BIBB COUNTY SCHOOL DISTRICT
Dr. Dan A. Sims, Superintendent

ACTION MEMORANDUM

TO: Board of Public Education for Bibb County ("Board")

FROM: Dr. Dan A. Sims, Superintendent
Eric Bush, Chief Financial Officer

SUBJECT: Moderate Risk Designation: Corrective Action Plan (Action)

Summary

The Fiscal Year 2025 financial audit of the Bibb County School District resulted in an **unmodified opinion**, meaning the District's financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Audit Findings. The audit identified four financial statement findings involving year-end receivables and revenue, accrued liabilities, capital assets, and fund classification. The Georgia Department of Audits and Accounts subsequently designated the District as a moderate-risk school district.

Purpose of this Plan. The Corrective Action Plan (Exhibit 1) establishes specific corrective actions, assigns responsibility, identifies evidence of completion, and provides ongoing management and Board monitoring. The Superintendent will submit the Board-approved plan to the Georgia Department of Education, Georgia Department of Audits and Accounts, and Governor's Office of Student Achievement, as applicable.

Recommendation(s): It is recommended that the Bibb County Board of Education approves the Moderate-Risk Designation: Corrective Action Plan as required by Georgia law.

Superintendent's Comments and Approval:

Superintendent's Signature	Approved/ Not Approved
Dr. Dan A. Sims	Approved

Exhibit 1 – Corrective Action Plan

Corrective Action at a Glance

Finding	Primary Issue	Key Corrective Action	Target Date
2025-001	Receivables / revenue	Formal reconciliations, SEFA tie-out, supervisory review	FY 2026 close
2025-002	Payables / accruals	Year-end cutoff testing, subsequent-disbursement review	FY 2026 close
2025-003	Capital assets	Capital purchase reconciliation and depreciation review	FY 2026 close
2025-004	Fund classification	Correct Section 125 classification and annual fund review	Corrected / ongoing

District-Wide Corrective Action Strategy

- Maintain a comprehensive year-end closing checklist covering reconciliations, accruals, receivables, capital assets, fund classification, federal reporting, and financial statement preparation.
- Assign a designated preparer and reviewer for significant year-end accounting areas and document completion and supervisory review.
- Reconcile material balance sheet accounts and year-end transactions to supporting documentation before financial statements are finalized.
- Begin year-end accounting procedures earlier to allow sufficient time for review, correction, and management oversight before information is provided to the external auditors.
- Provide targeted training to Finance personnel responsible for governmental accounting, federal reporting, accruals, receivables, capital assets, and fund classification.
- Require the Chief Financial Officer or designee to monitor completion of corrective actions and retain documentation supporting resolution.

Finding 2025-001

Management of Receivable, Revenue, and Unavailable Revenue Accounts

Condition / Effect. The District did not properly adjust receivables and related balances in various funds as of June 30, 2025. The necessary corrections also affected the Schedule of Expenditures of Federal Awards (SEFA). General Fund adjustments decreased accounts receivable by $195,562, decreased revenue by $769,101, and increased unavailable revenue by $573,539.

Cause. Management oversight.

Corrective Actions

- Develop and maintain a year-end receivable reconciliation schedule by fund and revenue source.
- Require supporting documentation for material receivable balances and review the appropriate recognition of revenue and unavailable revenue.
- Reconcile federal receivables and expenditures to grant records and the SEFA before finalization.
- Require secondary supervisory review of material receivable and revenue accounts.
- Incorporate the reconciliations and approvals into the formal year-end closing checklist.
- Provide targeted training to accounting and grants personnel regarding revenue recognition, receivables, unavailable revenue, and federal expenditure reporting.

Responsible Parties	Chief Financial Officer / Accounting Department; Grants Administration and appropriate program personnel
Timeline	Implemented during FY 2026 and incorporated into the June 30, 2026 year-end close.
Evidence of Completion	Completed reconciliations, supporting schedules, SEFA tie-out, supervisory review documentation, training records, and closing checklist.

Finding 2025-002

Accounting and Reporting of Expenditures and Accrued Liabilities

Condition / Effect. The District did not properly adjust certain liabilities as of June 30, 2025. Audit adjustments decreased General Fund accounts payable and expenditures by $1,735,566; decreased SPLOST Fund accounts payable and expenditures by $4,427,725; increased Student Activity Custodial Fund accounts payable and expenses by $30,748; and increased Student Activity Special Revenue Fund accounts payable and expenditures by $8,770.

Cause. Management oversight.

Corrective Actions

- Establish formal year-end cutoff procedures for goods received and services performed before June 30.
- Review material outstanding purchase orders, invoices, contracts, construction activity, and subsequent payments to identify obligations attributable to the fiscal year being closed.
- Reconcile accounts payable and accrued liability accounts to detailed supporting schedules.
- Coordinate with Procurement, SPLOST/Capital Programs, Facilities, School Nutrition, Student Activities, and other departments to identify year-end liabilities.

- Require supervisory review and documented approval of material year-end accruals and reversals.
- Include accounts payable and accrued-liability testing in the year-end closing checklist and provide related staff training.

