

ANNUAL FINANCIAL REPORT • FISCAL YEAR 2025

Toombs County Board of Education

Lyons, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

Toombs County Board of Education

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Section I

Financial

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Barrett Waller, Superintendent and Members of the
Toombs County Board of Education

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and fiduciary activities of the Toombs County Board of Education (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and fiduciary activities of the School District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Emphasis of Matter

As described in Note 2 to the financial statements, in 2025, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The School District restated beginning balances for the effect of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting

or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 27, 2026

INTRODUCTION

The discussion and analysis of the Toombs County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2025 are as follows:

- GASB Statement No. 101, *Compensated Absences*, was implemented in fiscal year 2025 and replaced GASB Statement No. 16. This is considered a change in accounting principle that affects the School District's reporting of its compensated absences liability. This change in accounting policy required a beginning balance restatement for the fiscal year 2025. Ending balances for fiscal year 2024 presented inside the Management's Discussion and Analysis section do not show the accounting impact of these restated balances. Additional information may be found in Note 2, Summary of Significant Accounting Policies and Note 13, Restatement of Prior Year Net Position.

- For the government-wide financial statements, net position represents the difference between the assets and deferred outflow of resources, and the liabilities and deferred inflow of resources of the School District. As of June 30, 2025, the School District's net position was $50.1 million, an increase of $8.7 million from the net position of $41.4 million as of June 30, 2024. A significant portion of the increase in net position during fiscal year 2025 resulted from nonrecurring insurance recoveries associated with Hurricane Helene. This increase reflects a significant nonrecurring event and should not be considered indicative of ongoing operating trends.

- General revenues account for $23.9 million, or 42.1% of all revenues. Program specific revenues, including charges for services and grants and contributions accounted for $32.9 million, or 57.9% of total revenues of $56.8 million.

- The School District incurred $46.7 million in expenses related to governmental activities. However, $32.9 million of these expenses were offset by program specific charges for services, and grants and contributions. General revenues, primarily from taxes, totaled $23.9 million and were adequate to provide for these programs.

- Long-term debt decreased by $0.9 million during fiscal year 2025 primarily due to the full retirement of the School District's outstanding general obligation bonds, resulting in no bonded debt outstanding as of June 30, 2025.

- Among the major funds, the general fund had $49.0 million in revenues and other sources and $45.3 million in expenditures and other uses. The fund balance for the general fund increased by $3.8 million, from $13.8 million to approximately $17.6 million.

- The deficit balance reflected in unrestricted net position is primarily attributable to the recognition of long-term pension and other post-employment benefit liabilities in accordance with GASB Statement No. 68, Statement No. 71, and Statement No. 75. The amount of the School District's proportionate share of the collective net pension liability for the Teachers Retirement System cost sharing benefit pension plan was $29.4 million. The amount of the School District's proportionate share of the collective net Other Post Employment Benefit (OPEB) liability was $19.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.

The fund financial statements reflect the School District's most significant funds. For the year ending June 30, 2025, the general fund, the capital projects fund, and the debt service fund represent the most significant funds.

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

Government-Wide Statements

The government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question about whether the School District is in a better financial position than last year? The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all of the School District's non-fiduciary assets and liabilities and use the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenditures regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net position, the difference between the School District's non-fiduciary assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the School District's overall financial health or position. Over time, increases or decreases in net position are an indication of

whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has one distinct type of activity:

- Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, student activity accounts and various others.

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, the capital projects fund, and the debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

Fiduciary Funds - The School District is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2025 and 2024.

