.21	1,831,399.94
General Administration	1,584,275.78	1,609,174.76	1,803,709.45	2,023,040.09	2,402,676.98
School Administration	4,764,612.15	4,966,173.35	5,629,517.99	6,041,659.96	7,759,339.75
Business Administration	832,095.54	830,352.00	946,088.87	1,036,123.82	1,164,994.40
Maintenance and Operation of Plant	6,817,787.20	8,255,552.89	11,678,287.79	13,186,174.45	14,549,661.26
Student Transportation Services	6,357,823.32	6,579,295.58	9,459,654.75	9,769,700.78	16,094,542.99
Central Support Services	2,491,160.98	3,532,299.46	5,187,475.14	3,965,842.67	3,034,142.31
Other Support Services	588,558.15	644,891.75	656,484.22	734,255.79	494,199.00
Enterprise Operations	483,430.23	407,283.46	636,917.27	670,450.52	925,674.96
Community Services	316,441.15	259,843.49	413,016.00	455,574.80	566,191.93
Food Services Operation	3,878,870.73	4,462,976.98	5,682,202.84	5,873,698.89	7,586,774.23
Capital Outlay	--	--	--	--	12,780,288.59
Debt Service					
Principal	--	--	916,275.85	948,643.45	796,635.19
Interest	--	--	<u>66,018.15</u>	<u>33,650.55</u>	<u>26,212.81</u>
Total Expenditures	\$ 93,232,603.09	\$102,495,440.89	\$ 125,913,833.93	\$ 140,714,294.12	\$174,824,474.35
Excess of Revenue Over (Under) Expenditures	\$ 4,092,166.39	\$ 4,984,871.19	\$ 1,468,821.21	\$ 1,719,944.82	\$(12,964,555.91)
Other Financing Sources (Uses)	\$ --	\$ --	\$ --	\$ --	\$ 3,775,566.50
Net Change in Fund Balance	\$ 4,092,166.39	\$ 4,984,871.19	\$ 1,468,821.21	\$ 1,719,944.82	\$(9,188,989.41)
Fund Balance - Beginning	\$ 16,848,259.55	\$ 21,466,091.90	\$ 26,450,963.09	\$ 27,919,784.30	29,639,729.12
Fund Balance - Ending	\$ 20,940,425.94	\$ 26,450,963.09	\$ 27,919,784.30	\$ 29,639,729.12	\$20,450,739.71

Management Comments Concerning Material Trends in Revenues and Expenditures

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

- In total, net position increased by \$18.6 million (unaudited), which is a significant increase from fiscal year 2023. This increase is due to governmental activities since the District has no business-type activities.
- The District had \$177.14 million (unaudited) in expenses related to governmental activities; however, \$98.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$97.14 million, not only provided the remaining funding for these programs but contributed to the increase in net position.
- The General Fund presented on a current financial resource basis ended the fiscal year with a fund balance of \$20.45 million (unaudited), a decrease of \$9.19 million from the prior year fund balance of \$29.64 million.

The District’s governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds for fiscal year 2024 had total revenues, special items and other financing sources of \$193,934,788.42 (unaudited), total expenditures of \$24,562,354.16 (unaudited), and other financing sources of \$4,558,641.50 (unaudited). Included in the amount of total expenditures was \$33,285,270.76 (unaudited) of capital project expenditures.

The District’s budget is prepared according to Georgia Law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2024, the District amended its general fund budget as needed. For the General Fund, the final actual revenues and other financing sources of \$161,859,918.44 (unaudited) were \$8,559,058.29 more than the final budgeted amount of \$153,300,860.15. The majority of the variances between final budget and actual revenues are due to higher tax revenues and state revenues than anticipated. The final actual expenditures of \$174,824,474.35 (unaudited) were \$19,869,573.21 less than the final budgeted amount of \$154,954,901.14. This difference (final actual vs. final budget) was due mostly to the instruction line item expenditures, maintenance and operation of plant, student transportation services, and capital outlay, all significantly exceeded the budget.

At fiscal year ended June 30, 2024 the District had \$298,880,851.42 (unaudited) invested in capital assets, all in governmental activities. The table below reflects a summary of these balances by category net of accumulated depreciation. Capital assets comparisons to fiscal year 2023 are included in the following table:

	Capital Assets (Net of Depreciation)	<u>Governmental Activities</u>
	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024 (unaudited)</u>
Land	\$9,576,505.22	\$15,381,139.55
Construction in Progress	38,581,483.43	78,314,933.13
Buildings and Improvements	259,860,811.06	257,312,474.04
Equipment	21,168,581.24	27,283,246.06
Land Improvements	6,486,850.81	7,008,205.66
Less: Accumulated Depreciation	<u>(82,878,882.66)</u>	<u>(86,419,147.02)</u>
Total	\$252,795,349.10	\$298,880,851.42

As of June 30, 2024, the District completed the following capital projects: Legacy Knoll Middle School, Heroes Elementary School, South Jackson Elementary School Outdoor Classroom, East Jackson High School land improvements and the addition of a graphics art lab at the Empower College and Career Center. Construction in progress consisted of the following: addition of an automotive lab at the Empower College and Career Center, renovations and improvements at East Jackson Middle School and property purchases to accommodate the ongoing growth.

At fiscal year ended June 30, 2024, the District had \$78,744,635.21 (unaudited) in long-term liabilities. Of this amount, \$10,420,686.59 represents compensated absences, general obligation bonds, unamortized bond premiums and financed purchases due within one year; \$68,323,948.62 represents compensated absences, general obligation bonds and unamortized bond premiums and discounts, and financed purchases due in more than one year.

See also Management's Discussion and Analysis for fiscal year ended June 30, 2023 set forth in the audited financial statements of the District for fiscal year 2023 attached hereto as **Appendix A**.

Budgetary Process

The District's budget is a complete financial plan for the District's fiscal year and is based upon estimates of expenditures together with probable funding sources. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared by fund, function and object. The legal level of budget control was established by the District at the aggregate level. The budget for governmental funds was prepared in accordance with generally accepted accounting principles.

The budget process begins when the District's administrative staff presents an initial tentative budget for the Board's approval. 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 District's website. At the next regular meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final school budget. This final budget is then submitted, in accordance with provisions of the Quality Basic Education Act, O.C.G.A. Section 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.

Budgets

Set forth below is a summary of the District's adopted budget for the fiscal year ending June 30, 2025. Also set forth below is the District's tentative budget for the fiscal year ending June 30, 2026, prepared by the District's administrative staff, which has not been presented to or adopted by the Board. The budgets are based upon certain assumptions and estimates of the District regarding future events, transactions, and circumstances. Realization of the results projected in the budgets will depend upon implementation by management of the District of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budgets set forth below.

JACKSON COUNTY SCHOOL DISTRICT

**General Fund Budget
For Fiscal Years Ending June 30, 2025
(Non-GAAP Budgetary Basis of Accounting)**

Revenues

	2025 <u>Budget</u>	2026 <u>Tentative Budget</u>
Property Taxes	\$ 69,069,015.00	\$ 69,069,015.00
Sales Taxes	4,750,000.00	6,000,000.00
Charges for Services	2,406,050.00	2,178,156.00
Earnings on Investments	250,000.00	275,000.00
State Funds	81,350,586.00	87,894,607.00
Federal Funds	10,038,764.00	6,209,919.00
Miscellaneous	<u>1,416,135.00</u>	<u>1,680,477.00</u>
Total Revenues	\$169,280,550.00	\$173,307,174.00

Expenditures

Instruction	99,544,108.00	\$104,507,401.00
Support Services		
Pupil Services	5,558,218.00	5,633,566.00
Improvement of Instructional Services	4,355,258.00	4,932,939.00
Media Services	2,052,359.00	2,202,885.00
General Administration	2,681,021.00	2,801,384.00
School Administration	8,597,106.00	8,524,527.00
Business Administration	1,275,777.00	1,321,707.00
Maintenance and Operation	14,749,393.00	16,010,621.00
Student Transportation Services	12,394,676.00	11,772,172.00
Capital Outlay	1,435,726.00	0.00
Central Support Services	4,338,801.00	4,861,548.00
Other Support Services	635,000.00	535,000.00
Food Service Operations	8,274,584.00	8,406,356.00
Community Services Operations	500,000.00	500,000.00
Debt Service		
Principal	0.00	0.00
Interest	0.00	0.00
Total Expenditures	<u>\$166,392,027.00</u>	<u>\$172,010,106.00</u>

Excess of Revenues over (under) Expenditures 2,888,523.00 1,297,068.00

Other Financing Sources (Uses)

Sale of Capital Assets	2,702,840.00	0.00
Other Sources	175,000,000.00	160,000,000.00
Other Uses	(175,000,000.00)	(160,000,000.00)

Total Other Financing Sources (Uses) 2,702,840.00 0.00

Net Change in Fund Balance 5,591,363.00 1,297,068.00

Fund Balances - Beginning 20,450,739.71 30,000,000.00

Adjustments 4,000,000.00 0.00

Fund Balances - Ending 30,042,102.71 31,297,068.00

Employee Benefits

Substantially all of the teachers and the administrative and clerical personnel of the Board of Education are covered by the Teachers Retirement System of Georgia, a cost-sharing, multiple-employer defined benefit pension plan (the “TRS Plan”) administered by the State of Georgia for the benefit of education personnel. The District has no liability under the TRS Plan except for contributions established and made each year. The TRS Plan provides service retirement, disability retirement, and survivor’s benefits. The benefit structure of the TRS Plan is defined and may be amended by Georgia statutory law. A member 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. A member is eligible for early retirement after 25 years of creditable service. Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member’s two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Death, disability and spousal benefits are also available. The TRS Plan is funded by member and employer contributions. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member’s contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member’s earnable compensation. The District’s contributions for each of the fiscal years 2022, 2023 and 2024 are as follows: fiscal year 2022 - \$11,025,689.55, fiscal year 2023 - \$12,582,585.53, and fiscal year 2024 (unaudited) - \$14,157,846.41. Reference is made to Note 13 of the audited financial statements of the District included as **Appendix A** and Note 14 of the unaudited financial statements of the District included as **Appendix A-1** for more information about the TRS Plan.

The District also participates in the Employee’s Retirement System of Georgia plan (the “ERS Plan”). The ERS Plan is a cost-sharing multiple-employer defined benefit pension plan established for the purpose of providing retirement benefits for employees of the State of Georgia and its political subdivision. Reference is made to Note 13 of the audited financial statements of the District included as **Appendix A** and Note 14 of the unaudited financial statements of the District included as **Appendix A-1** for the more information about the ERS Plan.

At June 30, 2024, the District reported a liability of \$127,689,544 (unaudited) for its proportionate share of the net pension liability made up of \$127,581,269 (unaudited) of net pension liability for the TRS Plan and \$108,275 (unaudited) of net pension liability for the ERS Plan.

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 District’s TRS proportion of the net pension liability was based on contributions to the TRS Plan during the fiscal year ended June 30, 2023.

At June 30, 2023, the District’s TRS proportion was 0.432%, which was an increase of 0.0204% from its proportion measured as of June 30, 2022. At June 30, 2023, the District’s ERS proportion was 0.001815%, which was an increase of 0.000292% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$29,341,405 (unaudited) for TRS, \$2,328 (unaudited) for ERS and \$269,009 (unaudited) for PSERS.

Bus drivers, lunchroom personnel, and maintenance and custodial personnel are members of the Public School Employees’ Retirement System of Georgia, which provides a supplemental retirement (the “PSERS Plan”) for these employees. The PSERS Plan is funded by contributions by the employees and by the State of Georgia. The School District makes no contribution to this plan. See Note 13 of the audited financial statements of the District included as **Appendix A** and Note 14 of the unaudited financial statements of the District included as **Appendix A-1** for more information about the PSERS Plan.

At June 30, 2024, the District did not have a PSERS Plan 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 District is \$1,363,044 (unaudited).

The PSERS Plan 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 District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$246,009 (unaudited) for the PSERS Plan. Revenue support of \$246,009 (unaudited) for the PSERS Plan was provided by the State of Georgia.

The District contributes to the Georgia School Personnel Post-Employment Health Benefit Fund (the “School OPEB Fund”), a healthcare plan administered by the State Department of Community Health. The School OPEB Fund is a cost sharing multiple employer defined benefit healthcare plan that covers eligible active and former employees of public school systems, libraries and regional educational service agency and their qualified beneficiaries. The contribution requirements of plan members and participating employers, like the District, are established by the State Board of Community Health in accordance with the annual appropriations act adopted by the State, and may be amended by the Board. Contributions by plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage and Medicare eligibility and election. On average, retired plan members pay approximately 25% of the cost of health insurance coverage. The District is statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rate is established to fund both the active and retired employee health insurance plans based on projected “pay-as-you-go” financing requirements. The District pays from its own revenues the contributions for its active employees, but not for its retired employees. The District’s combined active and retiree contributions to the health insurance plans, which equaled 100% of the required contributions in each of fiscal years 2022, 2023 and 2024 were as follows: fiscal year 2022 - \$1,820,658, fiscal year 2023 - \$2,151,004, and fiscal year 2024 - \$2,430,454 (unaudited). See Note 12 to the audited financial statements for fiscal year 2023 attached as **Appendix A** and Note 13 of the unaudited financial statements for fiscal year 2024 attached as **Appendix A-1** for more information concerning the District’s participation in the healthcare plan.

At June 30, 2024, the School District reported a liability of \$61,285,547 (unaudited) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$1,434,797 (unaudited). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflow of Resources (unaudited)	Deferred Inflows of Resources (unaudited)
Differences between expected and actual experience	\$1,786,372	\$ 17,601,929
Changes of assumptions	11,134,379	7,653,635
Net difference between projected and actual earnings on OPEB plan investments	36,768	--
Changes in proportion and differences between School District contributions and proportionate share of contributions	13,494,715	81,247
School District contributions subsequent to the measurement date	<u>2,430,454</u>	<u>---</u>
Total	\$28,882,688	\$ 25,336,811

School District contributions subsequent to the measurement date of \$2,430,454 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:

(UNAUDITED)

Year Ended June 30:	<u>OPEB</u>
2025	\$ (1,057,495)
2026	\$ 79,386
2027	\$ (1,055,594)
2028	\$ 916,056
2029	\$ 1,957,442
2030	\$ 275,628
Thereafter	\$0

For a summary of actuarial assumptions and discount rate used to measure the net OPEB liability, see Note 13 of the District’s unaudited financial statements included as **Appendix A-1** hereto.

The District’s 12-month employees earn 10 days of unpaid vacation leave per year. The District’s employees earn 1 day of sick leave per month. Employees may use up to 3 sick days per year as personal leave. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees who were hired prior to November 10, 2014. Unused sick leave days can be accumulated on an unlimited basis for retirement purposes for participants in the Teacher Retirement System (TRS). Sick and personal leave do not vest with the employee upon termination of employment.

Insurance Coverage and Governmental Immunity

Under Georgia law, the defense of sovereign immunity is available to the District, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which automobile liability insurance protection has been provided, but only to the extent of the liability insurance provided. The District, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the District in the exercise of its delegated powers.

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

The District participates in the Georgia School Boards Association Risk Management Fund (“GSBA-RMF”), an interlocal risk management agency organized in 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, school leaders liability, crime, or property damage, including safety engineering and other loss prevention and control techniques. GSBA-RMF administers a self-insurance fund regarding such liabilities and events, including the processing and defense of claims brought against members of the fund. GSBA-RMF is a risk sharing arrangement among participating Georgia school districts, and participation in the fund through execution of a coverage agreement does not waive any immunity of the participating school district under applicable Georgia law. Since the fund is a risk sharing arrangement and a self-insurance fund, the members of the fund are assessable if the losses that the fund must pay exceed the assets of the pool. However, GSBA-RMF does have reinsurance to provide coverage for excessive losses of the fund. The District pays an annual premium to the fund for its insurance coverages

The District also participates in the Georgia School Board Association Workers’ Compensation Fund (the “WCF”), a public entity risk pool organized on July 1, 1992, to develop, implement, and administer a program to reduce

the risk of loss from employee accidents. The District pays an annual contribution to the WCF for coverage. The WCF provides statutory limits of coverage for workers' compensation coverage and a \$2,000,000 limit per occurrence for employers' liability coverage. Excess insurance coverage is provided through an agreement between the WCF and the Safety National Casualty Corporation to limit the WCF's exposure to large losses.

The present insurance coverages of the District are summarized below:

<u>Type</u>	<u>Amount in Force</u>	
Property	\$574,184,045	
Fidelity/Blanket Bond	250,000	
Superintendent Bond	50,000	
	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
School Board Errors and Omissions	\$1,000,000	\$ 1,000,000
General Liability	\$1,000,000	\$ 3,000,000
Automobile Liability	\$ 500,000	\$ 500,000
Cyber Risk Liability	\$1,000,000	\$10,000,000
Crisis Management Liability	\$ 300,000	\$ 300,000
Employers' Liability	\$2,000,000	\$ 2,000,000
Workers' Compensation	Statutory	Statutory

The School District is self-insured with regard to unemployment compensation claims. Claims are accounted for within the same fund that the employee's salary and benefits are paid. The School District requires payment and performance surety bonds and builders' risk insurance from all contractors and subcontractors involved in construction related to any of the District facilities. The District requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the District's facilities.

Reference is made to Note 7 of the District's audited financial statements included as **Appendix A** and Note 8 of the District's unaudited financial statements for fiscal year 2024 included as **Appendix A-1** for discussion of the District's risk management program.

JACKSON COUNTY

Introduction

Jefferson, the county seat of Jackson County, is located 50 miles northeast of Atlanta at the foot of the Blue Ridge Mountains in northeast Georgia. Named for Revolutionary patriot and Georgia statesman James Jackson, Jackson County originally covered 1,800 square miles. However, from 1801 until 1914 portions were taken to form parts of the present counties of Clarke, Oconee, Madison, Gwinnett, Hall, Walton, Banks, and Barrow. Jackson County today contains only 337 square miles.

County business was first conducted at the Clarksboro community, but when Clarke County was cut away in 1801, it was decided a more central location for the county seat would be sought. The village of Thomocaggan was selected, mainly because of ample water provided by Curry Creek and four springs. By 1803 county business began to be conducted there and the name had been changed to Jefferson in honor of Thomas Jefferson.

Jefferson's immediate growth and prosperity was largely due to its being a legal center - not only for Jackson County, but also because for many years it was the last courthouse before the Georgia frontier. Several transportation routes passed through or near there contributing to its importance in the area.