Responsible Parties	Chief Financial Officer / Accounting Department; Procurement, SPLOST/Capital Programs, Facilities, School Nutrition, Student Activities, and applicable departments
Timeline	Implemented during FY 2026 and fully incorporated into the June 30, 2026 closing process.
Evidence of Completion	Payable and accrual schedules, subsequent-disbursement review, reconciliations, supervisory approvals, and completed closing checklist.

Finding 2025-003

Capitalization of Capital Assets

Condition / Effect. The District excluded certain capital items from its capital asset detail for the year ended June 30, 2025. School Food Service Fund adjustments increased machinery and equipment by $108,987, increased depreciation expense by $505,295, decreased expenses by $118,765, and increased accumulated depreciation by $495,517.

Cause. Management oversight.

Corrective Actions

- Review capital expenditures throughout the year and as part of the year-end close.
- Reconcile capital asset additions to the general ledger, purchasing records, construction records, and applicable departmental records.
- Require departments with significant capital purchases to identify assets acquired or placed into service during the year.
- Review expenditures near the District's capitalization threshold for appropriate treatment.
- Reconcile additions, disposals, accumulated depreciation, and depreciation expense before financial statements are finalized.
- Require supervisory review of final capital asset schedules and provide training regarding the District's capitalization policy.

Responsible Parties	Chief Financial Officer / Accounting Department; School Nutrition, Procurement, Facilities, SPLOST/Capital Programs, and other departments responsible for capital assets
Timeline	Implemented during FY 2026 and completed as part of the June 30, 2026 year-end closing process.

Evidence of Completion	Capital asset reconciliation schedules, general ledger tie-outs, departmental support, depreciation schedules, and supervisory review.

Finding 2025-004

Section 125 Cafeteria Plan - Fund Classification

Condition / Effect. In prior years, the District reported the Section 125 Cafeteria Plan as a custodial fund. Upon review, the District determined that it maintained administrative involvement with the activity and that the activity should be reported within the General Fund under GASB Statement No. 84. The classification was corrected.

Cause. Management oversight.

Corrective Actions

- Maintain Section 125 Cafeteria Plan activity within the appropriate governmental fund.
- Review existing custodial and fiduciary activities to confirm that classifications remain appropriate.
- Incorporate fund classification into the annual financial reporting review.
- Evaluate new funds and significant changes in existing activities for appropriate classification before financial statement preparation.
- Document the basis for significant fund-classification determinations and consult applicable GASB guidance and technical resources when unusual activities arise.

Responsible Parties	Chief Financial Officer / Accounting Department
Timeline	Section 125 classification corrected; additional review procedures incorporated into FY 2026 financial reporting and year-end close.
Evidence of Completion	General ledger records reflecting the corrected classification, annual fund-classification review, and management approval of the final fund structure.

Ongoing Monitoring and Accountability

The Chief Financial Officer will maintain a Corrective Action Monitoring Checklist addressing each Fiscal Year 2025 audit finding. Unresolved items will be assigned to responsible staff with an expected completion date and will remain on the monitoring schedule until resolved.

Monitoring Area	Responsible Area	Frequency
Receivable and revenue reconciliations	Accounting / Grants	Monthly and Year-End
Federal expenditure / SEFA reconciliation	Accounting / Grants	Periodic and Year-End
Accounts payable and accrued liabilities	Accounting	Monthly and Year-End
Capital asset additions and disposals	Accounting / Departments	Periodic and Year-End

Capital asset / depreciation reconciliation	Accounting	Year-End
Fund classification review	CFO / Accounting	Annually
Year-end closing checklist	Finance Department	Year-End
Corrective action status	CFO	Monthly
Board reporting	Superintendent / CFO	Monthly, as required

Management Commitment

The Bibb County School District recognizes its responsibility for accurate financial reporting, effective internal controls, and responsible stewardship of public funds. While the Fiscal Year 2025 audit resulted in an unmodified opinion, District leadership recognizes that the four findings identify areas where year-end financial reporting controls and management review must be strengthened.

This Corrective Action Plan is intended not only to address the individual audit adjustments, but also to strengthen the overall financial closing and reporting process through earlier preparation, clearly assigned responsibility, documented supervisory review, staff training, and ongoing management and Board monitoring.

The Superintendent and Chief Financial Officer will oversee implementation of this plan and will report progress to the Bibb County Board of Education in accordance with applicable requirements.

Board Approval

The Bibb County Board of Education reviewed and approved this Corrective Action Plan at its meeting held on August 20, 2026.

	Signature	Date
Dr. Dan A. Sims, Superintendent	______________________	____________
Board Members		
Mr. Daryl J. Morton	______________________	____________
Dr. Sundra M. Woodford	______________________	____________
Mrs. Kristin C. Hanlon	______________________	____________
Dr. Lisa W. Boyd	______________________	____________
Dr. Henry C. Ficklin	______________________	____________
Mr. James Freeman	______________________	____________
Mr. Barney T. Hester	______________________	____________
Ms. Myrtice C. Johnson	______________________	____________