Resurgence Hall Academy - Middle
Audited Financial Statements
June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Resurgence Hall Academy - Middle
East Point, Georgia

Opinion
We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Resurgence Hall Academy - Middle, ("the School") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School'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, each major fund, and the aggregate remaining fund information of the School as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
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 (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

Auditors' 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 our audit in accordance with GAAS and GAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement on 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 statement.
- 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 School'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 School'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 we identified during the audit.

Emphasis of Matter
The School shares the same facility, operating activities and board of directors with Resurgence Hall Primary as such some of the Schools expenditures and account balances are paid and allocated between both Schools. See note 11 below for details of the allocation between both Schools. Our opinion is not modified with respect to this matter.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the supplementary information, such as management's discussion and analysis, the schedules of proportionate share of net pension liability and schedules of contributions to retirement systems, and budgetary comparison information be presented to supplement the basic financial statements. Such 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. 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.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated September 13, 2024 on our consideration of School'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 School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Bambo Sonaike CPA, LLC

September 13, 2024

Introduction
As management of Resurgence Hall Academy - Middle (the "School"), we offer readers of the School's financial statement this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

Financial highlights

- At the end of the current fiscal year, the unassigned fund balance for the general fund was $1,552,366.
- The School's assets exceeded its liabilities at the close of the most recent fiscal year by $1,260,910 (net position).

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

Government-wide financial statements
The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the School's asset and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instructions, school administration, and food services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself.

Comparison of the condensed statement of net position and the statement of activities are provided below.

	Governmental Activities		
	2024	**2023**	**Variance**
ASSETS			
Current and other assets	$ 6,401,141	$ 1,447,139	$ 4,954,002
Capital assets(net)	4,520,170	26,092	4,494,078
Total assets	10,921,311	1,473,231	9,448,080
DEFERRED OUTFLOW OF RESOURCES	754,192	97,164	657,028
Total assets and deferred outflow of resources	11,675,503	1,570,395	10,105,108
LIABILITIES			
Current and other liabilities	93,061	15,565	77,496
Long term liabilities	10,315,340	-	10,315,340
Total liabilities	10,408,401	15,565	10,392,836
DEFERRED INFLOW OF RESOURCES	6,192	-	6,192
Total liabilities and deferred inflow of resources	10,414,593	15,565	10,399,028
NET POSITION			
Investment in capital assets (net)	200,770	26,092	174,678
Retricted for capital project	-	-	-
Restricted for debt service	-	-	-
Unrestricted (deficit)	1,060,140	1,528,738	(468,598)
Total net position (deficit)	$ 1,260,910	$ 1,554,830	$ (293,920)

	Governmental Activities		
	2024	2023	Variance
REVENUES			
State passed through State Charter School Commission	$ 1,683,952	$ 938,178	$ 745,774
Operating grants and contributions	505,479	1,610,691	(1,105,212)
Other revenues	180,237	9,230	171,007
Total revenues	2,369,668	2,558,099	(188,431)
EXPENSES			
Basic instruction	1,258,541	517,457	741,084
Pupil services	155,883	21,276	134,607
Support services - business	138,248	157,893	(19,645)
Media services	60,935	81,491	(20,556)
Instructional staff training	10,667	7,844	2,823
School administration	451,900	175,827	276,073
Food services	65,636	14,874	50,762
Support services - central	10,793	-	10,793
Operation of school	254,112	26,607	227,505
Interest expense	256,871	-	256,871
Total expenses	2,663,586	1,003,269	1,660,317
Change in net position	$ (293,918)	$ 1,554,830	$ (1,848,748)

Fund financial statements
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

financing decisions. Both of the governmental fund financial statements provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be the School's only major fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

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

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets exceeded liabilities by $1,260,910 for the year ended June 30, 2024.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture, fixtures and equipment, and leasehold improvements), less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial analysis of the Government's Funds
The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year. The general fund is the main operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,522,366.

General Fund Budgetary Highlights
The School's budgeted revenues exceeded actual revenues by $212,973 mainly due the School's supplemental revenue being lower than budgeted. Actual expenditures were above budgeted expenditures by $73,728 due mainly to the School's overall cost of operating the school. See details of the actual versus budget comparison below.