Jackson County's early pioneers came chiefly to farm. They were mostly Georgians and other southerners from the Carolinas and Virginia, and a few immigrants from Ireland and France. Until well into the twentieth century, the county continued to be mainly agricultural. Poultry production in Georgia began in 1923 when M. E. Murphy of Talmo started growing broilers on a large scale basis. Jackson County has moved to the forefront in this enterprise, continually

ranking in the top five counties in broiler and egg production. The county also ranks near the top in beef cattle number and livestock income in the state.

Portions of Jackson County are still predominately rural. A blend of small businesses and manufacturing companies provides a sound financial base, and several industrial parks have been developed along the I-85 corridor and near the City of Jefferson, the County seat. Recreational and cultural opportunities abound in and around Jackson County.

Jackson County is governed by, and generally acts through, the Board of Commissioners of Jackson County. The present members of the Board of Commissioners are Marty Clark, Chairman, Jim Hix, Chas Hardy, Ty Clack, Marty Seagraves, and Cole Elrod.

Population

Annual estimates of population are produced by the U.S. Census Bureau (the “Bureau”) for the nation, its states, counties, cities, and towns. The annual time series of estimates begins with the most recent decennial census data and extends to the most recent vintage year. All estimates set forth below are from vintage year 2024 which is the most recent complete vintage. Data for 2020 is from the 2020 Census.

<u>Year</u> ¹	<u>City of Jefferson</u>	<u>City of Commerce</u>	<u>Jackson County</u>	<u>State of Georgia</u>	<u>United States</u>
2024	-- ⁴	-- ⁴	93,825	11,180,878	340,111,988
2023	15,756	8,287	88,723	11,064,432	336,806,231
2022	15,314	7,731	84,102	10,931,805	334,017,321
2021	14,043	7,643	80,394	10,792,060	332,099,760
2020	13,233	7,387	75,907	10,711,908	331,449,281

¹ As of July 1 of the years indicated.

² Jackson County is one of 159 counties in Georgia. Based on 2023 population estimates, Jackson County was the 30th most populous county in the State of Georgia.

³ 2020 census data reflects an increase in the population of U.S. metro areas compared to a decade ago. 2020 population data for Jackson County, the City of Jefferson, and the City of Commerce reflect this increase. According to the 2020 census, Jackson County’s population increased from 60,485 in 2010 to 75,907 in 2020, representing a 25% increase. Population in the City of Jefferson increased from 9,432 in 2010 to 13,233 in 2020, representing a 40.30% increase. Population in the City of Commerce increased from 6,544 in 2010 to 7,387 in 2020, representing an 8.43% increase.

⁴ Vintage 2024 population estimates for the City of Jefferson and the City of Commerce are not yet available.

Source: United States Census Bureau

Per Capita Annual Personal Income (PCPI)

The following table compares per capita personal income in Jackson County with that of the State of Georgia and the United States for the time periods indicated. The 2023 PCPI was 98.2% of the state average (\$59,882), and 84.3% of the national average (\$69,810). The 2023 PCIP reflects an increase of 4.6% from 2022. The 2022-2023 state change was 4.5% and the national change for the same period was 5.4%.

<u>Year</u>	<u>Jackson County</u>	<u>State of Georgia</u>	<u>United States</u>
2023 ¹	\$58,834	\$59,882	\$69,810
2022	54,880	56,589	65,470
2021	49,063	55,786	64,143
2020	45,903	51,987	59,765
2019	43,508	48,236	56,490
2018	42,211	46,482	54,446

¹ Ranked 19th in the state (out of 159 counties).

Source: U.S. Department of Jefferson, Bureau of Economic Analysis. Information for 2023 is the latest information available at the county level.

Largest Employers

Set forth below are the top ten employers located in Jackson County as of October, 2024, the industry or service provided by each, and the approximate number of people employed by each. There can be no assurance that any employers listed below will continue to be located in Jackson County or the City or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below.

<u>Company</u>	<u>Industry or Service</u>	<u>Employees</u>
Amazon.com, Inc. (2 locations)	Internet e-Jefferson/sales & distribution	4,000
SK Battery America, Inc.	Electric vehicle (EV) battery manufacturing	3,000
HomeGoods	Distribution center - home furnishings	1,500
Kubota Industrial Equipment Corp.	Manufacturing - farm machinery and equipment	1,200
TD Automotive Compressor Georgia	Manufacturing - air conditioning/heating/refrigeration equipment	1,200
Carter's Inc.	Distribution center – women's, children's and infant's clothing	900
Wayne Farms LLC	Poultry further processing	800
Toyota Industries	Manufacture of compressor parts	530
Mission Foods	Manufacture of tortillas and other Mexican foods	475
Uline, Inc.	Distribution center – shipping, industrial & packaging materials	450

Source: Jackson County Area Chamber of Commerce.

The following are among the largest public employers located in Jackson County and their approximate number of employees.

<u>Employer</u>	<u>Employees</u>	<u>As of:</u>
Jackson County School System	1708 ¹	Beginning of 2024-2025 school year
Jackson County Government	582 ¹	November 4, 2024
Jefferson City School System	506 ¹	January, 2025
Commerce City School System	248 ²	Beginning of 2023-2024 school year

¹ Full and part-time employees.

² Full time employees.

Source: Human Resources Departments of the respective employers.

Labor Force Data

The following table reflects the labor force and employment in Jackson County and the unemployment rate for the County, the State of Georgia and the United States for the past five years.

	<u>2024</u> ¹	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Jackson County Labor Force	52,472	49,206	48,197	41,953	40,087	37,891
Jackson County Unemployment Rate	2.1%	2.1%	2.0%	2.5%	4.3%	2.8%
State Unemployment Rate	3.4%	3.2%	3.1%	3.9%	6.5%	3.6%
United States Unemployment Rate	3.8%	3.6%	3.6%	5.3%	8.1%	3.7%

¹ As of December, 2024; not seasonally adjusted.

Source: Georgia Department of Labor, Workforce Statistics Division, Local Area Unemployment Statistics Unit.

Industry Mix

Set forth below is a list of major industries in Jackson County. These industry figures are for the 2nd quarter of 2024.

<u>Industry Group</u>	<u>Establishments</u>	<u>Employees</u>
Manufacturing	117	8,475
Retail trade	263	4,877
Wholesale trade	114	2,883
Educational services	35	2,437
Accommodation and food services	146	2,269
Real estate and rental and leasing	97	1,673
Construction	299	1,669
Health care and social assistance	152	1,511
Public administration	28	1,212
Administrative, support and waste management	139	966

Source: Georgia Department of Labor.

Building Permits

The following table sets forth privately-owned residential and commercial building permits issued in the City of Jefferson for the years 2020 through 2024.

<u>Year</u>	<u>Number of New, Single Family Residential Permits¹</u>	<u>Total Estimated Value</u>	<u>Number of New Commercial Permits²</u>	<u>Total Estimated Value</u>
2024	233	\$81,550,000	25	\$24,366,641
2023	199	69,650,000	27	79,948,730
2022	107	18,550,250	19	51,778,579
2021	190	34,887,350	32	15,358,025
2020	143	23,715,350	26	57,513,000

¹ Includes new single-family residences, residential additions and residential renovations and remodels.

² Includes new construction, remodels and additions.

Source: City of Jefferson Planning and Development.

The following table sets forth privately-owned residential and commercial building permits issued in Jackson County for the years 2020 through 2024.

<u>Year</u>	<u>Number of New, Single Family Residential Permits¹</u>	<u>Total Estimated Value</u>	<u>Number of New Commercial Permits²</u>	<u>Total Estimated Value</u>
2024	233	\$81,550,000	25	\$24,366,641
2023	199	69,650,000	27	79,948,730
2022	107	18,550,250	19	51,778,579
2021	190	34,887,350	32	15,358,025
2020	143	23,715,350	26	57,513,000

¹ Includes new single-family residences, residential additions and residential renovations and remodels.

² Includes new construction, remodels and additions.

Source: Jackson County Planning and Zoning Department.

Banking Deposits

Set forth below are total deposits in FDIC insured institutions operating in Jackson County at June 30 for the past five calendar years.

<u>Year</u>	<u>Total Deposits</u> (\$000)
2024	\$1,485,819
2023	1,091,344
2022	1,315,557
2021	1,482,013
2020	779,348

Source: FDIC.

According to the State of Georgia Department of Banking and Finance, as of June 30, 2024, there were ten (10) commercial banking institutions located in Jackson County with a total of fourteen (14) offices.

LEGAL MATTERS

Pending Litigation

The District, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The District, after reviewing the current status of all pending and threatened litigation with its general counsel, Harben, Hartley & Hawkins, LLP, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the District or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the District.

There is no litigation now pending or, to the knowledge of the District, threatened against the District (i) which restrains or enjoins the issuance or delivery of the Series 2025 Bonds, the levy of an ad valorem tax for the payment of the Bonds, or the use of the proceeds of the Series 2025 Bonds or (ii) which questions or contests the validity of the Series 2025 Bonds or the proceedings and authority under which they are to be issued and an ad valorem tax is to be levied to pay the Series 2025 Bonds. Neither the creation, organization, or existence of the District, nor the title of the present members or other officials of the Board of Education to their respective offices, is being contested or questioned.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Series 2025 Bonds are subject to the unqualified approving opinion of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, Bond Counsel, whose opinion will be available at the time of delivery of the Series 2025 Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as **Appendix B**.

The Internal Revenue Code of 1986, as amended (the “Code”), contains a number of requirements and restrictions which apply to the Series 2025 Bonds. These include restrictions on investments, requirements for periodic payment of arbitrage profits to the United States, requirements regarding the use of bond proceeds, and other restrictions and requirements. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2025 Bonds to become subject to federal income taxation, retroactive, in some cases, to the date of issuance of the Series 2025 Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Series 2025 Bonds, including original issue discount, is excluded from gross income for federal income tax purposes. Moreover, in the opinion of Bond Counsel, interest on the Series 2025 Bonds is not a specific “item of tax preference” for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986 (the “Code”), for the purpose of computing alternative minimum tax imposed on corporations. The foregoing opinions are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to

the issuance of the Series 2025 Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of the interest on the Series 2025 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2025 Bonds.

The Series 2025 Bonds maturing _____, ____ and _____, ____ have been sold at initial public offering prices which are less than the amount payable at maturity (the "Discount Bonds"). In the opinion of Bond Counsel, under existing law, any original issue discount in the selling price of the Discount Bonds, to the extent allocable to each owner of such bond, is excluded from gross income for federal income tax purposes with respect to such owner. The original issue discount is the excess of the stated redemption price at maturity of such Discount Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Discount Bonds was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (i) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the Series 2025 Bonds.

In the further opinion of Bond Counsel, the interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation. Bond Counsel has not opined as to whether interest on the Series 2025 Bonds is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Series 2025 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Series 2025 Bonds should consult its own tax advisor regarding the tax-exempt status of the interest on the Series 2025 Bonds in a particular state or local jurisdiction other than Georgia.

In concluding that interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, Bond Counsel will rely, as to questions of fact material to its opinion, upon certified proceedings and other certifications of public officials furnished to Bond Counsel, without undertaking to verify any of them by independent investigation. If certain of these items are incorrect, interest on the Series 2025 Bonds may become included in gross income for federal income tax purposes retroactive, in some cases, to the date of issuance of the Series 2025 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Series 2025 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2025 Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2025 Bonds or the market value of the Series 2025 Bonds.

Purchasers of the Series 2025 Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and purchasers of the Series 2025 Bonds at other than their original issuance at the respective prices indicated on the front cover of this Official Statement should also consult their

own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Series 2025 Bonds or the owners of the Series 2025 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2025 Bonds, under current IRS procedures, the IRS will treat the District as the taxpayer and the beneficial owners of the Series 2025 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2025 Bonds.

Bond Premium

The Series 2025 Bonds (in this paragraph referred to as the "Premium Bonds") are being sold at prices in excess of the principal amount thereof. Under the Code, the excess of an owner's cost basis of a bond over the principal amount of such bond (other than a bond held as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the related bond. An owner will therefore be required to decrease its basis in the Premium Bonds by the amount of amortizable bond premium attributable to each taxable year it holds the Premium Bonds. The amount of amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes; however, an owner is required to amortize bond premium by offsetting part of the interest allocable to an accrual period with the bond premium allocable to the accrual period. Purchasers of the Premium Bonds should consult their own tax advisers with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of the Premium Bonds.

Collateral Federal Tax Consequences

Ownership of the Series 2025 Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain recipients of Social Security or railroad retirement benefits, foreign corporations operating branches in the United States, Subchapter S corporations, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should consult their tax advisers as to the applicability of any such collateral federal tax consequences. In this respect, prospective purchasers of the Series 2025 Bonds should be aware of the following collateral federal tax consequences.

1. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025 Bonds.
2. Property and casualty insurance companies are required to reduce the amount of their deductible underwriting losses by 15% of their amount of tax-exempt interest, including interest on the Series 2025 Bonds. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income.
3. Certain recipients of Social Security benefits and railroad retirement benefits will be required to include a portion of such benefits within gross income by reason of receipt or accrual of interest on the Series 2025 Bonds.
4. For foreign corporations operating branches in the United States, Section 884 of the Code imposes a branch-level tax on certain earnings and profits. Interest on the Series 2025 Bonds may be included in the determination of such domestic branches' taxable base on which this tax is imposed.
5. Passive investment income, including interest on the Series 2025 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any Subchapter S corporation that has Subchapter C earnings and

profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income.

Validation Proceedings

The Series 2025 Bonds were confirmed and validated by judgment of the Superior Court of Jackson County, entered on June 20, 2025, in Civil Action File No. 25CV0379. Under Georgia law, the judgment of validation is forever conclusive with respect to the validity of the Series 2025 Bonds against the District.

Closing Certificates

At closing of the sale of the Series 2025 Bonds by the Underwriter, the District will deliver to the Underwriter a certificate (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2025 Bonds or the levy and collection of an ad valorem tax to pay the Series 2025 Bonds or on the financial condition of the District and (2) that the information contained in this Official Statement does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Ratings

S & P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S & P"), has assigned a rating of "AA+" (Stable) to the Series 2025 Bonds. The rating assigned by S & P is based on the understanding of the rating agency that the District will participate in the State of Georgia intercept program.

S & P has also assigned its underlying rating of "AA-" (Stable) to the Series 2025 Bonds. The underlying rating has been assigned without regard to the State of Georgia intercept program.

Moody's Investors Service ("Moody's") has assigned a rating of "Aa1" (Stable) to the Series 2025 Bonds. The rating assigned by Moody's is based on the understanding of the rating agency that the District will participate in the State of Georgia intercept program.

Moody's has also assigned its underlying rating of "Aa3" (Stable) to the Series 2025 Bonds. The underlying rating has been assigned without regard to the State of Georgia intercept program.

The ratings reflect only the views of the rating agency, and any desired explanation of the significance of the ratings should be obtained from the rating agency at the following addresses: S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC, 55 Water Street, New York, New York 10041, and Moody's Investors Service, Inc., 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that the ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Series 2025 Bonds.

Underwriting

The Series 2025 Bonds will be purchased for re-offering at negotiated sale by Raymond James & Associates, Inc. (the "Underwriter") from the District at an aggregate purchase price of _____% of the principal amount of the Series 2025 Bonds, plus original issue premium. The Underwriter will enter into a Bond Purchase Agreement which provides that the Underwriter will purchase all of the Series 2025 Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2025 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the Series 2025 Bonds to the public initially at the offering prices/yields set forth on the cover page of this Official Statement, which offering prices/yields may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The offering prices/yields set forth on the cover page of this Official Statement average \$_____ per \$1,000 face amount of the Series 2025 Bonds in excess of the purchase price to be paid to the District by the Underwriter. The Underwriter will receive no fee (other than the anticipated profits described in the preceding sentence) from the District for underwriting the Series 2025 Bonds. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2025 Bonds. The Underwriter may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing Series 2025 Bonds into investment trusts) at prices lower than the public offering prices/yields set forth on the cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2025 Bonds will be deducted from the Underwriter's underwriting profits.

Experts

The general purpose financial statements of the District as of June 30, 2023 and for the year then ended, attached hereto as **Appendix A**, have been audited by the State of Georgia Department of Audits, Atlanta, Georgia, to the extent and for the period indicated in its report thereon, which appears in **Appendix A**. Such financial statements have been included herein in reliance upon the report of the State of Georgia Department of Audits, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits stated in its audit report that it conducted its audit in accordance with generally accepted auditing standards. The State of Georgia Department of Audits, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not and will not sign a written consent to the inclusion of its audit report in **Appendix A** to this Official Statement. The State of Georgia Department of Audits could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the District's general purpose financial statements.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the District.

JACKSON COUNTY SCHOOL DISTRICT

By: _____
Chairman of the Board of Education
of Jackson County

By: _____
Secretary/Superintendent of the
Board of Education of Jackson County

APPENDIX A

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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ANNUAL FINANCIAL REPORT • FISCAL YEAR 2023

Jackson County Board of Education

Jefferson, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA
Georgia Department
of Audits & Accounts

Jackson County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and remaining fund information of the Jackson County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and remaining fund information of the School District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

September 18, 2024

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTION

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

FINANCIAL AND OPERATING HIGHLIGHTS

Key financial highlights for the fiscal year 2023 are as follows:

- The School District enrollment continues to increase at a remarkable rate of 600 – 700 new students per year. As a result of suburban Atlanta sprawl, the bulk of this growth is in the West area of Jackson County. Capacity is available in the Eastern most section of the School District while growth is exponentially greater in the Western part of the School District. Ongoing growth of retail establishment sales in the County and continued community support of ESPLOST, provide the School District with a much-needed revenue source. With enrollment increases expected to continue, ESPLOST revenues have been prioritized to serve the West Community facility needs. ESPLOST revenues have also allowed the School District to build the new Legacy Knoll Middle School, finish the new Heroes Elementary School, add to, renovate and improve existing facilities and pay down existing general obligation bond debt.
- School District management continues to focus on financial stability. The fiscal year 2023 general fund ending unrestricted fund balance \$23,918,972.66 was an 8% increase from the prior fiscal year (fiscal year 2022 ending general fund unrestricted fund balance \$22,129,379.96). This steadfast endeavor has allowed the School District to continue to fund daily operations, without the assistance of a Tax Anticipation Note (TAN), until the 2022 property taxes were levied. The School District has not needed a TAN since fiscal year 2018.
- The School District had \$157,018,212.96 in expenses relating to governmental activities; \$89,050,566.85 of the expenses is offset by program specific charges for services and operating and capital grants and contributions. General revenues (primarily property and sales taxes) and a special item of \$79,263,467.15 provided the remaining funding for these programs.
- The Jackson County Board of Education, School District leaders, Staff and Community Stakeholders are committed to aligning all decisions with our strategic plan. The Jackson County School District continues to operate under their Strategic Waiver School System (SWSS) flexibility contract approved by the State Board of Education in December 2015. This contract has provided the flexibility to truly maximize funding and support innovation that aligns with the School District's goals and priorities.
- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short- term liabilities, was 3.73 for the fiscal year ended June 30, 2023. Generally, a ratio greater than 2.00 is considered very financially stable.
- Long-term debt decreased by \$9,311,651.49 for 2023. This decrease for 2023 was due primarily to the principal payments on outstanding debt.

