INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

MAULDIN & JENKINS

CPAs & ADVISORS

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

ANNUAL FINANCIAL REPORT
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- TABLE OF CONTENTS -

	Page
FINANCIAL SECTION	
Independent Auditor's Report	**1-4**
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	**5**
Statement of Activities	**6**
Fund Financial Statements:	
Balance Sheet – Governmental Fund	**7**
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	**8**
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	**9**
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	**10**
General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**11**
Notes to Financial Statements	**12-38**
Required Supplementary Information:	
Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia	**39**
Schedule of Contributions – Teachers Retirement System of Georgia	**40**
Schedule of the Academy's Proportionate Share of Net OPEB Liability – School OPEB Fund	**41**
Schedule of OPEB Contributions – School OPEB Fund	**42**
Notes to Required Supplementary Information	**43**
Combining Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	**44**
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	**45**
COMPLIANCE SECTION	
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*	**46 and 47**
Schedule of Findings and Responses	**48 and 49**

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
of International Charter Academy of Georgia, Inc.
Peachtree Corners, Georgia

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of **International Charter Academy of Georgia, Inc.** (the "Academy") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Academy, as of June 30, 2024 and the respective changes in financial position and the budgetary comparison for the General Fund for the fiscal 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* (*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 Academy 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 Academy'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 Academy'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 Academy'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 Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, the Schedule of Contributions – Teachers Retirement System of Georgia, the Schedule of the Academy's Proportionate Share of Net OPEB Liability – School OPEB Fund, and the Schedule of OPEB Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 October 17, 2024 on our consideration of the Academy'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 Academy'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 Academy's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 17, 2024

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	Governmental Activities
Cash and cash equivalents	$ 1,883,158
Investments	258,078
Accounts receivable	186,970
Prepaid items	13,486
Capital assets:	
Nondepreciable	1,065,796
Depreciable, net of accumulated depreciation and amortization	3,084,998
Total assets	6,492,486
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	950,070
OPEB related items	832,836
Total deferred outflows of resources	1,782,906
LIABILITIES	
Accounts payable	56,746
Accrued liabilities	6,196
Note payable, due in one year	81,624
Note payable, due in more than one year	2,396,782
Lease liability, due in one year	2,915
Lease liability, due in more than one year	10,382
Subscription liability, due in one year	5,552
Subscription liability, due in more than one year	19,315
Net pension liability	2,400,916
Net OPEB liability	1,189,431
Total liabilities	6,169,859
DEFERRED INFLOWS OF RESOURCES	
Pension related items	122,903
OPEB related items	535,551
Total deferred Inflows of resources	658,454
NET POSITION	
Net investment in capital assets	1,634,224
Unrestricted	(187,145)
Total net position	$ 1,447,079

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

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

Governmental activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Instruction	$ 1,927,276	$ -	$ 1,019,855	$ -	$ (907,421)
Support services:					
Pupil services	235,432	66,744	53,437	-	(115,251)
Improvement of instructional services	72,582	-	47,452	-	(25,130)
Educational media services	-	-	181,628	-	181,628
School administration	315,964	-	159,340	-	(156,624)
Business administration	319,851	-	13,200	-	(306,651)
Maintenance and operation of plant	432,785	50,700	113,067	-	(269,018)
Student transportation services	7,619	-	-	-	(7,619)
Central support services	138,831	-	-	-	(138,831)
Other support services	78,238	16,785	-	-	(61,453)
Enterprise operations	7,815	17,110	-	-	9,295
Community services operations	45,362	-	-	-	(45,362)
Facilities acquisition and construction services	1,543	-	-	-	(1,543)
School nutrition services	50,043	-	-	-	(50,043)
Interest and fiscal charges	117,405	-	-	-	(117,405)
Total governmental activities	$ 3,750,746	$ 151,339	$ 1,587,979	$ -	(2,011,428)
General revenues:					
Local revenues					39,925
State Charter Schools Commission					1,760,732
Unrestricted investment earnings					8,078
Total general revenues					1,808,735
Change in net position					(202,693)
Net position, beginning of year					1,649,772
Net position, end of year					$ 1,447,079