Table 1
Net Position

	Governmental Activities		
	Fiscal Year 2025	Fiscal Year 2024 (1)	Net Change
ASSETS			
Cash and Cash Equivalents	$ 32,914,485	$ 26,233,680	$ 6,680,805
Receivable, Net			
Taxes	1,519,193	1,654,712	(135,519)
State Government	3,471,519	3,068,648	402,871
Federal Government	1,057,463	1,401,681	(344,218)
Other	817,236	335,935	481,301
Inventories	85,789	82,718	3,071
Prepaid Items	333,683	380,126	(46,443)
Intangible Right-to-Use Assets (Net of Accumulated Amortization)	158,330	223,770	(65,440)
Subscription Right-to-Use Assets (Net of Accumulated Amortization)	464,957	578,934	(113,977)
Capital Assets, Non-Depreciable	1,041,112	1,041,112	-
Capital Assets, Depreciable			
(Net of Accumulated Depreciation)	61,524,249	59,972,138	1,552,111
Total Assets	103,388,016	94,973,454	8,414,562
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plan	9,377,630	11,512,406	(2,134,776)
Related to OPEB Plan	4,675,168	5,420,372	(745,204)
Total Deferred Outflows of Resources	14,052,798	16,932,778	(2,879,980)
LIABILITIES			
Accounts Payable	1,340,392	616,051	724,341
Salaries and Benefits Payable	4,617,982	4,231,565	386,417
Interest Payable	7,083	27,378	(20,295)
Deposits and Unearned Revenues	-	35,536	(35,536)
Net Pension Liability	29,364,011	35,091,101	(5,727,090)
Net OPEB Liability	19,245,566	18,380,483	865,083
Long-Term Liabilities			
Due Within One Year	519,579	2,314,424	(1,794,845)
Due in More Than One Year	1,194,239	317,604	876,635
Total Liabilities	56,288,852	61,014,142	(4,725,290)
DEFERRED INFLOWS OF OUTFLOWS			
Related to Defined Benefit Pension Plan	4,938,191	867,309	4,070,882
Related to OPEB Plan	6,138,915	8,665,409	(2,526,494)
Total Deferred Inflows of Resources	11,077,106	9,532,718	1,544,388
NET ASSETS			
Net Investment in Capital Assets	62,065,084	59,416,227	2,648,857
Restricted for			
Continuation of Federal Programs	1,031,420	1,187,195	(155,775)
Debt Service	17,459	25,625	(8,166)
Capital Projects	8,260,668	5,804,726	2,455,942
School Security	42,717	-	42,717
Unrestricted (Deficit)	(21,342,492)	(25,074,401)	3,731,909
Total Net Position	$ 50,074,856	$ 41,359,372	$ 8,715,484

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement of balances. See Note 13 in the Notes to the Basic Financial Statements for additional information.

Total assets increased by $8.4 million, driven by higher cash and cash equivalents resulting from increased state program revenues, investment earnings, property tax revenues, and collections from the Education Special Purpose Local Option Sales Tax (ESPLOST). Of this $8.4 million increase, 16.3% was attributed to an increase in capital and intangible right-to-use assets, net of accumulated depreciation and amortization, primarily due to the replacement of assets damaged during Hurricane Helene.

Total liabilities, excluding net pension and net OPEB liabilities, decreased by $0.1 million, primarily due to the full retirement of general obligation bonds. Changes in pension and OPEB activity reflected actuarial valuation updates and resulted in noncash adjustments to long-term liabilities.

Overall, the net position of the School District increased by $8.7 million in fiscal year 2025.

Table 2 shows the changes in net position for fiscal years ending June 30, 2025 and June 30, 2024.

Table 2
Change in Net Position

	Governmental Activities		
	Fiscal Year 2025	Fiscal Year 2024 (1)	Net Change
Revenues:			
Program Revenues:			
Charges for Services	$ 397,509	$ 369,147	$ 28,362
Operating Grants and Contributions	32,479,742	34,494,539	(2,014,797)
Capital Grants and Contributions	-	440,550	(440,550)
Total Program Revenues	32,877,251	35,304,236	(2,426,985)
General Revenues:			
Taxes			
Property Taxes			
For Maintenance and Operations	9,017,851	8,506,074	511,777
Railroad Cars	23,447	22,659	788
Sales Taxes			
Special Purpose Local Option Sales Tax			
For Debt Service	52,250	-	52,250
For Capital Projects	4,129,829	3,758,359	371,470
Other Taxes	58,898	77,627	(18,729)
Grants and Contributions not			
Restricted to Specific Programs	4,516,221	2,802,505	1,713,716
Investment Earnings	1,337,992	1,182,269	155,723
Miscellaneous	1,268,064	1,329,763	(61,699)
Special Item - Proceeds from Sale of Buses	13,500	-	13,500
Extraordinary Item - Hurricane Helene	3,512,012	-	3,512,012
Total General Revenues and Special/Extraordinary Items	23,930,064	17,679,256	6,250,808
Total Revenues and Special/Extraordinary Items	56,807,315	52,983,493	3,823,823
Program Expenses:			
Instruction	29,174,433	29,253,391	(78,958)
Support Services			
Pupil Services	2,886,663	2,584,134	302,529
Improvement of Instructional Services	1,589,183	1,829,592	(240,409)
Educational Media Services	664,474	673,929	(9,455)
General Administration	463,748	400,123	63,625
School Administration	2,009,817	2,406,908	(397,091)
Business Administration	527,464	489,698	37,766
Maintenance and Operation of Plant	3,459,404	3,028,158	431,246
Student Transportation Services	2,259,448	2,097,058	162,390
Central Support Services	120,083	221,561	(101,478)
Other Support Services	77,853	71,537	6,316
Operations of Non-Instructional Services			
Enterprise Operations	243,668	413,709	(170,041)
Community Services	36,757	76,110	(39,353)
Food Services	3,143,543	3,311,979	(168,436)
Interest on Long-Term Debt	26,256	77,907	(51,651)
Total Expenses	46,682,794	46,935,794	(253,000)
Increase in Net Position	$ 10,124,521	$ 6,047,698	$ 4,076,823