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. The reader can think of the School District’s net position as the difference between its assets (i.e., what the School District owns) and its liabilities (i.e., what the School District owes) at the end of a fiscal year. This balance represents one way to measure the School District’s financial health or its financial position. In the case of the Jackson County School District, even with the pension liability reporting required by GASB No. 68 and the OPEB liability required by GASB No. 75, assets exceeded liabilities by \$88,170,523.58 at June 30, 2023.

To better understand the School District’s actual financial position and ability to deliver services in future periods, the reader will need to review the various components of the net position total. For example, of the total net position balance of \$88,170,523.58, \$11,645,724.67 was restricted for capital projects, \$1,326,150.58 was restricted for debt service, \$4,028,924.94 was restricted for continuation of Federal grant programs and \$61,791.14 was restricted as permanent funds. Accordingly, these funds were not available to meet the School District’s ongoing obligations to citizens and creditors.

In addition, the School District had a net investment in capital assets (e.g., land, buildings and equipment) of \$169,137,836.11. The School District uses these capital assets to provide educational services to students within the geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the total net position is *not* available for future spending.

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 1 provides a summary of the School District's net position for this fiscal year (fiscal year 2023) and a comparison to the previous fiscal year (fiscal year 2022).

Table 1
Summary of Net Position

	Governmental Activities	
	Fiscal Year 2023	Fiscal Year 2022
Assets		
Current and Other Assets	\$ 57,131,251.62	\$ 72,078,331.88
Capital Assets, Net	<u>252,795,349.10</u>	<u>228,186,831.64</u>
Total Assets	<u>309,926,600.72</u>	<u>300,265,163.52</u>
Deferred Outflows of Resources		
Loss of Refunding of Debt	918,411.74	1,443,218.46
Related to Defined Benefit Pension Plans	71,884,321.10	30,777,456.65
Related to OPEB Plan	<u>21,094,542.00</u>	<u>14,618,194.00</u>
Total Deferred Outflows of Resources	<u>93,897,274.84</u>	<u>46,838,869.11</u>
Liabilities		
Current and Other Liabilities	199,018,686.04	98,258,023.66
Long-Term Liabilities	<u>85,202,964.94</u>	<u>94,514,616.43</u>
Total Liabilities	<u>284,221,650.98</u>	<u>192,772,640.09</u>
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	1,467,819.00	50,409,848.00
Related to OPEB Plan	<u>29,963,882.00</u>	<u>27,046,842.00</u>
Total Deferred Inflows of Resources	<u>31,431,701.00</u>	<u>77,456,690.00</u>
Net Position		
Net Investment in Capital Assets	169,137,836.11	133,285,198.13
Restricted	17,152,116.59	34,932,846.90
Unrestricted (Deficit)	<u>(98,119,429.12)</u>	<u>(91,343,342.49)</u>
Total Net Position	<u>\$ 88,170,523.58</u>	<u>\$ 76,874,702.54</u>

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 2 shows the Changes in Net Position for the current fiscal year (fiscal year 2023) and compares it to the previous fiscal year (fiscal year 2022).

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2023	Fiscal Year 2022
Revenues		
Program Revenues:		
Charges for Services	\$ 2,968,936.26	\$ 2,020,907.62
Operating Grants and Contributions	82,897,891.07	71,704,572.74
Capital Grants and Contributions	3,183,739.52	12,640,822.99
Total Program Revenues	<u>89,050,566.85</u>	<u>86,366,303.35</u>
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	50,565,523.52	46,050,019.68
For Debt Service	7,872,459.53	7,007,014.70
Railroad Cars		34,950.16
Other Taxes	520,277.00	530,581.00
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	13,993,688.70	13,134,199.74
Other Taxes	2,844,813.40	3,895,949.29
Investment Earnings	796,980.05	15,923.53
Miscellaneous	2,743,610.79	4,236,690.18
Total General Revenues	<u>79,337,352.99</u>	<u>74,905,328.28</u>
Special Item:		
Gain (Loss) on Sale of Assets	(73,885.84)	303,797.16
Total Revenues and Special Item	<u>168,314,034.00</u>	<u>161,575,428.79</u>
Program Expenses:		
Instruction	97,088,253.70	69,085,476.72
Support Services		
Pupil Services	4,408,313.60	2,937,983.11
Improvement of Instructional Services	4,829,033.23	3,020,699.00
Educational Media Services	1,741,931.02	1,135,131.63
General Administration	2,221,899.57	1,836,325.66
School Administration	6,571,108.99	5,051,479.34
Business Administration	1,069,074.08	856,307.22
Maintenance and Operation of Plant	13,980,258.53	11,462,711.75
Student Transportation Services	9,991,483.92	9,869,650.45
Central Support Services	3,953,083.38	4,645,523.26
Other Support Services	768,979.54	656,484.22
Operations of Non-Instructional Services		
Enterprise Operations	670,450.52	636,917.27
Community Services	455,574.80	413,016.00
Food Services	5,751,960.54	5,510,936.21
Interest on Long-Term Debt	3,516,807.54	3,858,925.47
Total Expenses	<u>157,018,212.96</u>	<u>120,977,567.31</u>
Increase in Net Position	<u>\$ 11,295,821.04</u>	<u>\$ 40,597,861.48</u>

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Governmental Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2023	2022	2023	2022
Instruction	\$ 97,088,253.70	\$ 69,085,476.72	\$ 32,647,795.69	\$ 9,590,059.34
Support Services:				
Pupil Services	4,408,313.60	2,937,983.11	3,007,210.48	2,200,761.62
Improvement of Instructional Services	4,829,033.23	3,020,699.00	3,486,402.43	1,612,384.71
Educational Media Services	1,741,931.02	1,135,131.63	(163,940.02)	(97,091.05)
General Administration	2,221,899.57	1,836,325.66	229,131.21	(309,050.52)
School Administration	6,571,108.99	5,051,479.34	3,531,425.73	2,312,074.28
Business Administration	1,069,074.08	856,307.22	856,278.60	479,566.97
Maintenance and Operation of Plant	13,980,258.53	11,462,711.75	9,217,868.62	4,751,504.09
Student Transportation Services	9,991,483.92	9,869,650.45	7,998,452.49	7,809,592.41
Central Support Services	3,953,083.38	4,645,523.26	3,297,294.16	3,884,644.50
Other Support Services	768,979.54	656,484.22	375,347.26	345,719.34
Operations of Non-Instructional Services:				
Enterprise Operations	670,450.52	636,917.27	669,151.66	636,917.27
Community Services	455,574.80	413,016.00	(374,350.23)	(162,352.47)
Food Services	5,751,960.54	5,510,936.21	(327,229.51)	(2,302,392.00)
Interest on Long-Term Debt	3,516,807.54	3,858,925.47	3,516,807.54	3,858,925.47
Total Expenses	\$ 157,018,212.96	\$ 120,977,567.31	\$ 67,967,646.11	\$ 34,611,263.96

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For fiscal year 2023, 44% of instruction and support activities were supplemented by taxes and other general revenues as opposed to the 29% in fiscal year 2022.

Expenses increased \$36,040,645.65 from the prior year, the net costs of providing services increased \$33,356,382.15. This situation occurred mostly because there was a large increase in instruction, maintenance and operation of plant and student transportation services.

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of \$169,017,280.00 and total expenditures of \$183,214,784.98. Included in the amount of total expenditures was \$30,885,349.00 of capital outlay expenditures. These expenditures were funded with Education Special Purpose Local Option Sales Tax (ESPLOST) revenue, for which proceeds were received monthly.

General Fund Budgeting Highlights

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

For the general fund, the total actual expenditure amount of \$140,714,294.12 was more than the final budgeted expenditures amount of \$136,608,710.43 by \$4,105,583.69. This difference (final actual vs. final budget) can be attributed to several expenditure function areas being more than anticipated because of moving ESPLOST activity such as bus replacement, technology devices and building improvements to the general fund. This was done in an effort to focus EPLOST monies on addressing the growth and building additional facilities in the West Side Community. Also, an increase of funding from CARES relief grants gave the opportunity to implement extra expenses to address learning loss and literacy initiatives.

The total final actual revenue amount of \$142,434,238.94 exceeded the total final budgeted revenue of \$135,345,449.00 by \$7,088,789.94. This difference (final budget vs. final actual) was mostly due to a \$1,056,235.67 increase in state funding due to mid-year adjustments related to enrollment growth, and increase in federal funds for additional ESSER/ARP grant awards and a \$2,158,952.75 increase in miscellaneous revenues for school activity accounts not budgeted at the School District level.

CAPITAL ASSETS

At fiscal year ended June 30, 2023, the School District had \$252,795,349.10 invested in capital assets, net of accumulated depreciation, all in governmental activities. Additional information on the School District's capital assets can be found in the Notes to the Basic Financial Statements.

As of June 30, 2023, the School District completed the following capital projects: finalization of the renovations and improvements to the Empower College & Career Center, the completion of the New Jackson County High School and renovation and improvement of the track and field at East Jackson High School.

DEBT ADMINISTRATION

For fiscal year ended June 30, 2023, the School District had \$85,202,964.94 in long-term liabilities. Of this amount, \$9,149,423.75 represents compensated absences and general obligation bonds due within one year; \$76,053,541.19 represents compensated absences and general obligation bonds due in more than one year. Additional information can be found on the School District's debt in the Notes to the Basic Financial Statements.

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CURRENT ISSUES

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

- We would like to emphasize that the fund level statements and balances provide a much more accurate representation of the School District's financial position. At the government-wide reporting level there is a significant deficit in net position - unrestricted due to GASB No. 68 and GASB No. 75 reporting requirements. At the fund level, the fiscal year 2023 ending unrestricted balance increased compared to the unrestricted balance reported for fiscal year 2022. This is due in part to increased property tax revenues and an increase in state QBE funds directly related to the significant increase in student enrollment.
- The School District ended fiscal year 2023 with \$29,639,729.12 in the general fund's fund balance. The actual ending fund balance was over \$3.2 million more than projected during the final amended budget process. These results can be attributed to the state restoring additional education funding support, continued growth of the local property tax base and the School District's priority to continue maintaining a fund balance that supports operations without obtaining a tax anticipation note (TAN). This stability and growth in the fund balance over the past several years is also greatly driven by the time, effort and detail put in to the budgeting process. School System administrators ensure that all facets (maintenance, transportation, technology, instruction, special programs, facilities, etc.) of the School District are considered during the budget process. Members of the Finance Department and Administrative team meet with teacher advisory committees, parent advisory committees, school leaders, program leaders, community members, school board members and many others to receive information, input and recommendations that aid in the development of the upcoming fiscal year's budget.
- The School District continues to reinforce the quality of the instructional program. It is imperative that financial resources are prioritized for instructional materials and professional learning. The School District is committed to providing students and the community remarkable learning experiences. Over the next generation, learning must be transformed to meet the needs of our students and future demands of a global economy. To truly shift the culture and be a future ready School District, significant professional learning and partnerships among community and business leaders will be paramount. The School District is committed to this work and efficiently supporting a strong return on our investment of resources.
- Jackson County Schools works closely with the community it serves. The commercial and industrial industries are invested partners. Jackson County is experiencing record growth with very specialized industries choosing to locate large manufacturing firms in the community. These leaders are vested in the programs that will be offered including industrial manufacturing, robotics, health sciences, logistics, entrepreneurship, and others that are directly aligned to the present and future needs of the community.
- In addition to strong business partnerships, Jackson County School District has prioritized the investment of the parents, students, and community stakeholders in the development of a unique Community Based Accountability effort. The Jackson County Board of Education meets regularly with a Parent Advisory Council, and the Superintendent meets regularly with teacher advisories, student advisories and serves on various community leadership boards. These stakeholders are valued and their expectations for a high performing school system drive the goals for success of our students.

JACKSON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

- Jackson County is the fastest growing county in the State of Georgia and the fourth-fastest growing county in the nation. With the record growth, the Jackson County School District is committed to building top-tier school facilities to give our students the best environment to succeed academically, along with providing ample opportunities for our students to be involved in their school and community. Jackson County School District will open two new facilities in back-to-back years. Legacy Knoll Middle School is a \$38.0 million school that opened in August 2023 and has the ability to serve 1,100 middle school students. Legacy Knoll Middle School (LKMS) is located adjacent to Jackson County High School (JCHS) off Skelton Road in Hoschton. Jackson County School District will open Heroes Elementary in August 2024. The three-story elementary school will be located off Highway 332 and Skelton Road, sharing the property with LKMS and JCHS. The construction of these two new schools required zero funding from a General Obligation Bond. Through State Capital Outlay Funding, SPLOST revenues and some contributions from the general fund, the Jackson County School District will have both Legacy Knoll Middle School and Heroes Elementary School paid off by the completion of their construction schedules.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Annah Dodge, Chief Financial Officer for the Jackson County School District, 1660 Winder Highway, Jefferson, GA 30549-5458. You may also email your question to Ms. Dodge at adodge@jcss.us.

Jackson County Board of Education

JACKSON COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT "A"

	<u>GOVERNMENTAL</u>
	<u>ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 41,355,308.82
Accounts Receivable, Net	
Taxes	3,961,756.28
State Government	10,344,365.63
Federal Government	1,205,545.38
Other	72,634.20
Inventories	191,641.31
Capital Assets, Non-Depreciable	48,157,988.65
Capital Assets, Depreciable (Net of Accumulated Depreciation)	<u>204,637,360.45</u>
Total Assets	<u>309,926,600.72</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Charge on Debt Refunding	918,411.74
Related to Defined Benefit Pension Plans	71,884,321.10
Related to OPEB Plan	<u>21,094,542.00</u>
Total Deferred Outflows of Resources	<u>93,897,274.84</u>
 <u>LIABILITIES</u>	
Accounts Payable	3,325,645.79
Salaries and Benefits Payable	7,291,997.68
Payroll Withholdings Payable	1,754,936.67
Interest Payable	1,165,916.67
Retainages Payable	1,779,395.23
Net Pension Liability	133,834,807.00
Net OPEB Liability	49,865,987.00
Long-Term Liabilities	
Due Within One Year	9,149,423.75
Due in More Than One Year	<u>76,053,541.19</u>
Total Liabilities	<u>284,221,650.98</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	1,467,819.00
Related to OPEB Plan	<u>29,963,882.00</u>
Total Deferred Inflows of Resources	<u>31,431,701.00</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	169,137,836.11
Restricted for	
Continuation of Federal Programs	4,028,924.94
Debt Service	1,326,150.58
Capital Projects	11,645,724.67
Permanent Funds	61,791.14
Other	89,525.26
Unrestricted (Deficit)	<u>(98,119,429.12)</u>
Total Net Position	<u>\$ 88,170,523.58</u>

JACKSON COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT "B"

	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 97,088,253.70	\$ 269,182.22	\$ 61,791,556.50	\$ 2,379,719.29	\$ (32,647,795.69)
Support Services					
Pupil Services	4,408,313.60	321,189.21	1,067,430.03	12,483.88	(3,007,210.48)
Improvement of Instructional Services	4,829,033.23	90,019.14	1,252,274.78	336.88	(3,486,402.43)
Educational Media Services	1,741,931.02	-	1,905,767.69	103.35	163,940.02
General Administration	2,221,899.57	-	1,985,487.48	7,280.88	(229,131.21)
School Administration	6,571,108.99	-	3,038,777.96	905.30	(3,531,425.73)
Business Administration	1,069,074.08	118,367.16	93,336.78	1,091.54	(856,278.60)
Maintenance and Operation of Plant	13,980,258.53	20,025.48	4,304,895.48	437,468.95	(9,217,868.62)
Student Transportation Services	9,991,483.92	-	1,758,284.24	234,747.19	(7,998,452.49)
Central Support Services	3,953,083.38	-	625,230.13	30,559.09	(3,297,294.16)
Other Support Services	768,979.54	-	393,632.28	-	(375,347.26)
Operations of Non-Instructional Services					
Enterprise Operations	670,450.52	-	1,298.86	-	(669,151.66)
Community Services	455,574.80	787,880.51	42,044.52	-	374,350.23
Food Services	5,751,960.54	1,362,272.54	4,637,874.34	79,043.17	327,229.51
Interest on Long-Term Debt	3,516,807.54	-	-	-	(3,516,807.54)
Total Governmental Activities	\$ 157,018,212.96	\$ 2,968,936.26	\$ 82,897,891.07	\$ 3,183,739.52	(67,967,646.11)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					50,565,523.52
For Debt Services					7,872,459.53
Other Taxes					520,277.00
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					13,993,688.70
Other Sales Tax					2,844,813.40
Investment Earnings					796,980.05
Miscellaneous					2,743,610.79
Special Item					
Loss on Sale of Assets					(73,885.84)
Total General Revenues and Special Item					<u>79,263,467.15</u>
Change in Net Position					11,295,821.04
Net Position - Beginning of Year					<u>76,874,702.54</u>
Net Position - End of Year					<u>\$ 88,170,523.58</u>