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS	General	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 1,883,158	$ -	$ 1,883,158
Investments	258,078	-	258,078
Other receivables	186,970	-	186,970
Prepaid items	13,486	-	13,486
Total assets	$ 2,341,692	$ -	$ 2,341,692
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 56,746	$ -	$ 56,746
Total liabilities	56,746	-	56,746
FUND BALANCES			
Nonspendable - prepaid items	13,486	-	13,486
Unassigned	2,271,460	-	2,271,460
Total fund balances	2,284,946	-	2,284,946
Total liabilities and fund balances	$ 2,341,692	$ -	$ 2,341,692

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Total fund balance - governmental funds		$ 2,284,946
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 governmental funds. These assets consist of:		
Historical cost of capital assets	$ 4,921,393	
Less accumulated depreciation and amortization	(770,599)	
Total capital assets		4,150,794
Long-term liabilities and certain deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund for the following:		
Notes payable	$ (2,478,406)	
Lease liability	(13,297)	
Subscription liability	(24,867)	
Accrued interest payable	(6,196)	
Net pension liability	(2,400,916)	
Deferred outflows of resources related to pensions	950,070	
Deferred inflows of resources related to pensions	(122,903)	
Net OPEB liability	(1,189,431)	
Deferred outflows of resources related to OPEB	832,836	
Deferred inflows of resources related to OPEB	(535,551)	(4,988,661)
Net position of governmental activities		$ 1,447,079

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local funds	$ 174,154	$ 17,110	$ 191,264
State funds	3,230,799	-	3,230,799
Federal funds	-	117,912	117,912
Investment earnings	8,078	-	8,078
Total revenues	3,413,031	135,022	3,548,053
Expenditures			
Current:			
Instruction	1,418,639	37,700	1,456,339
Support services:			
Pupil services	158,026	29,732	187,758
Improvement of instructional services	46,656	11,044	57,700
School administration	240,513	-	240,513
Business administration	310,933	-	310,933
Maintenance and operation of plant	312,451	-	312,451
Student transportation service	7,403	216	7,619
Central support services	113,604	-	113,604
School nutrition	50,043	-	50,043
Enterprise operations	-	7,815	7,815
Community services operations	45,362	-	45,362
Facilities acquisition and construction services	91,501	48,910	140,411
Debt service:			
Principal	88,753	-	88,753
Interest and fiscal charges	117,605	-	117,605
Total expenditures	3,001,489	135,417	3,136,906
Excess (deficiency) of revenues over expenditures	411,542	(395)	411,147
Other financing sources (uses)			
Transfers in	9,295	22,911	32,206
Transfers out	(9,690)	(22,516)	(32,206)
Lease liability	15,796	-	15,796
Total other financing sources (uses)	15,401	395	15,796
Net change in fund balance	426,943	-	426,943
Fund balance, beginning of year	1,858,003	-	1,858,003
Fund balance, end of year	$ 2,284,946	$ -	$ 2,284,946

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net change in fund balance - total governmental funds		$ 426,943
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives. In the current period, these amounts are:		
Capital outlays	$ 140,411	
Less current year depreciation and amortization	(136,803)	3,608
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of the differences in the treatment of long-term debt and related items.		
Principal retirement - note payable		80,702
Principal retirement - subscription liability		5,552
Principal retirement - lease liability		2,499
Issuance of lease liability		(15,796)
Some expenses reported in the statement of activities, such as the change in accrued interest and the deferred outflows of resources, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest		200
In the governmental funds, current year expenditures related to pensions and OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions and OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions, OPEB, and related items.		(706,401)
Net change in net position - governmental activities		$ (202,693)

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

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

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Local sources	$ 111,000	$ 178,765	$ 174,154	$ (4,611)
State sources	2,736,500	3,230,799	3,230,799	-
Investment earnings	-	7,750	8,078	328
Total revenues	2,847,500	3,417,314	3,413,031	(4,283)
Expenditures:				
Current:				
Instruction	1,536,360	1,463,784	1,418,639	45,145
Support services:				
Pupil services	123,470	162,461	158,026	4,435
Improvement of instructional services	35,650	47,851	46,656	1,195
School administration	231,800	247,550	240,513	7,037
Business administration	303,020	330,384	310,933	19,451
Maintenance and operations	241,500	338,813	312,451	26,362
Student transportation service	-	7,500	7,403	97
Central support services	108,050	118,826	113,604	5,222
School nutrition	18,650	51,825	50,043	1,782
Community services operations	50,000	45,000	45,362	(362)
Facilities acquisition and construction services	-	75,705	91,501	(15,796)
Debt services:				
Principal	72,000	82,000	88,753	(6,753)
Interest and fiscal charges	121,000	119,000	117,605	1,395
Total expenditures	2,846,500	3,090,699	3,001,489	89,210
Excess of revenues over expenditures	1,000	326,615	411,542	84,927
Other Financing Sources (Uses):				
Transfers in	-	-	9,295	9,295
Transfers out	-	-	(9,690)	(9,690)
Lease liability	-	-	15,796	15,796
Total Other Financing Sources (Uses)	-	-	15,401	15,401
Net change in fund balances	1,000	326,615	426,943	100,328
Fund balances, beginning of year	1,858,003	1,858,003	1,858,003	-
Fund balances, end of year	$ 1,859,003	$ 2,184,618	$ 2,284,946	$ 100,328