Capital Asset
The School's investment in capital assets for its governmental type activities as of June 30, 2024, amounts to $200,770. This investment in capital assets includes furniture, fixtures and equipment. Additional information on the School's capital assets can be found in note below.

Long term debt
The School's total long term debt for its governmental type activities as of June 30, 2024 amounts to $17,442,396 less $13,122,997 allocated to the Primary School. Additional information on the School's long term debt can be found in note below.

Contacting the School's financial management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School.

Resurgence Hall Academy - Middle
Statement of Net Position
As of June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,535,681
Prepaids and other assets	14,348
Accounts receivable	25,313
Due from affiliate school	4,825,799
Capital assets[(net)]	4,520,170
Total assets	10,921,311
DEFERRED OUTFLOW OF RESOURCES	
Related to defined benefit pension plans	754,192
Total deferred outflow of resources	754,192
LIABILITIES	
Accounts payable & accrued expenses	38,628
Notes payable due within one year	54,433
Notes payable	4,264,967
Due to affiliate school	4,552,754
Net pension liability	1,497,619
Total liabilities	10,408,401
DEFERRED INFLOW OF RESOURCES	
Related to defined benefit pension plans	6,192
Total deferred inflow of resources	6,192
NET POSITION	
Investment in capital assets, net of related debt	200,770
Retricted	-
Unrestricted (deficit)	1,060,140
Total net position (deficit)	$ 1,260,910

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

Resurgence Hall Academy - Middle
Statement of Activities
For the period 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 Assets
Basic instruction	$ 1,258,541	$ -	$ 424,777	$ -	$ (833,764)
Pupil services	155,883	-	20,140	-	(135,743)
Support services - business	138,248	-	-	-	(138,248)
Media services	60,935	-	15,687	-	(45,248)
Instructional staff training	10,667	-	2,466	-	(8,201)
School administration	451,900	-	80,254	-	(371,646)
Food services	65,636	-	-	-	(65,636)
Support services - central	10,793	-	6,497	-	(4,296)
Operation of school	254,112	-	29,650	-	(224,462)
Interest expense	256,871	-	-	-	(256,871)
Total governmental activities	$ 2,663,586	$ -	$ 579,471	$ -	$ (2,084,115)

General revenues:	
State passed through State Charter School Commission	1,104,481
Operating grants and contributions	505,479
Other revenues	180,237
Total general revenues	1,790,197
Change in net position	(293,918)
Net position (deficit) - beginning of year	1,554,828
Net position (deficit) - end of the year	$ 1,260,910

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

Resurgence Hall Academy - Middle
Balance Sheet - Governmental Funds
As of June 30, 2024

	General Fund	Capital Project Fund	Debt Service Fund	Total
ASSETS				
Cash and cash equivalents	$ 1,535,681	$ -	$ -	$ 1,535,681
Prepaids and other assets	14,348	-	-	14,348
Accounts receivable	25,313	-	-	25,313
Due from affiliate school	4,825,799	-	-	4,825,799
Total assets	6,401,141	-	-	6,401,141
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable & accrued expenses	38,628	-	-	38,628
Due to affiliate school	4,552,754	-	-	4,552,754
Total liabilities	4,591,382	-	-	4,591,382
FUND BALANCES				
Non-spendable	287,393	-	-	287,393
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	1,522,366	-	-	1,522,366
Total fund balances	1,809,759	-	-	1,809,759
Total liabilities and fund balances	$ 6,401,141	$ -	$ -	$ 6,401,141

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

Resurgence Hall Academy - Middle
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position
As of June 30, 2024

Total Fund balances - Governmental funds	$ 1,809,759
The 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. Those assets consist of:	
Furniture, fixtures and equipment	4,768,586
Accumulated depreciation	(248,416)
Total capital assets	4,520,170
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Notes payable	(4,319,400)
Total long-term liabilities	(4,319,400)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(1,497,619)
Deferred outflows of resources	754,192
Deferred inflows of resources	(6,192)
Net flow of resources	748,000
Total Net position (deficit) - Governmental activities	$ 1,260,910

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

Resurgence Hall Academy - Middle
Statement of Revenue, Expenditures, and Changes in Fund Balances
For the period ended June 30, 2024