JACKSON COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 30,362,868.53	\$ 10,461,357.93	\$ 469,291.22	\$ 61,791.14	\$ 41,355,308.82
Accounts Receivable, Net					
Taxes	2,317,216.87	1,383,729.83	260,809.58	-	3,961,756.28
State Government	8,781,762.27	1,562,603.36	-	-	10,344,365.63
Federal Government	1,205,545.38	-	-	-	1,205,545.38
Other	72,634.20	-	-	-	72,634.20
Inventories	191,641.31	-	-	-	191,641.31
	<u>42,931,668.56</u>	<u>13,407,691.12</u>	<u>730,100.80</u>	<u>61,791.14</u>	<u>57,131,251.62</u>
Total Assets					
<u>LIABILITIES</u>					
Accounts Payable	\$ 3,325,645.79	\$ -	\$ -	\$ -	\$ 3,325,645.79
Salaries and Benefits Payable	7,291,997.68	-	-	-	7,291,997.68
Payroll Withholdings Payable	1,754,936.67	-	-	-	1,754,936.67
Retainages Payable	-	1,779,395.23	-	-	1,779,395.23
Total Liabilities	<u>12,372,580.14</u>	<u>1,779,395.23</u>	<u>-</u>	<u>-</u>	<u>14,151,975.37</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Revenue - Property Taxes	807,281.85	-	160,233.92	-	967,515.77
Unavailable Revenue - State Funds	-	651,502.45	-	-	651,502.45
Unavailable Revenue - Federal Funds	112,077.45	-	-	-	112,077.45
Total Deferred Inflows of Resources	<u>919,359.30</u>	<u>651,502.45</u>	<u>160,233.92</u>	<u>-</u>	<u>1,731,095.67</u>
<u>FUND BALANCES</u>					
Nonspendable	191,641.31	-	-	25,000.00	216,641.31
Restricted	3,814,731.44	10,976,793.44	569,866.88	36,791.14	15,398,182.90
Assigned	1,714,383.71	-	-	-	1,714,383.71
Unassigned	23,918,972.66	-	-	-	23,918,972.66
Total Fund Balances	<u>29,639,729.12</u>	<u>10,976,793.44</u>	<u>569,866.88</u>	<u>61,791.14</u>	<u>41,248,180.58</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,931,668.56</u>	<u>\$ 13,407,691.12</u>	<u>\$ 730,100.80</u>	<u>\$ 61,791.14</u>	<u>\$ 57,131,251.62</u>

JACKSON COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2023

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	41,248,180.58
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	\$ 9,576,505.22	
Construction in progress	38,581,483.43	
Buildings and improvements	259,860,811.06	
Equipment	21,168,581.24	
Land improvements	6,486,850.81	
Accumulated depreciation	<u>(82,878,882.66)</u>	252,795,349.10
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (133,834,807.00)	
Net OPEB liability	<u>(49,865,987.00)</u>	(183,700,794.00)
Deferred charges or credits on debt refundings are applicable to future periods and are therefore not reported in the funds and are amortized over the life of the new debt.		
		918,411.74
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	\$ 70,416,502.10	
Related to OPEB	<u>(8,869,340.00)</u>	61,547,162.10
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		967,515.77
Georgia State Financing and Investment Commission grants that are not available to pay current period expenditures are deferred in the funds.		
		651,502.45
Federal grants that are not available to pay current period expenditures are deferred in the funds.		
		112,077.45
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (69,955,000.00)	
Accrued interest payable	(1,165,916.67)	
Compensated absences payable	(137,563.44)	
Unamortized bond premiums	(15,313,142.50)	
Discount on issuance of bonds	<u>202,741.00</u>	<u>(86,368,881.61)</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>88,170,523.58</u></u>

JACKSON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
REVENUES					
Property Taxes	\$ 50,902,759.06	\$ -	\$ 7,810,216.14	\$ -	\$ 58,712,975.20
Sales Taxes	2,480,554.76	13,993,688.70	364,258.64	-	16,838,502.10
State Funds	66,016,081.67	2,335,009.91	-	-	68,351,091.58
Federal Funds	17,112,558.22	-	-	-	17,112,558.22
Charges for Services	2,968,936.26	-	-	-	2,968,936.26
Investment Earnings	339,896.22	413,088.81	43,050.99	944.03	796,980.05
Miscellaneous	2,613,452.75	-	-	-	2,613,452.75
Total Revenues	<u>142,434,238.94</u>	<u>16,741,787.42</u>	<u>8,217,525.77</u>	<u>944.03</u>	<u>167,394,496.16</u>
EXPENDITURES					
Current					
Instruction	85,667,045.21	183,135.12	-	556.74	85,850,737.07
Support Services					
Pupil Services	4,095,786.00	-	-	-	4,095,786.00
Improvement of Instructional Services	4,566,399.93	-	-	-	4,566,399.93
Educational Media Services	1,646,247.21	-	-	-	1,646,247.21
General Administration	2,023,040.09	7,000.00	-	-	2,030,040.09
School Administration	6,041,659.96	-	-	-	6,041,659.96
Business Administration	1,036,123.82	-	-	-	1,036,123.82
Maintenance and Operation of Plant	13,186,174.45	-	-	-	13,186,174.45
Student Transportation Services	9,769,700.78	-	-	-	9,769,700.78
Central Support Services	3,965,842.67	-	-	-	3,965,842.67
Other Support Services	734,255.79	-	-	-	734,255.79
Enterprise Operations	670,450.52	-	-	-	670,450.52
Community Services	455,574.80	-	-	-	455,574.80
Food Services Operation	5,873,698.89	-	-	-	5,873,698.89
Capital Outlay	-	30,885,349.00	-	-	30,885,349.00
Debt Services					
Principal	948,643.45	-	7,545,000.00	-	8,493,643.45
Dues and Fees	-	-	4,450.00	-	4,450.00
Interest	33,650.55	3,203,342.47	671,657.53	-	3,908,650.55
Total Expenditures	<u>140,714,294.12</u>	<u>34,278,826.59</u>	<u>8,221,107.53</u>	<u>556.74</u>	<u>183,214,784.98</u>
Revenues over (under) Expenditures	1,719,944.82	(17,537,039.17)	(3,581.76)	387.29	(15,820,288.82)
SPECIAL ITEM					
Sale of Assets	-	1,622,783.84	-	-	1,622,783.84
Net Change in Fund Balances	1,719,944.82	(15,914,255.33)	(3,581.76)	387.29	(14,197,504.98)
Fund Balances - Beginning	<u>27,919,784.30</u>	<u>26,891,048.77</u>	<u>573,448.64</u>	<u>61,403.85</u>	<u>55,445,685.56</u>
Fund Balances - Ending	<u>\$ 29,639,729.12</u>	<u>\$ 10,976,793.44</u>	<u>\$ 569,866.88</u>	<u>\$ 61,791.14</u>	<u>\$ 41,248,180.58</u>

JACKSON COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	(14,197,504.98)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>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.</p>		
Capital outlay	\$ 33,349,872.43	
Depreciation expense	<u>(7,088,545.30)</u>	26,261,327.13
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.</p>		
		(1,652,809.67)
<p>Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		245,284.85
<p>Georgia State Financing and Investment Commission grants reported in the funds are not reported as revenue in the Statement of Activities during the current period.</p>		
		367,641.63
<p>State revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.</p>		
		(70,603.28)
<p>Federal revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.</p>		
		112,077.45
<p>Finance purchase revenue reported in the funds are not reported as revenue in the Statement of Activities during the current period</p>		
		(1,566,511.64)
<p>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.</p>		
Financed purchase arrangement payments	\$ 948,643.45	
Bond principal retirements	7,545,000.00	
Amortization of bond premiums	795,349.40	
Amortization of deferred loss on refunding of bonds	<u>(524,806.72)</u>	8,764,186.13
<p>District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.</p>		
Pension expense	\$ (9,965,031.55)	
OPEB expense	<u>2,849,356.00</u>	(7,115,675.55)
<p>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.</p>		
Net decrease in accrued interest	\$ 125,750.33	
Net decrease in compensated absence	<u>22,658.64</u>	<u>148,408.97</u>
Change in net position of governmental activities (Exhibit "B")	\$	<u><u>11,295,821.04</u></u>

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

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

Basis of Accounting

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

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

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

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

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

New Accounting Pronouncements

In fiscal year 2023, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement did not have a material impact on the School District's financial statements.

Cash and Cash Equivalents

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

Receivables

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

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

Inventories

Food Inventories

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	\$ 5,000.00	20 years
Buildings and Improvements	\$ 5,000.00	15 to 50 years
Equipment	\$ 5,000.00	5 to 20 years
Intangible Assets	\$ 20,000.00	20 years
Software	\$ 200,000.00	10 years

Deferred Outflows/Inflows of Resources

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

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

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

Compensated Absences

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

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees that were hired before November 10, 2014. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined 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

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Jackson County Board of Commissioners adopted the property tax levy for the 2022 tax digest year (calendar year) on October 4, 2022 (levy date) based on property values as of January 1, 2022. Taxes were due on December 20, 2022 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The Jackson County Tax Commissioner bills and collects the property taxes for the School District, withholds 2% of taxes collected as a fee for tax collection and remits the balance of taxes

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2023, for maintenance and operations amounted to \$46,505,560.43 and for school bonds amounted to \$7,810,216.14.

The tax millage rates levied for the 2022 tax digest year (calendar year) for the School District were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	16.576 mills
School Bonds	<u>2.700</u> mills
	<u>19.276</u> mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$4,397,198.63 during fiscal year ended June 30, 2023.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$13,993,688.70 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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

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

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

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

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2023, the School District had deposits with a carrying amount of \$41,353,994.94, and a bank balance of \$45,401,217.71. The bank balances insured by Federal depository insurance were \$36,633,250.66 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$795,739.58.

At June 30, 2023, \$7,972,227.47 of the School District's bank balances were exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

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

Cash and cash equivalents		
Statement of Net Position	\$	41,355,308.82
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		1,313.88
Total carrying value of deposits - June 30, 2023	\$	41,353,994.94

Categorization of Cash Equivalents

The School District reported cash equivalents of \$1,313.88 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AA+ rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2023 was 28 days.

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

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NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 9,586,505.22	\$ -	\$ 10,000.00	\$ 9,576,505.22
Construction in Progress	84,878,482.79	31,004,542.41	77,301,541.77	38,581,483.43
 Total Capital Assets				
Not Being Depreciated	94,464,988.01	31,004,542.41	77,311,541.77	48,157,988.65
 Capital Assets,				
Being Depreciated				
Buildings and Improvements	185,736,921.13	76,266,712.33	2,142,822.40	259,860,811.06
Equipment	21,767,204.05	1,544,745.47	2,143,368.28	21,168,581.24
Land Improvements	4,879,397.69	1,835,413.99	227,960.87	6,486,850.81
 Less Accumulated				
Depreciation:				
Buildings and Improvements	62,417,053.08	5,546,797.04	837,489.67	67,126,360.45
Equipment	13,370,821.52	1,303,536.67	1,956,416.16	12,717,942.03
Land Improvements	2,873,804.64	238,211.59	77,436.05	3,034,580.18
 Total Capital Assets,				
Being Depreciated, Net	133,721,843.63	72,558,326.49	1,642,809.67	204,637,360.45
 Governmental Activities				
Capital Assets - Net	\$ 228,186,831.64	\$ 103,562,868.90	\$ 78,954,351.44	\$ 252,795,349.10

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Current year depreciation expense by function is as follows:

Instruction		\$	4,064,060.62
Support Services			
Pupil Services	\$		51,791.41
Improvements of Instructional Services			1,397.60
Educational Media Services			428.76
General Administration			30,205.91
School Administration			3,755.79
Business Administration			4,528.44
Maintenance and Operation of Plant			1,787,828.36
Student Transportation Services			973,887.17
Central Support Services			126,779.40
Food Services			43,881.84
			2,980,602.84
			\$ 7,088,545.30

NOTE 6: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General Obligation (G.O.) Bonds	\$ 77,500,000.00	\$ -	\$ 7,545,000.00	\$ 69,955,000.00	\$ 8,260,000.00
Unamortized Bond Premiums	16,108,491.90	-	795,349.40	15,313,142.50	795,349.40
Unamortized Bond Discount	(202,741.00)	-	-	(202,741.00)	-
Financed Purchases	948,643.45	-	948,643.45	-	-
Compensated Absences	160,222.08	116,368.24	139,026.88	137,563.44	94,074.35
	\$ 94,514,616.43	\$ 116,368.24	\$ 9,428,019.73	\$ 85,202,964.94	\$ 9,149,423.75

General Obligation Bonds

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

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

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

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General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Refunding - Series 2012	3% - 5%	5/10/2012	3/1/2025	\$ 58,525,000.00	\$ 17,295,000.00
General Government - Series 2019	5.00%	7/24/2019	3/1/2032	52,660,000.00	52,660,000.00
				<u>\$ 111,185,000.00</u>	<u>\$ 69,955,000.00</u>

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized	Unamortized
	Principal	Interest	Bond Premium	Discount
2024	\$ 8,260,000.00	\$ 3,497,750.00	\$ 795,349.40	\$ -
2025	9,035,000.00	3,084,750.00	596,512.10	-
2026	6,470,000.00	2,633,000.00	1,988,754.43	24,909.50
2027	6,790,000.00	2,309,500.00	1,988,754.43	26,141.50
2028	7,130,000.00	1,970,000.00	1,988,754.43	27,450.50
2029 - 2032	<u>32,270,000.00</u>	<u>4,132,500.00</u>	<u>7,955,017.71</u>	<u>124,239.50</u>
Total Principal and Interest	<u>\$ 69,955,000.00</u>	<u>\$ 17,627,500.00</u>	<u>\$ 15,313,142.50</u>	<u>\$ 202,741.00</u>

Compensated Absences

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

NOTE 7: RISK MANAGEMENT

Insurance

Commercial Insurance

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

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Unemployment Compensation

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

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000.00

NOTE 8: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2023:

Nonspendable		
Inventories	\$ 191,641.31	
Permanent Funds Principal	25,000.00	\$ 216,641.31
Restricted		
Continuation of Federal Programs	\$ 3,725,206.18	
Capital Projects	9,797,785.32	
Debt Service	1,748,875.00	
Permanent Funds	36,791.14	
Empower Program	89,525.26	15,398,182.90
Assigned		
School Activity Accounts		1,714,383.71
Unassigned		23,918,972.66
Fund Balance, June 30, 2023		\$ 41,248,180.58

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

NOTE 9: BROADBAND SPECTRUM AGREEMENT

Effective October 1, 2008, the School District entered into a 30-year agreement with Sprint/Clearwire for the use of excess spectrum capacity on Education Broadband Service licenses currently held by the School District. These licenses were granted to the School District by the Federal Communications Commission. The agreement requires monthly payments over the term of the agreement, of which \$37,200.00 was recognized during fiscal year 2023 as a general revenue on the Statement of Activities.

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NOTE 10: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2023, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2023 (2)	Funding Available From State (1)
New Middle School (LKMS)	\$ 2,369,874.21	\$ 35,881,937.54	\$ -
New Elementary School (HES) 24R-678-001	36,934,831.61	1,455,066.64	8,140,647.81
	<u>\$ 39,304,705.82</u>	<u>\$ 37,337,004.18</u>	<u>\$ 8,140,647.81</u>

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

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

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

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Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$2,151,004.00 for the year ended June 30, 2023. 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, 2023, the School District reported a liability of \$49,865,987.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the School District's proportion was 0.503535%, which was an increase of 0.049682% from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2023, the School District recognized OPEB expense of (\$698,352.00). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,990,431.00	\$ 19,598,843.00
Changes of assumptions	7,594,692.00	10,085,465.00
Net difference between projected and actual earnings on OPEB plan investments	304,168.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	9,054,247.00	279,574.00
School District contributions subsequent to the measurement date	2,151,004.00	-
Total	\$ 21,094,542.00	\$ 29,963,882.00

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:	OPEB
2024	\$ (3,793,215.00)
2025	\$ (2,481,632.00)
2026	\$ (1,461,646.00)
2027	\$ (2,520,223.00)
2028	\$ (776,990.00)
Thereafter	\$ 13,362.00

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Actuarial Assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2022:

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	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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%	2.00%
Equities	70.00%	9.40%
Total	<u>100.00%</u>	

* Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate, as compared with last year's rate of 2.20%. 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 (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers

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will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current discount rate:

	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the Net OPEB liability	\$ 56,404,419.00	\$ 49,865,987.00	\$ 44,324,379.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 42,965,509.00	\$ 49,865,987.00	\$ 58,346,646.00

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

NOTE 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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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. 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 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual School District payroll. For the current fiscal year, employer contributions to the pension plan were \$12,582,585.53 from the School District.

Employees' Retirement System

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

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

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

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School

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District's total required contribution rate for the year ended June 30, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of cost-of-living adjustments (COLA) prefunding for certain retired ERS 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 \$15,451.57 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 \$15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$204,668.00.

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

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

At June 30, 2023, the School District reported a liability of \$133,834,807.00 for its proportionate share of the net pension liability for TRS (\$133,694,092.00) and ERS (\$140,715.00).

The net pension liability for TRS and ERS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2022.

At June 30, 2022, the School District's TRS proportion was 0.411722%, which was an increase of 0.030459% from its proportion measured as of June 30, 2021. At June 30, 2022, the School District's ERS proportion was 0.002107% which was a decrease of 0.002199% from its proportion measured as of June 30, 2021.

At June 30, 2023, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$1,685,497.00.

The PSERS net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$22,522,266.55 for TRS, \$30,770.10 for ERS and \$423,565.00 for PSERS and revenue of (\$10,032.00) for TRS and \$423,565.00 for PSERS. The revenue is support provided by the State of Georgia.

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,549,675.00	\$ 695,909.00	\$ 302.00	\$ 1,276.00
Changes of assumptions	20,125,227.00	-	25,014.00	-
Net difference between projected and actual earnings on pension plan investments	26,267,085.00	-	16,350.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	7,289,916.00	723,755.00	12,715.00	46,879.00
School District contributions subsequent to the measurement date	<u>12,582,585.53</u>	<u>-</u>	<u>15,451.57</u>	<u>-</u>
Total	<u>\$ 71,814,488.53</u>	<u>\$ 1,419,664.00</u>	<u>\$ 69,832.57</u>	<u>\$ 48,155.00</u>

The School District contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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
2024	\$ 16,724,815.00	\$ (1,985.00)
2025	\$ 12,521,932.00	\$ (4,771.00)
2026	\$ 8,721,683.00	\$ 408.00
2027	\$ 19,843,809.00	\$ 12,574.00

Actuarial Assumptions: The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, 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

**JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "G"

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

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

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, 2021 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

JACKSON COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023

EXHIBIT "G"

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, 2021 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%	0.20%
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 TRS pension liability was 6.90%. The discount rate used to measure the total ERS and PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to

JACKSON COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2023

EXHIBIT "G"

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

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 201,700,109.00	\$ 133,694,092.00	\$ 78,158,184.00
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 187,318.00	\$ 140,715.00	\$ 101,526.00

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

Defined Contribution Plan

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

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

The employee becomes vested in the plan upon enrollment.