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

NOTE 1: DESCRIPTION OF ACADEMY AND REPORTING ENTITY

REPORTING ENTITY

The International Charter Academy of Georgia (the "Academy") is a not-for-profit organization organized under the laws of the State of Georgia. The Academy is approved to provide educational services to students from kindergarten to fifth grade. The governing body of the Academy is comprised of a seven-member Governing Board. The Academy operates under a charter with the State Charter School Commission of Georgia (the "Commission"), which is effective until June 30, 2029.

The Academy is located in Peachtree Corners, Georgia providing education for more than 200 students in grades kindergarten through fifth grade.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Academy does not consider any of its activities to be business-type activities.

Government-wide Statements:
The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall Academy. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Academy'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 Academy related to the administration and support of the Academy'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 are presented as general revenues.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes (if any), and unrestricted amounts. The net investment in capital assets is calculated by taking the capital assets, net of accumulated depreciation and amortization, less any related long-term financing arrangements, and adding back any unspent bond or contract proceeds.

Fund Financial Statements:

The fund financial statements provide information about the Academy's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Academy reports the following major governmental fund:

- **The General Fund** is the Academy's primary operating fund. It accounts for all financial resources of the Academy.

Additionally, the Academy reports the following fund types:

- **The Special Revenue Funds** account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

- **The Capital Projects Funds** accounts for and reports the Academy's activity involving the construction of capital facilities, including major renovations.

BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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. On an accrual basis, revenues are recognized in the fiscal year in which they are earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING/MEASUREMENT FOCUS (Continued)

The Academy 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 Academy considers all revenues reported in the governmental funds to be available if they are collected within sixty (60) days after fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities and subscription IT liabilities, which are recognized as expenditures to the extent they have matured, and other long-term obligations which are recognized when due and payable. Capital asset acquisitions, including entering into contracts giving the Academy the right-to-use leased assets and subscription IT assets, are reported as expenditures in governmental funds. Proceeds from the issuance of general long-term liabilities and acquisitions under financed purchase arrangements are reported as other financing sources.

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

The State of Georgia reimburses the Academy for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the Academy year (August 1 – May 31) and paid over a twelve-month period; for the Academy, this period is July 1 through June 30. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the Academy over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the Academy recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING/MEASUREMENT FOCUS (Continued)

Grant revenues, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period if availability criteria is met. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits, 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.G.C.A) §45-8-14 authorizes the Academy to deposit its funds in one or more solvent banks, insured Federal savings and loan associations, or insured chartered building and loan associations.

INVESTMENTS

The Academy can invest its funds as permitted by O.C.G.A §36-83-4. Investments made by the Academy in nonparticipating interest-earning contracts (such as certificates of deposit) are reported at cost. For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

RECEIVABLES

Receivables, which include amounts due from other governments, consist of amounts due from the various entities 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.

PREPAID ITEMS

Payments made to vendors for services which will benefit periods subsequent to June 30, 2024 are recorded as prepaid items. The prepaid items are recognized on the consumption method.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. On the government-wide financial statements, all purchased capital assets are valued at cost. The Academy capitalizes assets in excess of $5,000 per unit, with a useful life of at least two years. Donated capital assets are recorded at estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized.

Depreciation and amortization are computed using the straight-line method. Depreciation and amortization are used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

Capital assets and subscription assets are depreciated and amortized using the straight-line method over the following estimated useful lives:

	Estimated Useful Life
Buildings	30 years
Land Improvements	15 years
Furniture and Office Equipment	10 years
Vehicles	7 years
Computers and Software	3 years
Subscription Assets - Software	5 years

LEASES AS LESSEE

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES AS LESSEE (Continued)

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

- The lease agreement entered into by the Academy as lessee does not contain stated interest rates. Therefore, the Academy has used its estimated incremental borrowing rate as the discount rate for the lease.