REVENUES	General Fund	Capital Projects Fund	Debt Service Fund	Total
State passed through State Charter School Commission	$ 1,683,952	$ -	$ -	$ 1,683,952
Operating grants and contributions	505,479	-	-	505,479
Other revenues	180,237	-	-	180,237
Total revenues	2,369,668	-	-	2,369,668
EXPENDITURES				
Basic instruction	893,204	-	-	893,204
Pupil services	155,883	-	-	155,883
Support services - business	138,248	-	-	138,248
Media services	60,935	-	-	60,935
Instructional staff training	10,667	-	-	10,667
School administration	451,900	-	-	451,900
Food services	65,636	-	-	65,636
Support services - central	10,793	-	-	10,793
Operation of school	105,361	-	-	105,361
Debt service				
Interest expense	-	-	256,871	256,871
Principal payment	-	-	24,953	24,953
Capital outlay	-	-	90,077	90,077
Total expenditures	1,892,627	-	371,901	2,264,528
Excess (deficiency) of revenue over (under) expenditures	477,041	-	(371,901)	105,140
OTHER FINANCING SOURCES (USES)				
Due to / from Primary School	273,045	-	-	273,045
Transfers	(371,901)	-	371,901	-
Total other financing sources (uses)	(98,856)	-	371,901	273,045
Net change in fund balance	378,185	-	-	378,185
Fund balances at beginning of the year	1,431,574	-	-	1,431,574
Fund balances at end of the year	$ 1,809,759	$ -	$ -	$ 1,809,759

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

Resurgence Hall Academy - Middle
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances
For the period ended June 30, 2024

Total net change in fund balances- Government funds	$	378,185
The amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		90,077
Depreciation expense		(148,751)
Total		(58,674)
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 net effect of these differences in the treatment of long-term debt and related items.		
Due to / from Primary School		(273,045)
Payment of long term debt		24,953
Total of long - term debt		(248,092)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in pension related accounts		(365,337)
Total change in net position- Governmental activities	$	(293,918)

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

1. Organization

Resurgence Hall Academy - Middle (a Georgia 501 (c) (3) Corporation) (the School), provides educational services to students in grades 5-8. The School is authorized to enroll a minimum of 75 students and not to exceed 475 students. The governing body of the School is the Board of Directors, which is currently comprised of seven members. Information presented in these financial statements only reflects the financial position and activities of the School.

The general operating authority of the School is contained in O.C.G.A. (Official Code of Georgia Annotated) 20-2-2060 and 20-2-2084 (Charter Schools Act), Georgia Statutes. The School operates under a 5-year charter sponsored by State Charter Schools Commission (the "Commission"). The current charter is effective until June 30, 2027. At the end of the charter's term, the Charter may be renewed by agreement of the School and the Commission following the procedures set forth in the Charter Schools Act and accompanying Commissions' rules.

During the term of charter, the Commission may terminate the charter following the procedures set forth in the Charter School Act and rule of the State Board of Education.

2. Significant accounting policies

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

Basis of presentation

The School's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the Resurgence Hall Academy - Middle

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School, except for fiduciary activities. As part of the consolidation process, all interfold activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The Statement of Net Position presents the School's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

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

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

- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School related to the administration and support of the School'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.

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

The School reports the following major governmental funds:

- General Fund is the School's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Basis of accounting
The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, with the exception of the School's proportionate share of the Net Pension Liability. These collective amounts have been allocated by the pension plan based on actual contributions made to the plan during the measurement period to actuarially determine the proportionate share to each participating employer. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Net position
The School's net position in the Government-wide Financial Statements is classified as follows:

Net investment in capital assets
This represents the School's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position
This represents resources for which the School is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position
Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School, and may be used at the discretion of the Board to meet current expenses for those purposes.

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

Non-spendable
These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted
These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's highest level of decision-making authority.

Assigned
These are amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned
These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

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

Custodial credit risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School 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 collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Receivables
Receivables consist of amounts due from grant reimbursements on Federal, State or other grants for expenditures made but not reimbursed. 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.

Collateralization of Deposits
Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be a deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia

2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia
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.

Stewardship, Compliance, and Accountability
The School adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the School has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget. The detail of the fiscal year budget is outlined in the supplemental section of the financial statement.