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

Employer contributions for the current fiscal year is as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2023	100%	\$ 25,437.05

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "G"

NOTE 14: TAX ABATEMENTS

The School District property tax revenues were reduced by \$1,623,582.00 under agreements entered into by Jackson County Industrial Development Authority. Under the Jackson County Industrial Development Authority annual budget for fiscal year 2023, Jackson County Industrial Development Authority reimburses the School District for a portion of the reduction in tax revenues. The School District received \$520,277.00 in fiscal year 2023.

NOTE 15: SUBSEQUENT EVENTS

In the subsequent fiscal year, the Jackson County Board of Education acquired school buses under the provisions of a long-term agreement, classified as financed purchases for accounting purposes, in the amount of \$2,855,000.00. This purchase agreement was approved by the Board of Education on June 13, 2023.

NOTE 16: SPECIAL ITEM

In fiscal year 2023, the School District sold the Old South Jackson Elementary School and associated assets. The assets had a net book value of \$2,007,473.28. The assets were sold for a total of \$1,933,587.44. As it was a financed sale arrangement, \$310,803.60 was recognized as rent revenue in previous fiscal years, and the remaining \$1,622,783.84 is reported as a special item on the Statement of Revenues, Expenditures and Changes in Fund Balances. The difference between the net carrying value of the capital assets and the proceeds received from the sale resulted in a net loss on sale of the assets of \$73,885.84, which is reported as a special item on the Statement of Activities.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.411722%	\$ 133,694,092.00	\$ -	\$ 133,694,092.00	\$ 55,670,193.16	240.15%	72.85%
2022	0.381263%	\$ 33,720,169.00	\$ -	\$ 33,720,169.00	\$ 49,605,662.12	67.98%	92.03%
2021	0.387534%	\$ 93,875,903.00	\$ -	\$ 93,875,903.00	\$ 50,003,435.20	187.74%	77.01%
2020	0.348860%	\$ 75,014,333.00	\$ -	\$ 75,014,333.00	\$ 42,578,778.76	176.18%	78.56%
2019	0.338346%	\$ 62,804,265.00	\$ 3,341.00	\$ 62,807,606.00	\$ 40,374,690.66	155.55%	80.27%
2018	0.333529%	\$ 61,987,392.00	\$ 43,861.00	\$ 62,031,253.00	\$ 38,323,920.47	161.75%	79.33%
2017	0.334080%	\$ 68,924,429.00	\$ 160,510.00	\$ 69,084,939.00	\$ 36,739,204.28	187.60%	76.06%
2016	0.332822%	\$ 50,668,845.00	\$ 134,885.00	\$ 50,803,730.00	\$ 35,266,439.96	143.67%	81.44%
2015	0.350825%	\$ 44,322,111.00	\$ 112,566.00	\$ 44,434,677.00	\$ 35,882,020.61	123.52%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	\$ 12,582,585.53	\$ 12,582,585.53	\$ -	\$ 62,976,884.30	19.98%
2022	\$ 11,025,689.55	\$ 11,025,689.55	\$ -	\$ 55,670,193.16	19.81%
2021	\$ 9,454,839.20	\$ 9,454,839.20	\$ -	\$ 49,605,662.12	19.06%
2020	\$ 10,570,726.18	\$ 10,570,726.18	\$ -	\$ 50,003,435.20	21.14%
2019	\$ 8,910,893.90	\$ 8,910,893.90	\$ -	\$ 42,578,776.76	20.93%
2018	\$ 6,786,487.63	\$ 6,786,487.63	\$ -	\$ 40,374,690.66	16.80%
2017	\$ 5,464,956.13	\$ 5,464,956.13	\$ -	\$ 38,323,920.47	14.26%
2016	\$ 5,230,503.67	\$ 5,230,503.67	\$ -	\$ 36,739,204.28	14.24%
2015	\$ 4,625,215.41	\$ 4,625,215.41	\$ -	\$ 35,266,439.96	13.12%
2014	\$ 4,395,148.16	\$ 4,395,148.16	\$ -	\$ 35,882,020.61	12.25%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	0.002107%	\$ 140,715.00	\$ 51,587.94	272.77%	67.44%
2022	0.001859%	\$ 100,713.00	\$ 103,218.00	97.57%	87.62%
2021	0.002447%	\$ 103,140.00	\$ 61,684.30	167.21%	76.21%
2020	0.002264%	\$ 93,425.00	\$ 57,068.20	163.71%	76.74%
2019	0.002219%	\$ 91,224.00	\$ 56,602.66	161.17%	76.68%
2018	0.002202%	\$ 89,431.00	\$ 54,021.62	165.55%	76.33%
2017	0.002312%	\$ 109,367.00	\$ 53,760.88	203.43%	72.34%
2016	0.002230%	\$ 90,346.00	\$ 50,989.99	177.18%	76.20%
2015	0.002155%	\$ 80,826.00	\$ 48,516.64	166.59%	77.99%

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

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	\$ 15,451.57	\$ 15,451.57	\$ -	\$ 49,827.64	31.01%
2022	\$ 12,706.10	\$ 12,706.10	\$ -	\$ 51,587.94	24.63%
2021	\$ 25,454.00	\$ 25,454.00	\$ -	\$ 103,218.33	24.66%
2020	\$ 15,211.39	\$ 15,211.39	\$ -	\$ 61,684.30	24.66%
2019	\$ 14,141.54	\$ 14,141.54	\$ -	\$ 57,068.20	24.78%
2018	\$ 14,043.10	\$ 14,043.10	\$ -	\$ 56,602.66	24.81%
2017	\$ 13,402.80	\$ 13,402.80	\$ -	\$ 54,021.62	24.81%
2016	\$ 13,289.67	\$ 13,289.67	\$ -	\$ 53,760.88	24.72%
2015	\$ 11,197.42	\$ 11,197.42	\$ -	\$ 50,989.99	21.96%
2014	\$ 8,956.27	\$ 8,956.27	\$ -	\$ 48,516.64	18.46%

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

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.00%	\$ -	\$ 1,685,497.00	\$ 1,685,497.00	\$ 3,684,134.07	N/A	81.21%
2022	0.00%	\$ -	\$ 151,281.00	\$ 151,281.00	\$ 2,795,760.91	N/A	98.00%
2021	0.00%	\$ -	\$ 1,122,790.00	\$ 1,122,790.00	\$ 3,012,443.90	N/A	84.45%
2020	0.00%	\$ -	\$ 1,088,015.00	\$ 1,088,015.00	\$ 4,080,053.74	N/A	85.02%
2019	0.00%	\$ -	\$ 953,958.00	\$ 953,958.00	\$ 4,495,071.13	N/A	85.26%
2018	0.00%	\$ -	\$ 812,773.00	\$ 812,773.00	\$ 3,079,223.28	N/A	85.69%
2017	0.00%	\$ -	\$ 1,108,414.00	\$ 1,108,414.00	\$ 2,935,321.54	N/A	81.00%
2016	0.00%	\$ -	\$ 697,001.00	\$ 697,001.00	\$ 2,769,846.73	N/A	87.00%
2015	0.00%	\$ -	\$ 608,052.00	\$ 608,052.00	\$ 2,568,194.77	N/A	88.29%

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

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.503535%	\$ 49,865,987.00	\$ -	\$ 49,865,987.00	\$ 47,989,848.36	103.91%	6.17%
2022	0.453853%	\$ 49,156,035.00	\$ -	\$ 49,156,035.00	\$ 41,297,237.52	119.03%	6.14%
2021	0.442839%	\$ 65,042,736.00	\$ -	\$ 65,042,736.00	\$ 43,241,029.93	150.42%	3.99%
2020	0.426685%	\$ 52,363,404.00	\$ -	\$ 52,363,404.00	\$ 36,454,558.71	143.64%	4.63%
2019	0.417397%	\$ 53,049,878.00	\$ -	\$ 53,049,878.00	\$ 32,816,203.02	161.66%	2.93%
2018	0.424018%	\$ 59,574,358.00	\$ -	\$ 59,574,358.00	\$ 31,338,069.57	190.10%	1.61%

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2023	\$ 2,151,004.00	\$ 2,151,004.00	\$ -	\$ 55,105,232.51	3.90%
2022	\$ 1,820,658.00	\$ 1,820,658.00	\$ -	\$ 47,989,848.36	3.79%
2021	\$ 1,688,255.00	\$ 1,688,255.00	\$ -	\$ 41,297,237.52	4.09%
2020	\$ 1,497,578.00	\$ 1,497,578.00	\$ -	\$ 43,241,029.93	3.46%
2019	\$ 2,297,993.00	\$ 2,297,993.00	\$ -	\$ 36,454,558.71	6.30%
2018	\$ 2,163,332.00	\$ 2,163,332.00	\$ -	\$ 32,816,203.02	6.59%
2017	\$ 2,210,867.00	\$ 2,210,867.00	\$ -	\$ 31,338,069.57	7.05%

Teachers Retirement System

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

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

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

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

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

Employees' Retirement System

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

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

JACKSON COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE "8"

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.

JACKSON COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023

SCHEDULE "9"

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 50,538,856.00	\$ 50,788,856.00	\$ 50,902,759.06	\$ 113,903.06
Sales Taxes	1,000,000.00	2,000,000.00	2,480,554.76	480,554.76
State Funds	57,501,270.00	64,959,846.00	66,016,081.67	1,056,235.67
Federal Funds	8,603,879.20	14,187,247.00	17,112,558.22	2,925,311.22
Charges for Services	500,000.00	2,705,000.00	2,968,936.26	263,936.26
Investment Earnings	7,500.00	250,000.00	339,896.22	89,896.22
Miscellaneous	450,000.00	454,500.00	2,613,452.75	2,158,952.75
Total Revenues	<u>118,601,505.20</u>	<u>135,345,449.00</u>	<u>142,434,238.94</u>	<u>7,088,789.94</u>
EXPENDITURES				
Current				
Instruction	77,945,314.99	81,460,446.34	85,667,045.21	(4,206,598.87)
Support Services				
Pupil Services	3,875,095.00	4,008,599.47	4,095,786.00	(87,186.53)
Improvement of Instructional Services	4,600,805.00	4,676,341.55	4,566,399.93	109,941.62
Educational Media Services	1,567,357.00	1,700,012.07	1,646,247.21	53,764.86
General Administration	1,960,259.00	1,991,486.00	2,023,040.09	(31,554.09)
School Administration	5,644,187.00	5,683,354.48	6,041,659.96	(358,305.48)
Business Administration	1,037,987.00	1,037,987.00	1,036,123.82	1,863.18
Maintenance and Operation of Plant	10,072,023.00	10,572,023.00	13,186,174.45	(2,614,151.45)
Student Transportation Services	10,932,777.00	9,989,211.52	9,769,700.78	219,510.74
Central Support Services	6,022,096.00	5,033,157.00	3,965,842.67	1,067,314.33
Other Support Services	850,232.00	860,232.00	734,255.79	125,976.21
Enterprise Operations	-	-	670,450.52	(670,450.52)
Community Services	500,000.00	500,000.00	455,574.80	44,425.20
Food Services Operation	2,604,279.00	6,595,860.00	5,873,698.89	722,161.11
Capital Outlay	-	2,500,000.00	-	2,500,000.00
Debt Service				
Principal	-	-	948,643.45	(948,643.45)
Interest	-	-	33,650.55	(33,650.55)
Total Expenditures	<u>127,612,411.99</u>	<u>136,608,710.43</u>	<u>140,714,294.12</u>	<u>(4,105,583.69)</u>
Excess of Revenues over (under) Expenditures	<u>(9,010,906.79)</u>	<u>(1,263,261.43)</u>	<u>1,719,944.82</u>	<u>2,983,206.25</u>
OTHER FINANCING SOURCES(USES)				
Other Sources	100,000,000.00	100,235,000.00	-	(100,235,000.00)
Other Uses	(100,000,000.00)	(100,235,000.00)	-	100,235,000.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,010,906.79)	(1,263,261.43)	1,719,944.82	2,983,206.25
Fund Balances - Beginning	<u>27,667,771.70</u>	<u>27,667,771.70</u>	<u>27,919,784.30</u>	<u>252,012.60</u>
Fund Balances - Ending	<u>\$ 18,656,864.91</u>	<u>\$ 26,404,510.27</u>	<u>\$ 29,639,729.12</u>	<u>\$ 3,235,218.85</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$2,637,627.64 and \$2,493,457.70, 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.

JACKSON COUNTY BOARD OF EDUCATION
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

SCHEDULE "10"

	<u>BAND INSTRUMENT FUND</u>	<u>PHYSICAL EDUCATION EQUIPMENT AND SUPPLY FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 26,350.96	\$ 35,440.18	\$ 61,791.14
<u>FUND BALANCES</u>			
Nonspendable	\$ 25,000.00	\$ -	\$ 25,000.00
Restricted	1,350.96	35,440.18	36,791.14
Total Fund Balances	\$ 26,350.96	\$ 35,440.18	\$ 61,791.14

JACKSON COUNTY BOARD OF EDUCATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "11"

	BAND INSTRUMENT FUND	PHYSICAL EDUCATION EQUIPMENT AND SUPPLY FUND	TOTAL
<u>REVENUES</u>			
Investment Earnings	\$ 402.58	\$ 541.45	\$ 944.03
<u>EXPENDITURES</u>			
Current			
Instruction	-	556.74	556.74
Net Change in Fund Balances	402.58	(15.29)	387.29
Fund Balances - Beginning	25,948.38	35,455.47	61,403.85
Fund Balances - Ending	\$ 26,350.96	\$ 35,440.18	\$ 61,791.14

JACKSON COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	235GA324N1199	\$ 1,112,592.11
National School Lunch Program	10.555	235GA324N1199	4,235,993.37
COVID-19 - National School Lunch Program	10.555	225GA324N1099	262,806.43
Total Child Nutrition Cluster			<u>5,611,391.91</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	225GA904N2533	18,893.73
Total U. S. Department of Agriculture			<u>5,630,285.64</u>
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund	84.425U	S425U210012	8,645,303.40
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	7,214.00
Total Education Stabilization Fund			<u>8,652,517.40</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	1,791,099.52
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	36,466.28
Preschool Grants	84.173A	H173A220081	48,247.74
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	839.00
Total Special Education Cluster			<u>1,876,652.54</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States			
English Language Acquisition State Grants	84.048A	V048A220010	94,516.00
English Language Acquisition State Grants	84.365A	S365A210010	7,355.00
English Language Acquisition State Grants	84.365A	S365A220010	91,608.15
Migrant Education - State Grant Program	84.011A	S011A210011	1,946.00
Migrant Education - State Grant Program	84.011A	S011A220011	26,691.40
Student Support and Academic Enrichment Program	84.424A	S424A210011	20,813.00
Student Support and Academic Enrichment Program	84.424A	S424A220011	61,164.70
Supporting Effective Instruction State Grants	84.367A	S367A210001	16,376.00
Supporting Effective Instruction State Grants	84.367A	S367A220001	248,556.67
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	52,701.00
Title I Grants to Local Educational Agencies	84.010A	S010A220010	1,399,118.00
Total Other Programs			<u>2,020,845.92</u>
Total U. S. Department of Education			<u>12,550,015.86</u>
Health and Human Services, U. S. Department of			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	2210GACCC5	84,886.82
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12. UNKNOWN		133,321.84
Total Expenditures of Federal Awards			<u>\$ 18,398,510.16</u>

JACKSON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

SCHEDULE "12"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Jackson County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4: Elementary and Secondary School Emergency Relief Fund Activity

For the year ended June 30, 2023, the amount reflected on the Schedule for the American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ALN 84.425U) includes \$4,371,309.80 of approved eligible expenditures that were incurred in a prior fiscal year.