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

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

Lease assets are reported with other capital assets and lease liabilities are reproted with current and long-term debt on the statement of net position.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Academy has entered into a subscription-based information technology arrangement for accounting software. The Academy recognizes a subscription liability and a subscription asset in the government-wide financial statements. The Academy recognizes subscription liabilities with an initial, individual value of $5,000 or more.

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

Key estimates and judgments related to subscriptions include how the Academy determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (Continued)

- The Academy uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription IT liability are composed of fixed payments and purchase option prices that the Academy is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources.

The Academy has deferred inflows and outflows related to the recording of changes in its net pension liability and net OPEB liability. Certain changes in the net pension liability and net OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Academy's actuary which adjust the net pension liability or net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in the proportion and differences between employer contributions and proportionate share of contributions for the pension and net OPEB liability are deferred. These changes are amortized into expense over the service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. The difference between projected investment return on pension and OPEB investments and actual return on those investments is also deferred and amortized against expense over a five-year period. Additionally, any contributions made by the Academy to the pension and OPEB plans before year end but subsequent to the measurement date of the Academy's net pension liability or net OPEB liability are reported as deferred outflows of resources.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

It is the Academy's policy to permit employees to earn paid time off benefits. The unused paid time off does not vest with the employees and therefore, no liability is reported associated with the unused paid time off.

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 fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

FUND EQUITY

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

Fund Balance – The Academy recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Academy and is fiscally advantageous for the Academy. The policy adopted establishes guidance concerning the desired level of fiscal year end fund balance to be maintained by the Academy and the management of fund balance levels and is applicable only to the General Fund of the Academy.

Fund balance is a measurement of available financial resources defined as the difference between total assets/deferred outflows and total liabilities/deferred inflows in each fund.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND EQUITY (Continued)

The Governmental Accounting Standards Board (GASB) Statement No. 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

Nonspendable – Fund balance reported as "nonspendable" represents fund balance associated with inventory, prepaid items, long-term amounts of loans and notes receivable, property held for resale (however, if the use of the proceeds from the collection of receivables or sale of the property is restricted, committed, or assigned, then the receivables or property should be reported in those categories), and corpus of a permanent fund (legally/contractually required to be maintained).

Restricted – Fund balance reported as "restricted" represents amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources (such as bond resolutions and covenants and grant agreements).

Committed – Fund balance reported as "committed" includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board as the highest level of decision making authority will have the sole authority to commit fund balance. Constraints can be removed or changed only by the Board through a formal resolution voted on by the Board. Actions to constrain resources should occur prior to the end of the Academy's fiscal year, though the exact amount may be determined subsequently.

Assigned – Fund balance reported as "assigned" represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. The intent is expressed by the Board. If these funds should have a deficit fund balance, those deficits are required to be reported as unassigned fund balance. The Board will have the authority under this policy to assign funds for a particular purpose.

Unassigned – Fund balance reported as "unassigned" represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

If expenditures incurred exceed the amounts that have been restricted, committed, and assigned to a specific purpose and results in a negative residual amount for that specific purpose, amounts assigned to other purposes in that governmental fund are reduced to eliminate the deficit.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND EQUITY (Continued)

The Academy applies restricted resources first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted equity is available. If restricted resources are not available, the Academy's policy is to use committed first, then assigned funds, and lastly the unassigned.

USE OF ESTIMATES

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

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Academy adopts an annual budget for its General Fund and Special Revenue Funds used to allocate state and federal funds as outlined in the Georgia Department of Education defined allotment for the fiscal year. The budget was prepared in accordance with provisions of the Quality Basic Education Act, O.C.G.A. Section 20-2-167. A Finance Committee, formed by the governing board, sets policies for budgeting, provides appropriate board oversight of school finances, ensures accurate and comprehensive financial reporting to the board, and raises strategic financial issues for board discussion. The Finance Committee is chaired by the Treasurer. The Finance Committee's responsibilities include oversight of the procurement process and review of monthly financial statements, proposals, and recommendations prior to board review and approval. It also ensures that the annual budget is prepared in a timely manner, allocates resources to support the Academy's strategic direction, and drives improved student achievement. The Finance Committee works with the principal and CFO to create the fiscal year budget, to present budget recommendations to the board, to monitor implementation of the approved budget on a regular basis, to recommend proposed budget revisions, and to recommend to the board appropriate policies for the management of the Academy's assets.