Capital assets
Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the School as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market 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 are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School.

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

Asset Class	Estimated Useful Life (years)
Furniture, fixtures and equipment	3 - 10

Leases
The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic

benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The School recognizes right to use lessee asset and related lease liability at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The School reduces the lease liability as payments are made and recognize interest on the lease liability. The School amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

The School 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.

Subscription Based Information Technology Arrangements
The determination of whether an arrangement is a Subscription Based Information Technology Arrangements is made at the arrangement inception. Under GASB 96, a arrangement is (or contains) a Subscription Based Information Technology Arrangements if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed. Right to use Subscription Based Information Technology assets and the related liabilities are recorded on the statement of financial position.

The School recognizes right to use Subscription Based Information Technology asset and related liability at the commencement of the arrangement term, unless the arrangement is a short-term arrangement or it transfers ownership of the underlying asset. The Subscription Based Information Technology liability is measured at the present value of payments expected to be made during the arrangement term (less any related incentives). The right to use Subscription Based Information Technology asset is measured at the amount of the initial measurement of the related liability, plus any payments made to the vendor at or before the commencement of the arrangement term and certain direct costs.

The School reduces the Subscription Based Information Technology liability as payments are made and recognize interest on the liability. The School amortizes the right to use Subscription Based Information Technology asset over the shorter of the arrangement term or the useful life of the underlying asset.

Long-term obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements,

governmental funds report the face amount of debt issued as other financing sources and payments of debt principal as other financing uses.

Revenue sources and recognition
Revenues for current operations are received primarily from the State of Georgia through the State Commission pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 20-2-2060, Georgia Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 20-2-2060, Georgia Statutes, the District reports the number of FTE students and related data to the Georgia Department of Education (GDOE) for funding. Funding for the School is adjusted during the year to reflect revised calculations by the GDOE under the Georgia Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Deferred outflows/inflows of resources
In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School has reported the contributions to the cost sharing benefit pension plans subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources. The School has also reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in note below.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School has reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in notes below. This item is reported only in the Statement of Net Position.

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.

Use of estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial states and the reported amounts of revenues and expenses during the reporting period The School considers critical accounting policies to be those that require more significant judgements and estimates in the preparation of its financial statements. Management bases its estimates on historical experience and various other assumptions that it believes are reasonable under the particular facts and circumstances. Actual results could differ from those estimates.

Income tax
The School is exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code. The School is also exempt from Georgia income taxes and, therefore, has made no provision for federal or Georgia income taxes. In addition, the Internal Revenue Services has determined that the Organization is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

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

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

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

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

3. Capital assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023	Additions	Dispositions	Allocation from Primary School	Balance at June 30, 2024
Capital assets depreciated:					
Building and improvements	$ -	$ 90,077	-	4,646,119	4,736,196
Furniture, fixtures and equipment	32,390	-	-	-	32,390
Total assets depreciated	32,390	90,077	-	4,646,119	4,768,586
Less accumulated depreciation:					
Building and improvements	-	(1,155)	-	(230,166)	(231,321)
Furniture, fixtures and equipment	(6,298)	(10,797)	-	-	(17,095)
Total accumulated depreciation	(6,298)	(11,952)	-	(230,166)	(248,416)
Total governmental activities Capital assets, net	$ 26,092				$ 4,520,170

Depreciation expense in the amount of $11,952 was recorded in the statements of activities under operation of school.

4. Accounts payable and accrued expenses

As of June 30, 2024, accounts payable and accrued expenses consisted of the following:

Other payables	$ 4,562
Credit card liability	3,340
Teachers retirement system	30,725
Total accounts payable and accrued expenses	$ 38,628

5. Prepaid expenses

As of June 30, 2024, prepaid expenses consist of the following:

Instructional supplies and other expenses	$ 14,348
Total	$ 14,348

6. Accounts receivable

As of June 30, 2024, accounts receivable consisted of the following:

Special education - IDEA grant	$ 25,313
Total accounts receivable	$ 25,313

7. Notes payable

As of June 30, 2024, notes payable consisted of the following:

	Beginning balance	Additions	Reductions	Ending balance	Allocation to Primary School
Note payable I	$ 15,930,000	$ -	$ (238,822)	$ 15,691,178	$ 11,805,446
Note payable II	1,770,000	-	(18,782)	1,751,218	1,317,551
Total	$ 17,700,000	$ -	$ (257,604)	$ 17,442,396	$ 13,122,997

Collateral	Maximum loan amount	Interest rate	Maturity date	Payment frequency	Principal amortization	Outstanding balance as of 6/30/24
All school's assets	$15,930,000	5.350%	6/1/2027	Monthly	Yes	$ 15,691,178
All school's assets	1,770,000	6.800%	6/1/2027	Monthly	Yes	1,751,218
Total	$17,700,000					$ 17,442,396

The minimum payment for the School under the note payable agreement is as follows:

June 30,	Interest	Princpal	Total
2025	$ 986,124	$ 219,809	$ 1,205,933
2026	986,124	219,809	1,205,933
2027	986,124	219,809	1,205,933
2028	81,051	16,782,969	16,864,020
2029	-	-	-
Total	$ 3,039,422	$17,442,396	$ 20,481,818

8. Concentrations - Revenue sources

As stated in Note 2, the School receives revenues for current operations primarily from the State of Georgia through the State Charter School Commission. The following is a schedule of revenue sources and amounts:

Sources	
State sources passed through the State Charter School Commission:	
Quality basic education (QBE)	$ 1,683,952
	1,683,952
Operating grants passed through the Georgia Department of Education	
Food Program	62,975
Title I	64,349
IDEA	25,313
Charter School Program	180,896
Child Nutrition Program	62,975
Other grants	108,971
Total operating grants	505,479
Other revenue:	
Fundraising, donations and other revenue	180,238
Total revenues	$ 2,369,668

9. Commitments and contingencies

Federal and state grants
The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

10. Retirement plan

The School participates in the Teachers Retirement System of Georgia (TRS) retirement plan administered by the State of Georgia. TRS issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Plan description: –All teachers of the District 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.

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. The school district's contractually required contribution rate for the year ended June 30, 2024 was 19.98 % of annual school district payroll. District contributions to TRS were $446,134 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $5,275,992 less $3,778,373 allocated to the Primary School 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 roll-forward techniques. The District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the District's proportion was 0.017870%, which was an increase of 0.001187% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $1,628,260 less $1,166,069 allocated to the Primary School. At June 30, 2024, the District 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
Differences between excepted and actual experience	$ 267,908	$ 21,814
Changes of assumptions	542,786	-
Net difference between projected and actual earnings on pension plan investments	371,075	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,029,054	-
School contributions subsequent to the measurement date	446,134	-
Allocation to Primary School	(1,902,765)	(15,622)
Total	$ 754,192	$ 6,192

District contributions subsequent to the measurement date of $446,134 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	(Outflow) / Inflow of resources
2025	$ 801,725
2026	$ 574,555
2027	$ 916,099
2028	$ (103,370)
2029	$ -
Thereafter	$ -

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

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

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

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 target asset allocation and estimates of arithmetic real rates of return for each major asset class 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 and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.

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

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
School's proportion of the net pension liability	$ 8,341,956	$ 5,275,992	$2,772,218

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.

Payables to the pension plan: As of June 30, 2024 $30,725 in accounts payable to the pension plan was recorded in the statement of net assets.

11. Resurgence Hall Primary

The School shares the same facility, operating activities and board of directors with Resurgence Hall Primary School as such some of the Schools expenditures and account balances are paid and allocated between both Schools. Allocation of such expenditures is based on total enrollment, budgeted amount and specific use.

12. Concentration of risk and uncertainty

The School 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 School 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 School elects to pay unemployment insurance taxes using the contributory method. Taxes are paid quarterly to the Georgia Department of Labor using a set rate based on historical experience.

There are several strains of the Covid-19 virus that began to spread worldwide resulting in severe impact to business operations. The School's operation has been affected however, the extent of this impact is uncertain and there can be no assurances that a significant impact on the School's finances will not take place.