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement of balances.
See Note 13 in the Notes to the Basic Financial Statements for additional information.

In fiscal year 2025, program revenues, which include charges for services, and operating grants and contributions, decreased by $2.4 million for governmental activities. This decrease is primarily due to the loss of federal operating grants and contributions related to the Elementary and Secondary School Emergency Relief (E.S.S.E.R) and American Rescue Plan (A.R.P) federal funding. General revenues increased by $6.3 million during fiscal year 2025, driven primarily by a $3.5 million extraordinary gain related to insurance recoveries from Hurricane Helene. The remaining increase reflects higher property tax collections resulting from growth in the School District's property tax digest, along with increases in sales tax revenues and investment earnings.

Program expenditures decreased by $0.3 million from 2024 to 2025, primarily due to a reduction in noncash pension expense recognized under GASB Statement No. 68. Pension expense can fluctuate significantly from year to year based on actuarial valuations and investment performance and does not directly correspond to changes in current-year operating costs.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2025	Fiscal Year 2024 (1)	Fiscal Year 2025	Fiscal Year 2024 (1)
Instruction	$ 29,174,433	$ 29,253,391	$ 6,535,368	$ 5,818,950
Support Services:				
Pupil Services	2,886,663	2,584,134	1,976,411	1,445,233
Improvement of Instructional Services	1,589,183	1,829,592	387,929	336,627
Educational Media Services	664,474	673,929	150,173	162,281
General Administration	463,748	400,123	(399,921)	(623,558)
School Administration	2,009,817	2,406,908	904,768	1,242,109
Business Administration	527,464	489,698	527,464	474,079
Maintenance and Operation of Plant	3,459,404	3,028,158	2,281,358	1,694,285
Student Transportation Services	2,259,448	2,097,058	1,263,161	612,037
Central Support Services	120,083	221,561	111,653	80,938
Other Support Services	77,853	71,537	56,268	34,975
Operations of Non-Instructional Services:				
Enterprise Operations	243,668	413,709	(88,538)	111,064
Community Services	36,757	76,110	680	-
Food Services	3,143,543	3,311,979	72,512	164,631
Interest on Long-Term Debt	26,256	77,907	26,256	77,907
Total Expenses	$ 46,682,794	$ 46,935,794	$ 13,805,543	$ 11,631,558

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement of balances.
See Note 13 in the Notes to the Basic Financial Statements for additional information.

Although program revenues make up a majority of the funding, the School District is still greatly dependent upon tax revenues for governmental activities. For 2025, 29.6% of expenditures were supplemented by taxes and other general revenues.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. For the fiscal year, the governmental funds reported total revenues and other financing sources of $60.6 million, and total expenditures and other financing uses of $54.4 million. This resulted in an increase in the fund balance of $6.1 million for the governmental funds as a whole. The increase was primarily due to increased property tax revenues, as well as increases in sales tax revenues and investment earnings. The increase in governmental fund balances reflects the modified accrual presentation of storm-related expenditures and insurance proceeds, which differ from the government-wide presentation.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, which includes local, state and federal funds collected and disbursed for the purpose of operating the school district. During the course of fiscal year 2025, the School District amended its general fund budget as needed.

The School District's budget is based on its overall mission and incorporates site-based budgeting into the budget process to control total site budgets but provide flexibility for site management.

For the general fund, actual revenues and other financing sources totaled $49.0 million, exceeding the final budgeted amount of $47.8 million by $1.2 million. This variance (final actual vs. final budget) was primarily due to property tax revenues being collected at a higher percentage rate than budgeted.

Final actual expenditures and other financing uses for fiscal year 2025 totaled $45.3 million, which was $0.2 million more than the final budgeted amount of $45.1 million. The increase in actual expenditures compared to the final budget expenditures was due primarily to increased instructional and support service costs, including higher personnel-related expenses and operational costs incurred during the year.

CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

At the fiscal year ended June 30, 2025, the School District had $63.2 million invested in capital assets net of accumulated depreciation and intangible right-to-use assets net of accumulated amortization. These assets are made up of a broad range of capital assets, including land, buildings, transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation and amortization.

Table 4
Capital Assets and Intangible Right-to-Use Assets
(Net of Depreciation and Amortization)

	Governmental Activities		
	Fiscal Year 2025	Fiscal Year 2024	Net Change
Land	$ 1,018,112	$ 1,018,112	$ -
Construction In Progress	23,000	23,000	-
Building and Improvements	52,917,501	51,444,734	1,472,767
Equipment	6,845,271	6,721,009	124,262
Land Improvements	1,761,478	1,806,395	(44,917)
Right-to-use Equipment	158,329	223,770	(65,441)
Right-to-use Subscription Assets	464,957	578,934	(113,977)
Total	$ 63,188,649	$ 61,815,954	$ 1,372,694

The overall capital assets increased by $1.4 million in fiscal year 2025, primarily due to the replacement of capital assets damaged by Hurricane Helene, funded largely through insurance proceeds, which exceeded depreciation expense for the year.

LONG-TERM LIABILITIES

During the fiscal year, the School District made the final principal and interest payments on its outstanding general obligation bonds. As a result, the School District had no bonded debt outstanding as of June 30, 2025. Remaining long-term liabilities consist of lease and subscription-based liabilities and compensated absences obligations. Table 5 summarizes long-term liabilities outstanding at June 30, 2025 and 2024.

Table 5
Long-term Debt at June 30

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024 (1)
General Obligation Bonds	$ -	$ 2,090,000
Bond Premiums Amortized	-	95,799
Compensated Absences	1,396,214	-
Leases	192,181	251,479
Subscription Liabilities	125,423	194,751
Total	$ 1,713,818	$ 2,632,028

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement of balances. See Note 13 in the Notes to the Basic Financial Statements for additional information.

CURRENT ISSUES

The following statements provide an overview of the Toombs County School District's current financial position and the impact of ongoing economic conditions.

In fiscal year 2025, approximately 78.7% of general fund expenditures, the School District's primary operating fund, were allocated to salaries and employee benefits. Among certified personnel, 36.0% have 21 or more years of experience, and over 43.0% have 19 or more years, placing them at the highest state pay levels. Given the significant portion of the budget dedicated to personnel costs, it is challenging to offset mandated increases, such as contributions to the Teacher Retirement System (TRS) and health insurance premiums. Salary and benefit expenditures rose by 2.7% in fiscal year 2025 in addition to the prior fiscal year increase of 11.0%.

Looking ahead to fiscal year 2026, the employer's contribution to the TRS pension is expected to increase by approximately $0.3 million, while health insurance premiums expenditures are projected to add another $0.8 million to employee benefits costs. The School District continually assesses ways to spend funds more effectively, ensuring that resources are maximized to deliver quality education through highly qualified personnel.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Stephanie Smith, Finance Director for the Toombs County Board of Education, 600 Bulldog Road Unit 1, Lyons, GA 30436. You may also email your questions to stephanie.smith@toombs.k12.ga.us.

Toombs County Board of Education

TOOMBS COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT "A"

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	$	32,914,484.97
Accounts Receivable, Net		
Taxes		1,519,192.58
State Government		3,471,519.15
Federal Government		1,057,462.90
Other		817,235.61
Inventories		85,788.68
Prepaid Items		333,683.48
Intangible Right-to-Use Assets (Net of Accumulated Amortization)		158,329.29
Subscription Right-to-Use Assets (Net of Accumulated Amortization)		464,957.48
Capital Assets, Non-Depreciable		1,041,112.49
Capital Assets, Depreciable (Net of Accumulated Depreciation)		61,524,249.15
Total Assets		103,388,015.78
DEFERRED OUTFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		9,377,630.00
Related to OPEB Plan		4,675,168.00
Total Deferred Outflows of Resources		14,052,798.00
LIABILITIES		
Accounts Payable		1,340,392.55
Salaries and Benefits Payable		4,617,981.56
Interest Payable		7,083.47
Net Pension Liability		29,364,011.00
Net OPEB Liability		19,245,566.00
Long-Term Liabilities		
Due Within One Year		519,578.91
Due in More Than One Year		1,194,238.86
Total Liabilities		56,288,852.35
DEFERRED INFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plan		4,938,191.00
Related to OPEB Plan		6,138,915.00
Total Deferred Inflows of Resources		11,077,106.00
NET POSITION		
Net Investment in Capital Assets		62,065,084.72
Restricted for		
School Security		42,716.62
Continuation of Federal Programs		1,031,419.63
Debt Service		17,458.95
Capital Projects		8,260,667.97
Unrestricted (Deficit)		(21,342,492.46)
Total Net Position	$	50,074,855.43