For the fiscal year ended June 30, 2024, expenditures were greater than the budget as follows:

General Fund:		
Community services operations	$	362
Facilities acquisition and construction services		15,796
Debt service – principal		6,753

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

The excess of expenditures over budget that are noted above were primarily funded by lower than expected expenditures in other budget categories.

NOTE 4: DEPOSITS AND INVESTMENTS

COLLATERALIZATION OF DEPOSITS

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2024, all of the Academy's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

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 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.

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

Categorization of investments. As of June 30, 2024, the Academy had the following investments:

Investment	Maturity	Rating (S&P)	Fair Value
Certificate of Deposit	June 28, 2025	AAA	$ 258,078
	Total		$ 258,078

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

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Increases	Transfers	Balance June 30, 2024
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,050,000	$ -	$ -	$ 1,050,000
Construction in progress	32,250	124,615	(156,865)	-
Total capital assets, not being depreciated	1,082,250	124,615	(156,865)	1,050,000
Capital assets, being depreciated:				
Buildings and improvements	3,558,154	-	156,865	3,715,019
Land improvements	40,229	-	-	40,229
Machinery and equipment	56,855	-	-	56,855
Fixtures	7,364	-	-	7,364
Total capital assets, being depreciated	3,662,602	-	156,865	3,819,467
Less accumulated depreciation for:				
Buildings and improvements	(595,247)	(118,465)	-	(713,712)
Land improvements	(13,693)	(2,998)	-	(16,691)
Machinery and equipment	(16,344)	(5,686)	-	(22,030)
Fixtures	(2,490)	(736)	-	(3,226)
Total accumulated depreciation	(627,774)	(127,885)	-	(755,659)
Total capital assets, being depreciated, net	3,034,828	(127,885)	156,865	3,063,808
Governmental activities capital assets, net excluding lease and subscription assets	$ 4,117,078	$ (3,270)	$ -	4,113,808
Lease assets (Note 6)				12,900
Subscription assets (Note 7)				24,086
Total capital assets, as reported in the statement of net position				$ 4,150,794

NOTE 5: CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions for the fiscal year ended June 30, 2024:

Instruction	$ 2,840
Pupil services	2,606
Maintenance and operation of plant	120,334
Facility acquisition and improvement	1,543
Improvement of instruction services	562
	$ 127,885

NOTE 6: LEASE ASSETS

A summary of right-to-use lease asset activity for the Academy for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities:				
Lease assets	$ -	$ 15,796	$ -	$ 15,796
Less accumulated amoritization	-	(2,896)	-	(2,896)
Total lease assets, net	$ -	$ 12,900	$ -	$ 12,900

Amortization expense was charged to the following function for the fiscal year ended June 30, 2024:

Business administration	$ 2,896

NOTE 7: SUBSCRIPTION ASSETS

A summary of subscription asset activity for the Academy for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities:				
Subscription IT assets	$ 36,130	$ -	$ -	$ 36,130
Less accumulated amoritization	(6,022)	(6,022)	-	(12,044)
Total subscription IT assets, net	$ 30,108	$ (6,022)	$ -	$ 24,086

NOTE 7: SUBSCRIPTION ASSETS (Continued)

Amortization expense was charged to the following function for the fiscal year ended June 30, 2024:

Business administration	$ 6,022

NOTE 8: RISK MANAGEMENT

The Academy 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 acts of God.

The Academy has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God. The Academy has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the Academy's insurance coverage in the past fiscal year.

NOTE 9: LONG-TERM LIABILITIES

Note payable. On March 22, 2018, International Charter Academy of Georgia, Inc. entered into a direct borrowing loan payable agreement for a loan in the amount of $2,750,000 to finance the cost of acquiring a new building and land for the initial operations of International Charter Academy of Georgia, Inc. International Charter Academy of Georgia, Inc. made principal and interest payments on the loan. The loan was refinanced on March 9, 2021 and again on January 10, 2022. The remaining loan balance of $2,478,406 at June 30, 2024 bears an interest rate of 4.50%. Interest expense during the year amounted to $114,990.

The loan noted above carries one covenant requirement for which failure to comply with the requirement would result in an Event of Default, and cause the note to be callable and due immediately. The Academy's requirement is to maintain a Debt Service Coverage Ratio of at least 1.10.