JACKSON COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2023

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
GRANTS			
Bright From the Start			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 1,765,917.09	\$ -	\$ 1,765,917.09
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,829,652.00	-	2,829,652.00
Kindergarten Program - Early Intervention Program	1,106,752.00	-	1,106,752.00
Primary Grades (1-3) Program	5,641,137.00	-	5,641,137.00
Primary Grades - Early Intervention (1-3) Program	2,488,656.00	-	2,488,656.00
Upper Elementary Grades (4-5) Program	2,175,337.00	-	2,175,337.00
Upper Elementary Grades - Early Intervention (4-5) Program	2,130,443.00	-	2,130,443.00
Middle School (6-8) Program	5,781,941.00	-	5,781,941.00
High School General Education (9-12) Program	5,828,127.00	-	5,828,127.00
Vocational Laboratory (9-12) Program	1,787,204.00	-	1,787,204.00
Students with Disabilities	13,108,170.00	-	13,108,170.00
Gifted Student - Category VI	4,733,488.00	-	4,733,488.00
Remedial Education Program	1,060,860.00	-	1,060,860.00
Alternative Education Program	448,439.00	-	448,439.00
English Speakers of Other Languages (ESOL)	1,524,128.00	-	1,524,128.00
Media Center Program	1,155,066.00	-	1,155,066.00
20 Days Additional Instruction	328,047.00	-	328,047.00
Staff and Professional Development	239,774.00	-	239,774.00
Principal Staff and Professional Development	2,908.00	-	2,908.00
Indirect Cost			
Central Administration	1,481,229.00	-	1,481,229.00
School Administration	2,072,963.00	-	2,072,963.00
Facility Maintenance and Operations	2,440,386.00	-	2,440,386.00
One Time Adjustment	3,030,930.00	-	3,030,930.00
Categorical Grants			
Pupil Transportation			
Regular	1,023,210.00	-	1,023,210.00
Nursing Services	198,949.00	-	198,949.00
Other State Programs			
Agriculture and Construction Essential Workforce Grant	81,088.00	-	81,088.00
Agriculture Construction Related Equipment - State Bonds	400,000.00	-	400,000.00
Computer Science Capacity Grant (CS4GA) Grant	4,916.00	-	4,916.00
Food Services	170,158.00	-	170,158.00
Hygiene Products	7,262.00	-	7,262.00
Math and Science Supplements	121,570.00	-	121,570.00
Preschool Disability Services	180,875.00	-	180,875.00
School Safety Grant	75,430.00	-	75,430.00
Vocational Education	311,216.28	-	311,216.28
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	2,335,009.91	2,335,009.91
Office of the State Treasurer			
Public School Employees Retirement	204,668.00	-	204,668.00
Public Health, Georgia Department of			
Lead Nurse Grant	70,519.30	-	70,519.30
CONTRACT			
Georgia Council for the Arts			
Vibrant Communities Grant	4,666.00	-	4,666.00
	<u>\$ 66,016,081.67</u>	<u>\$ 2,335,009.91</u>	<u>\$ 68,351,091.58</u>

JACKSON COUNTY BOARD OF EDUCATION
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "14"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
SPLOST V			
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds previously issued.	\$ 25,000,000.00	\$ 25,294,095.90	Completed
<i>All Projects Below</i>	35,129,000.00	123,848,752.26	
(2) Acquiring, constructing, equipping and furnishing new school buildings and other buildings or facilities useful or desirable in connection therewith, including a new high school and a new middle school,	-	-	Completed
(3) acquiring new technology equipment, safety and security equipment and other school equipment,	-	-	Completed
(4) adding to, renovating, repairing, improving, equipping and furnishing existing school buildings or other buildings or facilities useful or desirable in connection therewith,	-	-	Completed
(5) acquiring a portion of a psychoeducational facility,	-	-	Completed
(6) acquiring land,	-	-	Completed
(7) purchasing textbooks and band instruments,	-	-	Completed
(8) purchasing school buses and school vehicle,	-	-	Completed
(9) acquiring any property necessary or desirable therefore, both real and personal.	-	-	Completed
Subtotal SPLOST V Projects	<u>\$ 60,129,000.00</u>	<u>\$ 149,142,848.16</u>	
SPLOST VI			
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds and Series 2019 General Obligation Bonds previously issued.	30,000,000.00	30,000,000.00	6/30/2027
<i>All Projects Below</i>	30,128,000.00	30,128,000.00	
(2) Acquiring, constructing and equipping new schools including a new middle school and new elementary schools,	-	-	6/30/2027
(3) acquiring, constructing and equipping new educational facilities,	-	-	6/30/2027
(4) acquiring real property,	-	-	6/30/2027
(5) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing School District facilities,	-	-	6/30/2027
(6) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology, equipment, infrastructure and safety and security.	-	-	6/30/2027
Subtotal SPLOST VI Projects	<u>60,128,000.00</u>	<u>60,128,000.00</u>	
Total	<u>\$ 120,257,000.00</u>	<u>\$ 209,270,848.16</u>	

JACKSON COUNTY BOARD OF EDUCATION
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "14"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST V				
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds previously issued.	\$ 8,791,898.08	\$ 16,502,197.82	\$ 25,294,095.90	\$ -
<i>All Projects Below</i>				
(2) Acquiring, constructing, equipping and furnishing new school buildings and other buildings or facilities useful or desirable in connection therewith, including a new high school and a new middle school,	25,005,291.75	73,099,715.21	98,105,006.96	-
(3) acquiring new technology equipment, safety and security equipment and other school equipment,	186,889.26	4,288,389.52	4,475,278.78	-
(4) adding to, renovating, repairing, improving, equipping and furnishing existing school buildings or other buildings or facilities useful or desirable in connection therewith,	766,005.47	15,227,124.95	15,993,130.42	-
(5) acquiring a portion of a psychoeducational facility,	-	90,028.42	90,028.42	-
(6) acquiring land,	15,750.00	2,210,968.28	2,226,718.28	-
(7) purchasing textbooks and band instruments,	-	-	-	-
(8) purchasing school buses and school vehicle,	-	2,958,589.40	2,958,589.40	-
(9) acquiring any property necessary or desirable therefore, both real and personal.	-	-	-	-
Subtotal SPLOST V Projects	<u>\$ 34,765,834.56</u>	<u>\$ 114,377,013.60</u>	<u>\$ 149,142,848.16</u>	<u>\$ -</u>
SPLOST VI				
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds and Series 2019 General Obligation Bonds previously issued.	2,634,433.91	-	-	-
<i>All Projects Below</i>				
(2) Acquiring, constructing and equipping new schools including a new middle school and new elementary schools,	4,456,216.09	-	-	-
(3) acquiring, constructing and equipping new educational facilities,	-	-	-	-
(4) acquiring real property,	75,014.95	-	-	-
(5) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing School District facilities,	-	-	-	-
(6) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology, equipment, infrastructure and safety and security.	568,434.62	-	-	-
Subtotal SPLOST VI Projects	<u>7,734,099.57</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 42,499,934.13</u>	<u>\$ 114,377,013.60</u>	<u>\$ 149,142,848.16</u>	<u>\$ -</u>

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

Section II

Compliance and Internal Control Reports



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

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

We have audited the financial statements of the governmental activities, each major fund, and remaining fund information of the Jackson County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 18, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

September 18, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jackson County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

September 18, 2024

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

**JACKSON COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2022-001 Internal Control over Financial Reporting

Finding Status: Previously Reported Corrective Action Implemented

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

**JACKSON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

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

Noncompliance material to financial statements noted: No

Federal Awards

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

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? No

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

APPENDIX A-1

**UNAUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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ANNUAL FINANCIAL REPORT FISCAL YEAR 2024

UNAUDITED

**Jackson County Board of Education
Jefferson, Georgia**

Jackson County Board of Education

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Jackson County Board of Education
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 19,878,613.28
Receivables, Net	
Taxes	4,394,270.92
State Government	11,677,279.36
Federal Government	1,318,870.31
Local	1,077,191.12
Other	942,715.51
Inventories	152,530.13
Prepaid Items	8,950.00
Capital Assets, Non-Depreciable	93,696,072.68
Capital Assets, Depreciable (Net of Accumulated Depreciation)	<u>205,184,778.74</u>
Total Assets	<u>\$ 338,331,272.05</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Charge on Debt Refunding	\$ 393,605.02
Related to Defined Benefit Pension Plan(s)	50,117,011.99
Related to OPEB Plan	<u>28,882,688.00</u>
Total Deferred Outflows of Resources	<u>\$ 79,393,305.01</u>
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 3,245,855.36
Salaries and Benefits Payable	8,529,944.96
Payroll Withholdings Payable	1,906,765.99
Interest Payable	1,028,250.00
Contracts Payable	419,712.14
Retainages Payable	1,758,064.94
Net Pension Liability	127,689,544.00
Net OPEB Liability	61,285,547.00
Long-Term Liabilities	
Due Within One Year	10,420,686.59
Due in More Than One Year	<u>68,323,948.62</u>
Total Liabilities	<u>\$ 284,608,319.60</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plan(s)	\$ 1,001,859.00
Related to OPEB Plan	<u>25,336,811.00</u>
Total Deferred Inflows of Resources	<u>\$ 26,338,670.00</u>

Jackson County Board of Education
 STATEMENT OF NET POSITION
 JUNE 30, 2024

EXHIBIT "A"

<u>NET POSITION</u>	
Net Investment in Capital Assets	218,480,304.35
Restricted for	
Continuation of Federal Programs	2,969,119.63
Debt Service	1,414,546.27
Capital Projects	3,082,198.28
Permanent Funds	60,968.56
Other Empower Program	116,695.75
Assigned - School Activity Accounts	1,849,702.04
Unrestricted (Deficit)	<u>(121,195,947.42)</u>
 Total Net Position	 \$ <u><u>106,777,587.46</u></u>

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

Jackson County Board of Education
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 107,920,450.16	\$ 565,532.33	\$ 64,343,952.45	\$ 4,262,083.83	\$ (38,728,881.55)
Support Services					
Pupil Services	5,643,483.45	195,186.54	1,190,035.96	44,692.23	(4,213,568.72)
Improvement of Instructional Services	5,232,810.06	2,651.91	1,348,011.65	1,323.42	(3,880,823.08)
Educational Media Services	2,097,808.01	-	1,649,759.51	896.94	(447,151.56)
General Administration	2,678,993.93	-	2,435,227.70	26,937.41	(216,828.82)
School Administration	8,607,708.08	-	3,256,190.23	4,301.64	(5,347,216.01)
Business Administration	1,299,563.55	86,219.27	41,560.06	3,071.40	(1,168,712.82)
Maintenance and Operation of Plant	15,059,914.95	41,656.62	4,236,603.56	1,891,765.85	(8,889,888.92)
Student Transportation Services	13,593,480.35	-	2,733,616.08	2,520,860.35	(8,339,003.92)
Central Support Services	2,896,399.58	-	132,268.70	264,554.47	(2,499,576.41)
Other Support Services	494,199.00	-	18,153.93	-	(476,045.07)
Operations of Non-Instructional Services					
Enterprise Operations	925,847.79	-	69.49	583.76	(925,194.54)
Community Services	566,191.93	715,245.14	20,578.51	-	169,631.72
Food Services	7,003,292.28	1,233,837.40	5,222,554.73	93,670.70	(453,229.45)
Interest on Long-Term Debt	3,120,503.46	-	-	-	(3,120,503.46)
Total Governmental Activities	\$ 177,140,646.58	\$ 2,860,329.21	\$ 86,628,582.56	\$ 9,114,742.20	(78,536,992.61)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					63,807,171.57
For Debt Services					10,203,503.47
Railroad Cars					35,603.26
Other Taxes					513,392.26
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					14,199,978.59
Other Sales Tax					2,815,590.04
Investment Earnings					365,133.26
Miscellaneous					5,102,584.04
Total General Revenues					97,144,056.49
Change in Net Position					18,607,063.88
Net Position - Beginning of Year					88,170,523.58
Net Position - End of Year					\$ 106,777,587.46

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

Jackson County Board of Education
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
ASSETS					
Cash and Cash Equivalents	\$ 20,724,883.91	-	\$ 570,572.06	\$ 60,968.56	\$ 21,356,424.53
Receivables, Net					
Taxes	2,850,732.57	\$ 1,194,507.92	349,030.43	-	4,394,270.92
State Government	10,772,858.16	904,421.20	-	-	11,677,279.36
Federal Government	1,318,870.31	-	-	-	1,318,870.31
Local	1,077,191.12	-	-	-	1,077,191.12
Other	942,715.51	-	-	-	942,715.51
Due from Other Funds	-	2,461,080.41	16,186.80	-	2,477,267.21
Inventories	152,530.13	-	-	-	152,530.13
Prepaid Items	8,950.00	-	-	-	8,950.00
Total Assets	\$ 37,848,731.71	\$ 4,560,009.53	\$ 935,789.29	\$ 60,968.56	\$ 43,405,499.09
LIABILITIES					
Cash Overdraft	-	\$ 1,477,811.25	-	-	\$ 1,477,811.25
Accounts Payable	\$ 3,245,855.36	-	-	-	3,245,855.36
Salaries and Benefits Payable	8,529,944.96	-	-	-	8,529,944.96
Payroll Withholdings Payable	1,906,765.99	-	-	-	1,906,765.99
Due to Other Funds	2,477,267.21	-	-	-	2,477,267.21
Contracts Payable	-	419,712.14	-	-	419,712.14
Retainages Payable	-	1,758,064.94	-	-	1,758,064.94
Total Liabilities	16,159,833.52	3,655,588.33	-	-	19,815,421.85
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 903,245.91	-	\$ 203,029.64	-	\$ 1,106,275.55
Unavailable Revenue - State Funds	285,898.00	\$ 904,421.20	-	-	1,190,319.20
Unavailable Revenue - Federal Funds	48,514.57	-	-	-	48,514.57
Unavailable Revenue - Local Funds	500.00	-	-	-	500.00
Total Deferred Inflows of Resources	1,238,158.48	904,421.20	203,029.64	-	2,345,609.32
FUND BALANCES					
Nonspendable	161,480.13	-	-	25,000.00	186,480.13
Restricted	4,440,292.23	-	732,759.65	35,968.56	5,209,020.44
Assigned	1,849,702.04	-	-	-	1,849,702.04
Unassigned	13,999,265.31	-	-	-	13,999,265.31
Total Fund Balances	20,450,739.71	-	732,759.65	60,968.56	21,244,467.92
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 37,848,731.71	\$ 4,560,009.53	\$ 935,789.29	\$ 60,968.56	\$ 43,405,499.09

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

Jackson County Board of Education
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
REVENUES					
Property Taxes	\$ 64,361,203.03	-	\$ 10,160,707.75	-	\$ 74,521,910.78
Sales Taxes	2,455,157.00	\$ 14,199,978.59	360,533.04	-	17,015,668.63
State Funds	77,208,729.29	7,236,226.61	-	-	84,444,955.90
Federal Funds	10,760,390.00	-	-	-	10,760,390.00
Charges for Services	2,860,329.21	-	-	-	2,860,329.21
Investment Earnings	276,709.27	60,197.12	27,250.25	\$ 976.62	365,133.26
Miscellaneous	3,917,400.64	29,000.00	-	-	3,946,400.64
Total Revenues	161,859,918.44	21,525,402.32	10,548,491.04	976.62	193,934,788.42
EXPENDITURES					
Current					
Instruction	94,997,427.67	119,837.34	-	1,799.20	95,119,064.21
Support Services					
Pupil Services	5,104,331.27	-	-	-	5,104,331.27
Improvement of Instructional Services	4,709,981.07	-	-	-	4,709,981.07
Educational Media Services	1,831,399.94	79,994.34	-	-	1,911,394.28
General Administration	2,402,576.98	7,868.12	-	-	2,410,445.10
School Administration	7,759,339.75	-	-	-	7,759,339.75
Business Administration	1,164,994.40	-	-	-	1,164,994.40
Maintenance and Operation of Plant	14,549,661.26	-	-	-	14,549,661.26
Student Transportation Services	16,094,542.99	-	-	-	16,094,542.99
Central Support Services	3,034,142.31	-	-	-	3,034,142.31
Other Support Services	494,199.00	-	-	-	494,199.00
Enterprise Operations	925,674.96	-	-	-	925,674.96
Community Services	566,191.93	-	-	-	566,191.93
Food Services Operation	7,586,774.23	-	-	-	7,586,774.23
Capital Outlay	12,780,268.59	31,700,669.23	-	-	44,480,937.82
Debt Service					
Principal	796,635.19	-	8,260,000.00	-	9,056,635.19
Dues and Fees	-	-	4,750.00	-	4,750.00
Interest	26,212.81	1,376,901.73	2,120,848.27	-	3,523,962.81
Total Expenditures	174,824,474.35	33,285,270.76	10,385,598.27	1,799.20	218,497,142.58
Revenues over (under) Expenditures	(12,964,555.91)	(11,759,868.44)	162,892.77	(822.58)	(24,562,354.16)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	341,033.40	783,075.00	-	-	1,124,108.40
Insurance Proceeds	31,575.00	-	-	-	31,575.00
Financed Purchase Arrangement Proceeds	3,402,958.10	-	-	-	3,402,958.10
Total Other Financing Sources (Uses)	3,775,566.50	783,075.00	-	-	4,558,641.50
Net Change in Fund Balances	(9,188,989.41)	(10,976,793.44)	162,892.77	(822.58)	(20,003,712.66)
Fund Balances - Beginning	29,639,729.12	10,976,793.44	569,866.88	61,791.14	41,248,180.58
Fund Balances - Ending	\$ 20,450,739.71	\$ (0.00)	\$ 732,759.65	\$ 60,968.56	\$ 21,244,467.92

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

Jackson County Board of Education
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2024

Net change in fund balances total governmental funds (Exhibit "E") \$ (20,003,712.65)

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 and right-to-use assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 56,057,634.83	
Depreciation expense	(8,470,540.86)	
Amortization expense	-	47,597,093.97

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position. (1,511,591.65)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 138,759.78

Federal revenue reported in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. (47,562.88)

State and Miscellaneous revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds. 270,398.00

Georgia State Financing and Investment Commission grants reported in the funds are not reported as revenue in the Statement of Activities during the current period. 252,918.75

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

Financed purchase arrangement proceeds	(3,402,958.10)	
Bond principal retirements	8,260,000.00	
Financed purchase arrangement payments	796,635.19	
Other debt proceeds	-	5,653,677.09

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

Pension expense	(15,156,086.11)	
OPEB expense	995,657.00	(14,160,429.11)

Jackson County Board of Education
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2024

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 (10)	\$	137,666.67	
Amortization of Bond Premiums	\$	795,349.40	
Amortization of Deferred Loss on Refunding of Bonds	\$	(524,806.72)	
Compensated absences (11)		9,303.24	
Claims and judgments		-	417,512.59

Change in net position of governmental activities (Exhibit "B") \$ 18,607,063.88

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

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

EXHIBIT "G"

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District'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 District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

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

Basis of Accounting

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

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

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

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

New Accounting Pronouncements

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

Cash and Cash Equivalents

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

Receivables

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

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Due To/From

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

Prepaid Items

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

Capital Assets

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

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

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

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

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

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Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees that were hired before November 10, 2014. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

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

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including

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refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

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Property Taxes

The Jackson County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on September 25, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on December 20, 2023 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Jackson County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.00% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$58,415,006.80 and for school bonds amounted to \$10,093,570.24.

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

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

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$6,013,333.74 during fiscal year ended June 30, 2024 .

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$14,199,978.59 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

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

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2024, the School District had deposits with a carrying amount of \$19,878,613.28, and a bank balance of \$24,502,664.42. The bank balances insured by Federal depository insurance were

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\$18,174,087.02 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$907,706.72.