13. Inherent limitation in evaluating the entity's ability to continue as a going concern

The potential effects of inherent limitations on the ability to detect material misstatements are greater for future events or conditions, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. Predictions cannot be made about such future conditions or events. Accordingly, the absence of any reference to substantial doubts about the entity's ability to continue as a going concern for a reasonable period of time in the accompanying financial statements cannot be viewed as a guarantee of the entity's ability to continue as a going concern for a reasonable period of time.

14. Subsequent events

The School evaluated subsequent events through the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

Resurgence Hall Academy - Middle
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability- Teachers' Retirement System of Georgia
For the period June 30, 2024

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.017870%	$ 5,275,992	$ 885,045	596.13%	76.29%
2023	0.000000%	$ -	$ 486,309	0.00%	0.00%

Resurgence Hall Academy - Middle
Required Supplementary Information
Schedule of Contributions - Teachers' Retirement System of Georgia
For the period June 30, 2024

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2024	$ 176,832	$ 176,832	$ -	$ 885,045	19.98%
2023	$ 97,164	$ 97,164	$ -	$ 486,309	19.98%

Teachers' Retirement System

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed from the RP-2000 tables to the 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%.

Resurgence Hall Academy - Middle
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
For the period ended June 30, 2024

	Budget	Actual	Variance
REVENUES			
State passed through State Charter School Commission	$ 2,154,625	$ 1,683,952	$ (470,673)
Supplemental revenue	428,016	685,716	257,700
Total revenue	2,582,641	2,369,668	(212,973)
EXPENDITURES			
Basic instruction	1,068,341	893,204	(175,137)
Pupil services	123,713	155,883	32,170
Support services - business	361,284	138,248	(223,036)
Media services	-	60,935	60,935
Instructional staff training	-	10,667	10,667
School administration	441,370	451,900	10,530
Food services	78,438	65,636	(12,802)
Support services - central		10,793	10,793
Operation of school	117,654	105,361	(12,293)
Debt service			
Interest expense	-	256,871	256,871
Principal payment	-	24,953	24,953
Capital outlay	-	90,077	90,077
Total expenditures	2,190,800	2,264,528	73,728
Excess (deficiency) of revenue over (under) expenditures	391,841	105,140	(286,701)
OTHER FINANCING SOURCES (USES)			
Due to / from Primary School	-	273,045	273,045
Total other financing sources and (uses)	-	273,045	273,045
Net change in fund balances	391,841	378,185	(13,656)
Fund balances at beginning of the year	1,431,574	1,431,574	-
Fund balances at end of the year	$ 1,823,415	$ 1,809,759	$ (13,656)

The accompanying notes are an integral part of this schedule.

Resurgence Hall Academy - Middle
Note to the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
For the period ended June 30, 2024

1. **Budgetary Information**

   Budgetary basis of accounting
   Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the board of directors (the "Board"). The budgets presented for the fiscal year ended June 30, 2024 have been amended according to Board procedures. Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.

The accompanying notes are an integral part of this schedule.

Resurgence Hall Academy - Middle
Schedule of State Revenue
June 30, 2024

Grants		
Education, Georgia Department of		
Quality Basic Education		
Direct Instructional Cost		
Upper Elementary Grades (4-5) Program	$	201,478
Middle School (6-8) Program		180,773
Students with Disability Cat III		11,263
Students with Disability Cat IV		18,718
Alternative Education Program		7,740
Indirect Cost		
Central Administration		6,497
School Administration		80,254
Facility Maintenance and Operations		29,650
Media Center Program		15,687
20 Days Additional Instruction		4,805
Staff and Professional Development		2,196
Principal Staff and Professional Development		270
Categorical Grants		
Nursing Services		20,000
State Commission Charter Supplement		1,104,621
Total state revenue	$	1,683,952

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Resurgence Hall Academy - Middle
East Point, 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 Resurgence Hall Academy - Middle ("the School"), as of and for the year ended June 30, 2024, and related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 13, 2024.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 controls 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.

Bambo Sonaike CPA, LLC

September 13, 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:	Un-modified opinion
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Compliance and other matters	
Non-compliance material to financial statements noted?	No

Section II - Financial Statements Findings

No matters were reported.

Section III - Federal Awards Findings and Questioned Costs

Audit of major federal awards programs was not performed because the total amount of federal awards expended for the reporting period was less than $750,000.

–End of Report–