At June 30, 2024, payments due by fiscal year, which include principal and interest, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 81,624	$ 123,971	$ 205,595
2026	2,396,782	91,874	2,488,656
	$ 2,478,406	$ 215,845	$2,694,251

NOTE 9: LONG-TERM LIABILITIES (Continued)

Lease liability. In July of 2023, the Academy entered into a lease arrangement for the use of copiers. The Academy is required to make monthly principal and interest payments in the amount of $313, through maturity in July of 2028. As the agreement does not reflect a stated interest rate, the Academy utilized its incremental borrowing rate for similar assets, as calculated at inception of the subscription arrangement, of 7.00%. The outstanding balance of the Academy's lease liability as of June 30, 2024 was $13,297.

At June 30, 2024, payments due by fiscal year, which include principal and interest, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 2,915	$ 838	$ 3,753
2026	3,126	628	3,754
2027	3,351	402	3,753
2028	3,594	159	3,753
2029	311	2	313
	$ 13,297	$ 2,029	$ 15,326

SBITA liability. On May 15, 2018, the Academy entered into a subscription-based information technology arrangement for the use of accounting software. The Academy is required to make quarterly principal and interest payments in the amount of $1,707. As the agreement does not reflect a stated interest rate, the Academy utilized its incremental borrowing rate for similar assets, as calculated at inception of the subscription arrangement, of 4.50%. The outstanding balance of the Academy's subscription liability as of June 30, 2024 was $24,867.

At June 30, 2024, payments due by fiscal year, which include principal and interest, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 5,552	$ 1,022	$ 6,574
2026	6,072	756	6,828
2027	6,350	478	6,828
2028	6,893	189	7,082
	$ 24,867	$ 2,445	$ 27,312

NOTE 9: LONG-TERM LIABILITIES (Continued)

At June 30, 2024, the schedule of changes in long-term liabilities are as follows:

	Balance at June 30, 2023	Additions	Decreases	Balance at June 30, 2024	Due within one year
Direct borrowing - note payable	$ 2,559,108	$ -	$ (80,702)	$ 2,478,406	$ 81,624
Lease liability	-	15,796	(2,499)	13,297	2,915
Subscription IT liability	30,419	-	(5,552)	24,867	5,552
Net pension liability	2,525,667	800,365	(925,116)	2,400,916	-
Net OPEB liability	1,010,026	389,829	(210,424)	1,189,431	-
Total long-term liabilities	$ 6,125,220	$ 1,205,990	$ (1,224,293)	$ 6,106,917	$ 90,091

NOTE 10: INTERFUND TRANSFERS

The composition of interfund transfers for the fiscal year ended June 30, 2024 is as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	$ 9,295
Nonmajor Governmental Funds	General Fund	9,690
Nonmajor Governmental Funds	Nonmajor Governmental Funds	13,221
		$ 32,206

Transfers were used primarily to fund grant matching requirements.

NOTE 11: RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

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 2024. For the year ended June 30, 2024, the Academy's contractually required contribution rate was 19.98% of annual payroll, and school contributions to TRS were $236,829.

At June 30, 2024, the Academy reported a liability of $2,400,916 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard rollforward techniques. The Academy's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the Academy's proportion was 0.008132%, which is an increase of 0.000354% from its proportion measured as of June 30, 2022.

NOTE 11: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

For the year ended June 30, 2024, the Academy recognized pension expense of $780,071. At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 168,863	$ -
Changes of assumptions	247,003	-
Differences between expected and actual experience	121,915	9,927
Changes in proportion and differences between School contributions and proportionate share of contributions	156,580	112,976
School contributions subsequent to the measurement date	255,709	-
Total	$ 950,070	$ 122,903

School contributions subsequent to the measurement date of $255,709 are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2025	$ 207,684
2026	97,833
2027	317,123
2028	(51,182)
Total	$ 571,458

NOTE 11: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

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

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

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

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.

NOTE 11: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

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

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

* Rates shown are net of inflation

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

NOTE 11: RETIREMENT PLANS (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
School's proportionate share of the net pension liability	$ 3,796,127	$ 2,400,916	$ 1,261,538

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

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan description. The Academy participates in the State of Georgia School Employees Postemployment Benefit Fund (the "School OPEB Fund") which is another postemployment benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified employees of the Board as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report, which is publicly available and can be obtained at https://sao.georgia.gov/statewide-acfr.