At June 30, 2024, \$5,420,870.68 of the School District's bank balances were exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

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

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Note 5: CAPITAL ASSETS

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

	Balances June 30, 2023	Increases	Decreases	Balances June 30, 2024
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 9,576,505.22	\$ 5,899,197.33	\$ 94,563.00	\$ 15,381,139.55
Construction in Progress	38,581,483.43	46,035,328.36	6,301,878.56	78,314,933.13
Total Capital Assets				
Not Being Depreciated	<u>48,157,988.65</u>	<u>51,934,525.69</u>	<u>6,396,441.66</u>	<u>93,696,072.68</u>
Capital Assets,				
Being Depreciated				
Buildings and Improvements	259,860,811.06	\$ 456,927.92	\$ 3,005,264.94	257,312,474.04
Equipment	21,168,581.24	9,456,705.03	3,342,040.21	27,283,245.06
Land Improvements	6,486,850.81	521,354.85	-	7,008,205.66
Less Accumulated				
Depreciation:				
Buildings and Improvements	67,125,360.45	6,349,415.53	1,750,163.39	71,725,612.59
Equipment	12,717,942.03	1,862,063.76	3,180,113.11	11,399,892.68
Land Improvements	3,034,580.18	259,061.57	-	3,293,641.75
Total Capital Assets,				
Being Depreciated, Net	<u>204,637,360.45</u>	<u>1,964,446.94</u>	<u>1,417,028.65</u>	<u>205,184,778.74</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 252,795,349.10</u>	<u>\$ 53,898,972.63</u>	<u>\$ 7,813,470.31</u>	<u>\$ 298,880,851.42</u>

Current year depreciation expense by function is as follows:

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

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NOTE 6: INTERFUND ASSETS AND LIABILITIES

Interfund Assets and Liabilities

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2024, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund	\$ -	\$ 2,477,267.21
Capital Projects Fund	2,461,080.41	-
Debt Service Fund	16,186.80	-
	<u>\$ 2,477,267.21</u>	<u>\$ 2,477,267.21</u>

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General Obligation (G.O.) Bonds	\$ 69,955,000.00	\$ -	\$ 8,260,000.00	\$ 61,695,000.00	\$ 9,035,000.00
Unamortized Bond Premiums	15,313,142.50	-	795,349.40	14,517,793.10	596,512.10
Unamortized Bond Discount	(202,741.00)	-	-	(202,741.00)	-
Financed Purchases	-	3,402,958.10	796,635.19	2,606,322.91	697,391.63
Compensated Absences(1)	137,563.44	112,154.95	121,458.19	128,260.20	91,782.86
	<u>\$ 85,202,964.94</u>	<u>\$ 3,515,113.05</u>	<u>\$ 9,973,442.78</u>	<u>\$ 78,744,635.21</u>	<u>\$ 10,420,686.59</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 District's bonded debt consists of general obligation bonds that are generally noncallable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The School District repays general obligation bonds from voter-approved property and sales taxes. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

General obligation bonds currently outstanding are as follows:

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

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized Bond Premium	Unamortized Discount
	Principal	Interest		
2025	\$ 9,035,000.00	\$ 3,084,750.00	\$ 596,512.10	\$ -
2026	6,470,000.00	2,633,000.00	1,988,754.43	24,909.50
2027	6,790,000.00	2,309,500.00	1,988,754.43	26,141.50
2028	7,130,000.00	1,970,000.00	1,988,754.43	27,450.50
2030 - 2034	32,270,000.00	4,132,500.00	7,955,017.71	124,239.50
Total Principal and Interest	\$ 61,695,000.00	\$ 14,129,750.00	\$ 14,517,793.10	\$ 202,741.00

Financed Purchase Arrangements

The School District has acquired equipment under the provisions of various long-term agreements classified as financed purchases for accounting purposes. On 10/12/2024 an agreement was executed by and between the School District and Santander borrowing \$2,855,000 for the purchase of buses. Payments will be made from General Fund and Capital projects. The balance as of 6/30/2024 is \$2,250,630.81. On 6/24/2024 an agreement was executed by and between the School District and Jackson County Government borrowing \$547,958.10 for the upgrade of radio communications system. Payments will be made from General Fund. The balance as of 6/30/2024 is \$355,692.10. This equipment meets our Capital Asset threshold and is included as assets in the Capital Asset Equipment balance.

Debt currently outstanding is as follows:

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

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

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

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Compensated Absences

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

NOTE 8: RISK MANAGEMENT

Insurance

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

Georgia School Boards Association Risk Management Fund

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

Workers' Compensation

Georgia School Boards Association Workers' Compensation Fund

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

Unemployment Compensation

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

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Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

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

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

NOTE 10: BROADBAND SPECTRUM AGREEMENT

Effective October 1, 2008, the School District entered into a 30-year agreement with Sprint/Clearwire for the use of excess spectrum capacity on Education Broadband Service licenses currently held by the School District. These licenses were granted to the School District by the Federal Communications Commission. The agreement requires monthly payments over the term of the agreement, of which \$42,300.00 was recognized during fiscal year 2024 as a general revenue on the Statement of Activities.

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Note 11: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

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

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

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

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

NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

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

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment 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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$2,430,454.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2024, the School District reported a liability of \$61,285,547.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the School District's proportion was 0.559511%, which was an increase (decrease) of 0.055976% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$1,434,797.00. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,786,372.00	\$ 17,601,929.00
Changes of assumptions	11,134,379.00	7,653,635.00
Net difference between projected and actual earnings on OPEB plan investments	36,768.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	13,494,715.00	81,247.00
School District contributions subsequent to the measurement date	<u>2,430,454.00</u>	<u>-</u>
Total	<u>\$ 28,882,688.00</u>	<u>\$ 25,336,811.00</u>

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

Year Ended June 30:	OPEB
2025	\$ (1,057,495.00)
2026	\$ 79,386.00
2027	\$ (1,055,594.00)
2028	\$ 916,056.00
2029	\$ 1,957,442.00
2030	\$ 275,628.00
Thereafter	0

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:

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OPEB:

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

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

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

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,

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with the exception of the assumed annual rate of inflation with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.14%
Equities	70.00%	9.20%
Total	<u>100.00%</u>	

* Net of inflation

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

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

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 52,789,373.00	\$ 61,285,547.00	\$ 71,759,497.00

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

NOTE 14: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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Board.- Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll. For the current fiscal year, employer contributions to the pension plan were \$14,157,846.41 from the School District.

Employees' Retirement System

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

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

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

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$1,225.98 for the current fiscal year.

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Public School Employees Retirement System (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$204,668.00.

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

At June 30, 2024, the School District reported a liability of \$127,689,544.00 for its proportionate share of the net pension liability for TRS (\$127,581,269.00) and ERS (\$108,275.00).

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

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

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

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

For the year ended June 30, 2024, the School District recognized pension expense of \$29,341,405.00 for TRS, (\$2,328.00) for ERS and \$246,009.00 for PSERS and revenue of \$1,384.00 for TRS and \$246,009.00 for PSERS. The revenue is support provided by the State of Georgia.

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,478,405.00	\$ 527,506.00	\$ 1,645.00	\$ 254.00
Changes of assumptions	13,125,373.00	-	4,166.00	-
Net difference between projected and actual earnings on pension plan investments	8,973,133.00	-	4,411.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	7,348,996.00	455,697.00	-	18,402.00
School District contributions subsequent to the measurement date	<u>14,157,846.41</u>	<u>-</u>	<u>1,225.98</u>	<u>-</u>
Total	<u>\$ 50,083,753.41</u>	<u>\$ 983,203.00</u>	<u>\$ 11,447.98</u>	<u>\$ 18,656.00</u>

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

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

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

Teachers Retirement System:

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

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

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

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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 Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

Public School Employees Retirement System:

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

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

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

EXHIBIT "G"

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:

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

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90% and 6.00%) or 1-percentage-point higher (9.90% and 8.00%) than the current rate:

**JACKSON COUNTY BOARD OF EDUCATION
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JUNE 30, 2024**

EXHIBIT "G"

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 201,720,828.00	\$ 127,581,269.00	\$ 67,036,339.00
 Employees' Retirement System:	 1% Decrease (6.00%)	 Current Discount Rate (7.00%)	 1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 148,576.00	\$ 108,275.00	\$ 74,361.00

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

Defined Contribution Plan

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

The School District selected Corebridge Financial as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan a matching amount equal to the employee's contribution up to 2%.

The employee becomes vested in the plan upon enrollment.

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

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

Fiscal Year	Percentage Contributed	Required Contribution
2024	100%	\$ 47,786.84
2023	100%	\$ 25,437.05

NOTE 15: TAX ABATEMENTS

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

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

EXHIBIT "G"

NOTE 16: SUBSEQUENT EVENTS

In the subsequent fiscal year, voters authorized the School District to issue general obligation bonds in the amount of \$200,000,000.00. The proceeds from these bonds will be used for (i) acquiring, constructing and equipping new schools, including a new high school, new middle school, new elementary school and a replacement building for the existing North Jackson Elementary School facility; (ii) acquiring, constructing and equipping new educational facilities; (iii) acquiring real property; (iv) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing school system locations, including but not limited to East Jackson Elementary School and East Jackson Middle School; (v) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology equipment and infrastructure; and safety and security equipment and infrastructure; (vi) acquiring school buses, school vehicles and transportation and maintenance equipment; (vii) acquiring band instruments, band uniforms and athletic related equipment for; (viii) paying a portion of the debt service on the Series 2019 general obligation bonds of the Jackson County School District, with a maximum payment amount of \$20,000,000.00; (ix) paying a portion of the debt service on the general obligation bonds of the Jackson County School District to be issued in 2025, 2026 and/or 2027, with a maximum payment amount of \$20,000,000.00; (x) paying expenses incident thereto including capitalized interest; the estimated aggregate cost of such projects and debt service payments to be financed from funds raised by the Sales Tax being \$128,620,000.00. The School District has issued \$0.00 of these bonds as of the report date.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District'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	0.432123%	\$ 127,581,269.00	\$ -	\$ 127,581,269.00	\$ 62,928,913.23	202.74%	76.29%
2023	0.411722%	\$ 133,694,092.00	\$ -	\$ 133,694,092.00	\$ 55,670,193.16	240.15%	72.85%
2022	0.381263%	\$ 33,720,169.00	\$ -	\$ 33,720,169.00	\$ 49,605,662.12	67.98%	92.03%
2021	0.387534%	\$ 93,875,903.00	\$ -	\$ 93,875,903.00	\$ 50,003,435.20	187.74%	77.01%
2020	0.348860%	\$ 75,014,333.00	\$ -	\$ 75,014,333.00	\$ 42,578,778.76	176.18%	78.56%
2019	0.338346%	\$ 62,804,265.00	\$ 3,341.00	\$ 62,807,606.00	\$ 40,374,690.66	155.55%	80.27%
2018	0.333529%	\$ 61,887,392.00	\$ 43,861.00	\$ 62,031,253.00	\$ 38,323,920.47	161.75%	79.33%
2017	0.334080%	\$ 68,924,429.00	\$ 160,510.00	\$ 69,084,939.00	\$ 36,739,204.28	187.60%	76.06%
2016	0.332822%	\$ 50,668,845.00	\$ 134,885.00	\$ 50,803,730.00	\$ 35,266,439.96	143.67%	81.44%
2015	0.350825%	\$ 44,322,111.00	\$ 112,566.00	\$ 44,434,677.00	\$ 35,882,020.61	123.52%	84.03%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 14,157,846.41	\$ 14,157,846.41	\$ -	\$ 70,860,092.13	19.98%
2023	\$ 12,582,585.53	\$ 12,582,585.53	\$ -	\$ 62,976,884.30	19.98%
2022	\$ 11,025,689.55	\$ 11,025,689.55	\$ -	\$ 55,670,193.16	19.81%
2021	\$ 9,454,839.20	\$ 9,454,839.20	\$ -	\$ 49,605,662.12	19.06%
2020	\$ 10,570,726.18	\$ 10,570,726.18	\$ -	\$ 50,003,435.20	21.14%
2019	\$ 8,910,893.90	\$ 8,910,893.90	\$ -	\$ 42,578,776.76	20.93%
2018	\$ 6,786,487.63	\$ 6,786,487.63	\$ -	\$ 40,374,690.66	16.80%
2017	\$ 5,464,956.13	\$ 5,464,956.13	\$ -	\$ 38,323,920.47	14.26%
2016	\$ 5,230,503.67	\$ 5,230,503.67	\$ -	\$ 36,739,204.28	14.24%
2015	\$ 4,625,215.41	\$ 4,625,215.41	\$ -	\$ 35,266,439.96	13.12%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2024	0.001815%	\$ 108,275.00	\$ 49,827.64	217.30%	71.20%
2023	0.002107%	\$ 140,715.00	\$ 51,587.94	272.77%	67.44%
2022	0.001859%	\$ 100,713.00	\$ 103,218.00	97.57%	87.62%
2021	0.002447%	\$ 103,140.00	\$ 61,684.30	167.21%	76.21%
2020	0.002264%	\$ 93,425.00	\$ 57,068.20	163.71%	76.74%
2019	0.002219%	\$ 91,224.00	\$ 56,602.66	161.17%	76.68%
2018	0.002202%	\$ 89,431.00	\$ 54,021.52	165.55%	76.33%
2017	0.002312%	\$ 109,367.00	\$ 53,760.88	203.43%	72.34%
2016	0.002230%	\$ 90,346.00	\$ 50,989.99	177.18%	76.20%
2015	0.002155%	\$ 80,826.00	\$ 48,516.64	166.59%	77.99%

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

SCHEDULE *4*

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	\$ 1,225.98	\$ 1,225.98	\$ -	\$ 4,177.10	29.35%
2023	\$ 15,451.57	\$ 15,451.57	\$ -	\$ 49,827.64	31.01%
2022	\$ 12,706.10	\$ 12,706.10	\$ -	\$ 51,587.94	24.63%
2021	\$ 25,454.00	\$ 25,454.00	\$ -	\$ 103,218.33	24.66%
2020	\$ 15,211.39	\$ 15,211.39	\$ -	\$ 61,684.30	24.66%
2019	\$ 14,141.54	\$ 14,141.54	\$ -	\$ 57,068.20	24.78%
2018	\$ 14,043.10	\$ 14,043.10	\$ -	\$ 56,602.66	24.81%
2017	\$ 13,402.80	\$ 13,402.80	\$ -	\$ 54,021.62	24.81%
2016	\$ 13,289.67	\$ 13,289.67	\$ -	\$ 53,760.88	24.72%
2015	\$ 11,197.42	\$ 11,197.42	\$ -	\$ 50,989.99	21.96%

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

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School District	Total	School District's covered payroll	School District'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	0.00%	\$ -	\$ 1,363,044.00	\$ 1,363,044.00	\$ 4,282,705.30	N/A	85.67%
2023	0.00%	\$ -	\$ 1,685,497.00	\$ 1,685,497.00	\$ 3,684,134.07	N/A	81.21%
2022	0.00%	\$ -	\$ 151,281.00	\$ 151,281.00	\$ 2,795,760.91	N/A	98.00%
2021	0.00%	\$ -	\$ 1,122,790.00	\$ 1,122,790.00	\$ 3,012,443.90	N/A	84.45%
2020	0.00%	\$ -	\$ 1,088,015.00	\$ 1,088,015.00	\$ 4,080,053.74	N/A	85.02%
2019	0.00%	\$ -	\$ 953,958.00	\$ 953,958.00	\$ 4,495,071.13	N/A	85.26%
2018	0.00%	\$ -	\$ 812,773.00	\$ 812,773.00	\$ 3,079,223.28	N/A	85.69%
2017	0.00%	\$ -	\$ 1,108,414.00	\$ 1,108,414.00	\$ 2,935,321.54	N/A	81.00%
2016	0.00%	\$ -	\$ 697,001.00	\$ 697,001.00	\$ 2,769,846.73	N/A	87.00%
2015	0.00%	\$ -	\$ 608,052.00	\$ 608,052.00	\$ 2,568,194.77	N/A	88.29%

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

SCHEDULE *6*

For the Year Ended June 30	School District's proportion of the net OPEB liability	School District's share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School District	Total	School District's covered- employee payroll	School District'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
2024	0.559511%	\$ 61,285,547.00	\$ -	\$ 61,285,547.00	\$ 55,105,232.51	111.22%	6.05%
2023	0.503535%	\$ 49,865,987.00	\$ -	\$ 49,865,987.00	\$ 47,989,848.36	103.91%	6.17%
2022	0.453853%	\$ 49,156,035.00	\$ -	\$ 49,156,035.00	\$ 41,297,237.52	119.03%	6.14%
2021	0.442839%	\$ 65,042,736.00	\$ -	\$ 65,042,736.00	\$ 43,241,029.93	150.42%	3.99%
2020	0.426685%	\$ 52,363,404.00	\$ -	\$ 52,363,404.00	\$ 36,454,558.71	143.64%	4.63%
2019	0.417397%	\$ 53,049,878.00	\$ -	\$ 53,049,878.00	\$ 32,816,203.02	161.66%	2.93%
2018	0.424018%	\$ 59,574,358.00	\$ -	\$ 59,574,358.00	\$ 31,338,069.57	190.10%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered- employee payroll
2024	\$ 2,430,454.00	\$ 2,430,454.00	\$ -	\$ 62,390,478.74	3.90%
2023	\$ 2,151,004.00	\$ 2,151,004.00	\$ -	\$ 55,105,232.51	3.90%
2022	\$ 1,820,658.00	\$ 1,820,658.00	\$ -	\$ 47,989,848.36	3.79%
2021	\$ 1,688,255.00	\$ 1,688,255.00	\$ -	\$ 41,297,237.52	4.09%
2020	\$ 1,497,578.00	\$ 1,497,578.00	\$ -	\$ 43,241,029.93	3.46%
2019	\$ 2,297,993.00	\$ 2,297,993.00	\$ -	\$ 36,454,538.71	6.30%
2018	\$ 2,163,332.00	\$ 2,163,332.00	\$ -	\$ 32,816,203.02	6.59%
2017	\$ 2,210,867.00	\$ 2,210,867.00	\$ -	\$ 31,338,069.57	7.05%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SCHEDULE "B"

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 Retirees 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

Change 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

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

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

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

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

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

SCHEDULE "B"

School OPEB Fund

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

Changes in assumptions: June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement System's experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, and to 3.68% as of June 30, 2023.