Benefits provided. The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions. As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the Academy were $40,080 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 Academy reported a liability of $1,189,431 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 rollforward techniques. The Academy's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2023. At June 30, 2023, the Academy's proportion was 0.010859%, which is an increase of 0.000660% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Academy recognized OPEB expense of $222,119. At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,670	$ 341,619
Net difference between projected and actual earnings on OPEB plan investments	714	-
Changes in proportion and differences between Academy contributions and proportionate share of contributions	541,276	45,390
Change in plan assumptions	216,096	148,542
School contributions subsequent to the measurement date	40,080	-
Total	$ 832,836	$ 535,551

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

School contributions subsequent to the measurement date of $40,080 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2025	$ 171,477
2026	102,549
2027	(24,639)
2028	(17,836)
2029	21,651
2030	4,003
	$ 257,205

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

Inflation	2.50%
Salary increase	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	7.00%
Medicare Eligible	7.00%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2032
Medicare Eligible	2032

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

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

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ended June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.0% 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 Academy 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 asset allocation and best estimates of arithmetic real rates of return for the major asset classes are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	30.00%	2.00%
Equities	70.00%	9.40%
Total	100.00%	

*Net of Inflation

Beginning in fiscal year 2018, the State OPEB fund updated their investment strategy to a more long-term approach, investing more in domestic and international stocks.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Discount rate. In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.65% per the Municipal Bond Index Rate). The projection of cashflows 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 was projected through 2128.

Sensitivity of the Academy's proportionate share of the net OPEB liability to changes in the discount rate. The table below presents the collective net OPEB liability of the participating employers calculated using the discount rate of 3.68%, as well as what the collective 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 (amounts in thousands):

	1% Decrease (2.68%)	Current discount rate (3.68%)	1% Increase (4.68%)
School's proportionate share of the net OPEB liability	$ 1,348,275	$ 1,189,431	$ 1,055,651

Sensitivity of the Academy's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate. The following presents the collective net OPEB liability of the participating employers, as well as what the collective 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 (amounts in thousands):

	1% Decrease	Current Healthcare Trend Rate	1% Increase
School's proportionate share of the net OPEB liability	$ 1,024,537	$ 1,189,431	$ 1,392,710

NOTE 13: COMMITMENTS AND CONTINGENCIES

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. Liability, if any, which might result from any of these instances, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the Academy.

GRANT CONTINGENCIES

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. The Academy believes that such disallowances, if any, will be immaterial to its overall financial position.

REQUIRED SUPPLEMENTARY INFORMATION

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020
Academy's proportion of the net pension liability	0.008132%	0.007778%	0.008891%	0.008107%	0.006514%
Academy's proportionate share of the net pension liability	$ 2,400,916	$ 2,525,667	$ 786,350	$ 1,963,833	$ 1,400,686
Total	$ 2,400,916	$ 2,525,667	$ 786,350	$ 1,963,833	$ 1,400,686
Academy's covered payroll	$ 1,185,330	$ 1,051,348	$ 1,156,810	$ 1,045,199	$ 794,981
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	49.37%	41.63%	147.11%	53.22%	56.76%
Plan fiduciary net position as a percentage of the total pension liability	76.29%	72.85%	92.03%	77.01%	78.56%

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019
Contractually required contributions	$ 255,709	$ 236,829	$ 208,272	$ 220,488	$ 220,955	$ 166,151
Contributions in relation to the contractually required contributions	255,709	236,829	208,272	220,488	220,955	166,151
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Academy's covered payroll	$ 1,279,825	$ 1,185,330	$ 1,051,348	$ 1,156,810	$ 1,045,199	$ 794,981
Contributions as a percentage of covered payroll	19.98%	19.98%	19.81%	19.06%	21.14%	20.90%

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

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020
Academy's proportion of the net OPEB liability (%)	0.010859%	0.010199%	0.010655%	0.009223%	0.007545%
Academy's proportion of the net OPEB liability ($)	$ 1,189,431	$ 1,010,026	$ 1,154,025	$ 1,354,644	$ 925,933
Academy's covered-employee payroll	$ 1,201,606	$ 1,091,071	$ 1,080,357	$ 1,083,198	$ 794,981
Academy's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	98.99%	92.57%	106.82%	125.06%	116.47%
Plan fiduciary net position as a percentage of the total OPEB liability	6.05%	6.17%	6.14%	3.99%	4.63%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020
Contractually required contribution	$ 40,080	$ 41,746	$ 36,878	$ 39,636	$ 31,189
Contributions in relation to the contractually required contribution	40,080	41,746	36,878	39,636	31,189
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Academy's covered-employee payroll	$ 1,115,755	$ 1,201,606	$ 1,091,071	$ 1,080,357	$ 1,083,198
Contributions as a percentage of covered-employee payroll	3.59%	3.47%	3.38%	3.67%	2.88%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

Teachers Retirement System of Georgia

Changes in 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, 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 Teachers 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%.

Other Postemployment Benefits

Changes in assumptions:

In the June 30, 2022 valuation, the tobacco use assumption and aging factors were revised.

In the 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.

In the June 30, 2019 actuarial valuation, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

In the June 30, 2018 actuarial valuation, the inflation assumption was lowered from 2.75% to 2.50%.

In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial 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.

OTHER SUPPLEMENTARY INFORMATION

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Title I Fund – This fund is used to account for the Academy's federally funded Title I grant revenues and the related expenditures.

Special Education Fund – This fund is used to account for the Academy's federally funded Special Education grant revenues and the related expenditures.

Title II Fund – This fund is used to account for the Academy's federally funded Title II grant revenues and the related expenditures.

Title III Fund – This fund is used to account for the Academy's federally funded Title III grant revenues and the related expenditures.

Title IV Fund – This fund is used to account for the Academy's federally funded Title IV grant revenues and the related expenditures.

ARPA Fund – This fund is used to account for the Academy's federally funded American Rescue Plan Act grant revenues and the related expenditures.

ARP-HCY Fund – This fund is used to account for the Academy's federally funded American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth grant.

Principal's Account Fund – This fund is used to account for the funds collected at the Academy which are controlled by the Principal for discretionary projects.

Capital Projects Fund

Capital Projects Fund – This fund is used to account for the Academy's activity involving the construction of capital facilities, including major renovations.

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds				
ASSETS	**Title I**	**Special Education**	**Title II**	**Title III**	**Title IV**
Total assets	$ -	$ -	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Total liabilities	-	-	-	-	-
FUND BALANCES					
Total fund balances	-	-	-	-	-
Total liabilities and fund balances	$ -	$ -	$ -	$ -	$ -

(Continued)

Special Revenue Funds				
ARPA	ARPA - HCY	Principal's Accounts	Capital Projects Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	Title I	Special Education	Title II	Title III	Title IV
Revenues:					
Local sources	$ -	$ -	$ -	$ -	$ -
Federal sources	12,399	27,610	3,221	15,074	10,000
Total revenues	12,399	27,610	3,221	15,074	10,000
Expenditures:					
Current:					
Instruction	25,620	712	-	9,389	-
Support services:					
Pupil services	-	26,898	-	1,341	-
Improvement of instructional services	-	-	-	4,344	-
Student transportation services	-	-	-	-	-
Enterprise operations	-	-	-	-	-
Facilities acquisition and construction services	-	-	-	-	-
Total expenditures	25,620	27,610	-	15,074	-
Excess (Deficiency) of Revenues Over Expenditures	(13,221)	-	3,221	-	10,000
Other Financing Sources (Uses)					
Transfers in	13,221	-	-	-	-
Transfers out	-	-	(3,221)	-	(10,000)
Total Other Financing Sources (Uses)	13,221	-	(3,221)	-	(10,000)
Net change in fund balances	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -

(Continued)

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
ARPA	ARPA - HCY	Principal's Accounts		
$ -	$ -	$ 17,110	$ -	$ 17,110
47,652	1,956	-	-	117,912
47,652	1,956	17,110	-	135,022
1,029	950	-	-	37,700
703	790	-	-	29,732
6,700	-	-	-	11,044
-	216	-	-	216
-	-	7,815	-	7,815
39,220	-	-	9,690	48,910
47,652	1,956	7,815	9,690	135,417
-	-	9,295	(9,690)	(395)
-	-	-	9,690	22,911
-	-	(9,295)	-	(22,516)
-	-	(9,295)	9,690	395
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Members of the Board
of International Charter Academy of Georgia, Inc.
Peachtree Corners, Georgia

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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. Results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
October 17, 2024

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

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

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs as of June 30, 2024 due to the total amount of federal awards expended being less than $750,000.

INTERNATIONAL CHARTER ACADEMY OF GEORGIA, INC.

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

Section II – Financial Statement Findings and Responses

None reported.