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

SCHEDULE '9'

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 61,625,273.00	\$ 61,625,273.00	\$ 64,361,203.03	\$ 2,735,930.03
Sales Taxes	2,000,000.00	2,000,000.00	2,455,157.00	455,157.00
State Funds	68,008,064.15	72,696,648.15	77,208,729.29	4,512,081.14
Federal Funds	2,659,270.00	11,408,524.00	10,780,390.00	(628,134.00)
Charges for Services	665,415.00	2,035,415.00	2,860,329.21	824,914.21
Investment Earnings	250,000.00	250,000.00	276,709.27	26,709.27
Miscellaneous	285,000.00	285,000.00	3,917,400.64	3,632,400.64
Total Revenues	135,493,022.15	150,300,860.15	161,859,918.44	11,559,058.29
EXPENDITURES				
Current				
Instruction	84,775,891.13	86,525,699.13	94,997,427.67	(8,471,728.54)
Support Services				
Pupil Services	4,364,127.25	5,178,931.36	5,104,331.27	74,600.09
Improvement of Instructional Services	4,809,446.56	4,813,348.00	4,709,981.07	103,366.93
Educational Media Services	1,762,412.00	1,809,412.00	1,831,399.94	(21,987.94)
General Administration	2,246,949.00	2,336,900.00	2,402,676.98	(65,776.98)
School Administration	7,346,129.21	7,578,080.00	7,759,339.75	(181,259.75)
Business Administration	1,095,987.00	1,169,822.00	1,164,994.40	4,827.60
Maintenance and Operation of Plant	11,844,263.00	12,481,848.00	14,549,661.26	(2,067,813.26)
Student Transportation Services	12,366,140.00	13,679,231.65	16,094,542.99	(2,415,311.34)
Central Support Services	4,957,956.00	3,029,121.00	3,034,142.31	(5,021.31)
Other Support Services	925,000.00	495,000.00	494,199.00	801.00
Food Services Operation	3,299,298.00	8,307,508.00	7,586,774.23	720,733.77
Enterprise Operations			925,674.96	(925,674.96)
Community Services Operations	500,000.00	550,000.00	566,191.93	(16,191.93)
Debt Service				
Principal			796,635.19	(796,635.19)
Interest			26,212.81	(26,212.81)
Capital Outlay				
	7,000,000.00	7,000,000.00	12,780,288.59	(5,780,288.59)
Total Expenditures	147,293,599.15	154,954,901.14	174,824,474.35	(19,869,573.21)
Excess of Revenues over (under) Expenditures	(11,800,577.00)	(4,654,040.99)	(12,964,555.91)	(8,310,514.92)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets			341,033.40	341,033.40
Insurance Proceeds			31,575.00	31,575.00
Financed Purchase Arrangement Proceeds			3,402,958.10	3,402,958.10
Other Sources	126,868,790.00	127,850,442.77	-	(127,850,442.77)
Other Uses	(126,868,790.00)	(127,850,442.77)	-	127,850,442.77
Total Other Financing Sources (Uses)	0.00	0.00	3,775,566.50	3,775,566.50
Net Change in Fund Balances	(11,800,577.00)	(4,654,040.99)	(9,188,989.41)	(4,534,948.42)
Fund Balances - Beginning	29,575,260.14	29,575,260.14	29,639,729.12	64,468.98
Adjustments	110,127.04	(20,559.48)	-	20,559.48
Fund Balances - Ending	\$ 17,884,810.18	\$ 24,900,659.67	\$ 20,450,739.71	\$ (4,449,919.96)

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

SCHEDULE "9"

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$3,456,084.27 and \$3,314,569.47, respectively.

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

See notes to the basic financial statements

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

SCHEDULE "10"

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

See notes to the basic financial statements.

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

	BAND INSTRUMENT FUND	PHYSICAL ED EQUIPMENT AND SUPPLY FUND	TOTAL
<u>REVENUES</u>			
Investment Earnings	\$ 417.68	\$ 558.94	\$ 976.62
<u>EXPENDITURES</u>			
Current			
Instruction	0.00	1,799.20	1,799.20
Net Change in Fund Balances	417.68	(1,240.26)	(822.58)
Fund Balances - Beginning	26,350.96	35,440.18	61,791.14
Fund Balances - Ending	\$ 26,768.64	\$ 34,199.92	\$ 60,968.56

See notes to the basic financial statements.

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

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY 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	235GA324N1199	\$ 1,249,665.66
National School Lunch Program	10.555	235GA324N1199	5,895,491.32
COVID-19 - National School Lunch Program	10.555	225GA324N1099	251,380.01
Total Child Nutrition Cluster			<u>7,396,536.99</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	22,925.18
Total U. S. Department of Agriculture			<u>7,419,462.17</u>
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	38,754.00
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	993,710.85
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	28,443.12
Total Education Stabilization Fund			<u>1,060,907.97</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	2,052,827.69
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	22,323.72
Preschool Grants	84.173A	H173A220081	84,701.00
Total Special Education Cluster			<u>2,159,852.41</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A220010	104,314.00
English Language Acquisition State Grants	84.365A	S365A220010	110,554.63
Migrant Education State Grant Program	84.011A	S011A220011	26,213.83
Student Support and Academic Enrichment Program	84.424A	S424A220011	120,708.99
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A220001	320,048.30
Title I Grants to Local Educational Agencies	84.010A	S010A220010	\$1,503,975.07
Total Other Programs			<u>2,185,814.82</u>
Total U. S. Department of Education			<u>5,406,575.20</u>
Health and Human Services, U. S. Department of			
Pass-Through From Bright From the Start			
Georgia Department of Early Care and Learning			
COVID-19 - Child Care and Development Block Grant	93.575	2210GACC65	77,205.90
Other Programs			
Pass-Through From Georgia Department of Education			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM061877	163,691.54
Total U. S. Department of Health and Human Services			<u>240,897.44</u>
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.UNKNOWN		118,589.77
Total Expenditures of Federal Awards			<u>\$ 13,165,544.58</u>

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

SCHEDULE "12"

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Schoolwide Consolidation of Funds

The following federal program and amount was included in this schoolwide consolidation of funds:

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

See notes to the basic financial statements

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

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		
	GENERAL	CAPITAL	TOTAL
	FUND	PROJECTS FUND	
GRANTS			
Bright From the Start			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 2,377,932.86	\$ -	\$ 2,377,932.86
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,911,984.00	-	2,911,984.00
Kindergarten Program - Early Intervention Program	1,242,064.00	-	1,242,064.00
Primary Grades (1-3) Program	6,330,842.00	-	6,330,842.00
Primary Grades - Early Intervention (1-3) Program	3,797,170.00	-	3,797,170.00
Upper Elementary Grades (4-5) Program	2,735,097.00	-	2,735,097.00
Upper Elementary Grades - Early Intervention (4-5) Program	2,435,310.00	-	2,435,310.00
Middle School (6-8) Program	6,890,903.00	-	6,890,903.00
High School General Education (9-12) Program	6,647,516.00	-	6,647,516.00
Vocational Laboratory (9-12) Program	2,398,919.00	-	2,398,919.00
Students with Disabilities	14,857,181.00	-	14,857,181.00
Gifted Student - Category VI	5,576,259.00	-	5,576,259.00
Remedial Education Program	1,186,669.00	-	1,186,669.00
Alternative Education Program	530,843.00	-	530,843.00
English Speakers of Other Languages (ESOL)	2,268,660.00	-	2,268,660.00
Media Center Program	1,347,691.00	-	1,347,691.00
20 Days Additional Instruction	389,264.00	-	389,264.00
Staff and Professional Development	262,928.00	-	262,928.00
Principal Staff and Professional Development	2,985.00	-	2,985.00
Indirect Cost			
Central Administration	1,845,227.00	-	1,845,227.00
School Administration	2,429,413.00	-	2,429,413.00
Facility Maintenance and Operations	2,529,838.00	-	2,529,838.00
Amended Formula Adjustment	1,282,479.00	-	1,282,479.00
Categorical Grants			
Pupil Transportation			
Regular	1,108,820.00	-	1,108,820.00
Bus Replacement	1,409,760.00	-	1,409,760.00
Nursing Services	221,345.00	-	221,345.00
Other State Programs			
Agriculture Construction Related Equipment - State Bonds	138,000.00	-	138,000.00
Career, Technical and Agricultural Education (CTAE)	342,596.61	-	342,596.61
Computer Science Capacity Grant (CS4GA) Grant	1,999.50	-	1,999.50
Dyslexia Screening Grant	19,224.00	-	19,224.00
Food Services	174,014.00	-	174,014.00

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

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL	
	FUND	PROJECTS	
Hygiene Products	7,932.00	-	7,932.00
Math and Science Supplements	92,606.15	-	92,606.15
One Time QBE Adjustment	2,038.00	-	2,038.00
Preschool Disability Services	241,806.00	-	241,806.00
School Bus Safety Incentive Funding	313,888.00	-	313,888.00
School Safety Grant	500,000.00	-	500,000.00
Vocational Construction Related Equipment - State Bonds	77,836.84	-	77,836.84
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	7,236,226.61	7,236,226.61
Office of the State Treasurer			
Public School Employees Retirement	204,668.01	-	204,668.01
Public Health, Georgia Department of			
Lead Nurse Grant	70,264.09	-	70,264.09
CONTRACTS			
Education, Georgia Department of			
Science Teacher Equipment Grant	3,756.23	-	3,756.23
	<u>\$ 77,208,729.29</u>	<u>\$ 7,236,226.61</u>	<u>\$ 84,444,955.90</u>

See notes to the basic financial statements

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

SCHEDULE "14"

PROJECT	ORIGINAL	CURRENT	AMOUNT	AMOUNT	TOTAL	EXCESS	ESTIMATED
	ESTIMATED	ESTIMATED	EXPENDED	EXPENDED	COMPLETION	PROCEEDS	COMPLETION
	COST (1)	COSTS (2)	IN CURRENT	IN PRIOR	COST	NOT	DATE
			YEAR (3) (4)	YEARS (3) (4)		EXPENDED	
SPLOST VI							
(1) Paying all or a portion of the debt service on outstanding Series 2012 General Obligation Refunding Bonds and Series 2019 General Obligation Bonds previously issued.	\$ 30,000,000.00	\$ 30,000,000.00	\$ 11,764,337.87	\$ 2,634,433.91			6/30/2027
<i>All Projects Below</i>	30,128,000.00	55,300,000.00					
(2) Acquiring, constructing and equipping new schools including a new middle school and new elementary schools,			36,651,610.21	4,456,216.09			6/30/2027
(3) acquiring, constructing and equipping new educational facilities			1,937,649.67	568,434.62			6/30/2027
(4) acquiring real property				0.00			6/30/2027
(5) remodeling, renovating and equipping classrooms, instructional and support space, and other school district facilities at existing school system facilities					0.00		6/30/2027
(6) acquiring furnishings, equipment and fixtures for new and existing facilities system-wide, including technology, equipment, infrastructure and safety and security			10,851.70	75,014.95			6/30/2027
	<u>\$ 60,128,000.00</u>	<u>\$ 85,300,000.00</u>	<u>\$ 50,364,449.44</u>	<u>\$ 7,734,099.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	

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

See notes to the basic financial statements.

APPENDIX B
FORM OF BOND COUNSEL OPINION

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[Letterhead of Stewart, Melvin & Frost, LLP]

_____, 2025

Jackson County School District
c/o Jackson County Board of Education
Jefferson, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

RE: **[\$200,000,000]** Jackson County School District General Obligation School
Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to Jackson County School District (the “District”) in connection with the issuance by the District of the \$200,000,000 aggregate principal amount General Obligation School Bonds, Series 2025 of the District (hereinafter referred to as the “Bonds” or the “Series 2025 Bonds”). In such capacity, we have examined a certified copy of the validation proceedings, judgment of validation entered _____, 2025, a bond resolution adopted by the Board of Education of Jackson County (the “Board”), the managing and controlling body of Jackson County School District (the “District”), on April 21, 2025, and a Supplemental Bond Resolution adopted by the Board on _____. 2025 (collectively, the “Bond Resolution”), a Tax Levy Resolution adopted by the Board of Commissioners of Jackson County, Georgia (the “Board of Commissioners”) on _____, 2025 (the “Tax Levy Resolution”), the law and other documents relating to the issuance of the Series 2025 Bonds.

The Series 2025 Bonds are payable from and secured by the ad valorem tax hereinafter described and the State Intercept Program (hereinafter defined).

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the District and are payable from an ad valorem tax to be levied on all taxable property subject to taxation for bond purposes located within the boundaries of the District. All the taxable property in said District is subject to the levy of an unlimited ad valorem tax for the purposes of paying the principal of and interest on the Bonds, and the Board of Commissioners is authorized and required by law to levy, and the Board of Commissioners has levied, on all taxable property in the District, including real property, such ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the Bonds and the interest thereon as the same may mature or become due, whether by maturity or otherwise. The proceeds of such ad valorem tax have been properly pledged to the payment of the principal of, premium, if any, and interest on the Bonds as the same become due.

2. The Board has irrevocably authorized and directed the State of Georgia Board of Education to withhold from the Jackson County School System (the "System") sufficient moneys from any state appropriation to which the System may be entitled and to apply so much as shall be necessary to the payment of the principal of and interest on the Series 2025 Bonds (herein referred to as the "State Intercept Program").

3. As of the date hereof, interest on the Series 2025 Bonds (including any original issue discount properly allocable to a holder thereof) is (a) excluded from gross income for federal income tax purposes and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax; provided however that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), for the purpose of computing alternative minimum tax imposed on corporations. The opinion set forth in the preceding sentence is subject to continuing compliance by the Board with the covenants regarding federal tax law in the Bond Resolution. Failure to comply with such covenants could cause interest on the Series 2025 Bonds to be included in the bondholders' gross income retroactive to the date of issuance of the Series 2025 Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2025 Bonds.

4. As of the date hereof, the interest on the Series 2025 Bonds is exempt from present State of Georgia income taxation.

It is to be understood that the rights of the owners of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

The opinions set forth herein are limited to the laws of the State of Georgia and applicable federal laws. This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

_____, 2025

Your attention is called to the fact that for purposes hereof we have not been requested to examine, and have not examined, any documents or information relating to the District, other than the documents referred to above, and no opinion is expressed herein as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchasers of the Series 2025 Bonds.

Very truly yours,

STEWART, MELVIN & FROST, LLP

By: _____

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APPENDIX C

FORM OF
CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Jackson County School District (the “District”) in connection with the issuance of [**\$200,000,000**] in original aggregate principal amount of its General Obligation School Bonds, Series 2025 (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Education of Jackson County (the “Board”), the managing and controlling body of the District, adopted on April 21, 2025, and a Supplemental Bond Resolution adopted by the Board on _____, 2025 (collectively, the “Bond Resolution”). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the beneficial owners of the Bonds (the “Bondholders”) and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District, or any successor Dissemination Agent designated in writing by the District, and that has filed with the District a written acceptance of such designation. Initially, the District hereby designates Raymond James & Associates, Inc., Atlanta, Georgia, as Dissemination Agent.

“EMMA” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 13 hereof.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the District as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB’s address is:

MSRB
1300 I Street, N.W.
Suite 1000
Washington, DC 20005
Attention: Disclosure

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. **Currently, the sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Georgia as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than one (1) year after the end of each Fiscal Year (the “Annual Filing Date”), commencing with Fiscal Year ended June 30, 2025, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the School District shall include unaudited financial information in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to the MSRB through EMMA in an electronic format. **In addition, the District shall, or cause the Dissemination Agent to, provide to each Repository the District’s audited general purpose financial statements, for Fiscal Year ended June 30, 2024, together with the independent auditor’s report, not later than July 31, 2025.**

(b) If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to each Repository in substantially the form attached as **Exhibit A** hereto. If the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository (currently just the MSRB) and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the District, notify the District that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories (currently just the MSRB) and each State Repository, to which it was provided.

(d) The District shall promptly file a notice of any change in its Fiscal Year with each Repository.

(e) If the audit report specified in clause (1) of Section 4 hereof is not submitted as part of the Annual Report to each Repository pursuant to Section 3(a) hereof, the District shall, or shall cause the Dissemination Agent to, provide to each Repository such audit report, together with the audited general purpose financial statements to which such audit report relates, when they are available to the District.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(1) the District's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to each Repository pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(2) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the District, a narrative explanation describing the impact of such changes on the District; and

(3) tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the District: (A) the schools comprising the District's school system, (B) the enrollment in the District's school system, (C) the employees of the District, (D) sales tax collections of the District, (E) the legal debt margin of the District, (F) the property tax digest of the District, (G) the millage rates of the District, (H) the property tax levies and collections of the District, (I) the uncollected property taxes of the District, (J) the ten largest taxpayers of the District, and (K) the most recent General Fund budget of the District.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (“Listed Events”) with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the District;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) If the District obtains knowledge of the occurrence of a Listed Event, the District shall file, in a timely manner not in excess of ten business days after the occurrence of the event, a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) (other than tender offers) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution. For the purpose of the event identified in subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U. S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the District.

(c) For the purposes of the events described in subsection (a)(15) and (a)(16), the term “Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

(d) The content of any notice of the occurrence of a Listed Event shall be determined by the District and shall be in substantially the form attached hereto as **Exhibit B**.

Section 6. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Raymond James & Associates, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the District or by the approving vote of the Bondholders owning more than two-

thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

If any provision of Section 4 hereof is amended or waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 4 hereof specifying the accounting principles to be followed in preparing the District's financial statements are amended or waived, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Bondholders to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The District shall file a notice of the change in the accounting principles with each Repository on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an "event of default" or "default" under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information

at the times and with the contents described herein shall be limited to the extent the District has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Annual Report of the District, any audited financial statements of the District, any Listed Events or any other information, disclosures or notices provided to it by the District and shall not be deemed to be acting in any fiduciary capacity for the District, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the District's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the District has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the District at all times.

(b) The District agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this subsection shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(c) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the District.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

Section 13. Filing with MSRB. Notwithstanding anything in this Disclosure Certificate to the contrary, any filing required to be made with a National Repository pursuant to this Disclosure Certificate may be made solely by transmitting such filing to the continuing disclosure service portal provided through the MSRB's EMMA as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to the United States Securities and Exchange Commission.

Date: _____, 2025

JACKSON COUNTY SCHOOL DISTRICT

By: _____
Chairman, Board of Education
of Jackson County

Attest: _____
Secretary, Board of Education
of Jackson County

(SEAL)

(Signatures continued on next page)

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: JACKSON COUNTY SCHOOL DISTRICT

Name of Bond Issue: **[\$200,000,000]** JACKSON COUNTY SCHOOL DISTRICT
(GEORGIA) GENERAL OBLIGATION BONDS, SERIES 2025

Date of Issuance: _____, 2025

CUSIP Numbers:¹ _____

NOTICE IS HEREBY GIVEN that Jackson County School District has not provided an Annual Report with respect to the above-named Bonds as required by the resolution adopted by the Board of Education of Jackson County (the “Board”) on _____, 2025, and a Supplemental Bond Resolution adopted by the Board on _____, 2025. The Board anticipates that the Annual Report will be filed by _____.

Dated: _____

¹ No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

**Relating to
[\$200,000,000] JACKSON COUNTY SCHOOL DISTRICT
(GEORGIA) GENERAL OBLIGATION BONDS,
SERIES 2025**

CUSIP Numbers:¹ _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

Dated: _____

¹ No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.