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

TOOMBS COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT "B"

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES				
Instruction	$ 29,174,433.40	$ -	$ 22,639,065.25	$ (6,535,368.15)
Support Services				
Pupil Services	2,886,662.67	-	910,251.54	(1,976,411.13)
Improvement of Instructional Services	1,589,183.47	-	1,201,253.99	(387,929.48)
Educational Media Services	664,474.04	-	514,300.56	(150,173.48)
General Administration	463,747.84	-	863,669.32	399,921.48
School Administration	2,009,816.72	-	1,105,048.97	(904,767.75)
Business Administration	527,464.29	-	-	(527,464.29)
Maintenance and Operation of Plant	3,459,404.28	-	1,178,045.99	(2,281,358.29)
Student Transportation Services	2,259,447.56	-	996,286.50	(1,263,161.06)
Central Support Services	120,083.12	-	8,430.35	(111,652.77)
Other Support Services	77,852.96	-	21,584.94	(56,268.02)
Operations of Non-Instructional Services				
Enterprise Operations	243,667.70	332,205.65	-	88,537.95
Community Services	36,756.67	-	36,076.67	(680.00)
Food Services	3,143,542.79	65,303.30	3,005,727.69	(72,511.80)
Interest on Long-Term Debt	26,256.20	-	-	(26,256.20)
Total Governmental Activities	$ 46,682,793.71	$ 397,508.95	$ 32,479,741.77	(13,805,542.99)
Taxes				
Property Taxes				
For Maintenance and Operations				9,017,850.60
Railroad Cars				23,446.84
Sales Taxes				
Special Purpose Local Option Sales Tax				
For Debt Services				52,250.00
For Capital Projects				4,129,829.08
Other Sales Tax				58,897.78
Grants and Contributions not Restricted to Specific Programs				4,516,221.00
Investment Earnings				1,337,992.35
Miscellaneous				1,268,064.15
Special Item				
Sale of Buses				13,500.00
Extraordinary Item				
Hurricane Helene				3,512,012.22
Total General Revenues and Special/Extraordinary Items				23,930,064.02
Change in Net Position				10,124,521.03
Net Position - Beginning of Year, as Previously Presented				41,359,372.05
Change in Accounting Principle - GASB Statement No. 101				(1,409,037.65)
Net Position - Beginning of Year, as Restated				39,950,334.40
Net Position - End of Year				$ 50,074,855.43

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

TOOMBS COUNTY BOARD OF EDUCATION

EXHIBIT "C"

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 17,681,909.77	$ 15,204,532.78	$ 28,042.42	$ 32,914,484.97
Accounts Receivable, Net				
Taxes	1,166,399.15	352,793.43	-	1,519,192.58
State Government	3,471,519.15	-	-	3,741,519.15
Federal Government	1,057,462.90	-	-	1,057,462.90
Other	-	817,235.61	-	817,235.61
Inventories	85,788.68	-	-	85,788.68
Prepaid Items	331,483.48	2,200.00	-	333,683.48
Total Assets	$ 23,794,563.13	$ 16,376,761.82	$ 28,042.42	$ 40,199,367.37
LIABILITIES				
Accounts Payable	$ 369,066.52	$ 967,826.03	$ 3,500.00	$ 1,340,392.55
Salaries and Benefits Payable	4,617,981.56	-	-	4,617,981.56
Total Liabilities	4,987,048.08	967,826.03	3,500.00	5,958,374.11
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	859,068.40	-	-	859,068.40
Unavailable Revenue - Federal Funds	331,483.48	-	-	331,483.48
Total Deferred Inflows of Resources	1,190,551.88	-	-	1,190,551.88
FUND BALANCES				
Nonspendable	417,272.16	2,200.00	-	419,472.16
Restricted	988,347.57	7,452,508.47	24,542.42	8,465,398.46
Assigned	590,429.41	7,954,227.32	-	8,544,656.73
Unassigned	15,620,914.03	-	-	15,620,914.03
Total Fund Balances	17,616,963.17	15,408,935.79	24,542.42	33,050,441.38
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 23,794,563.13	$ 16,376,761.82	$ 28,042.42	$ 40,199,367.37

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

TOOMBS COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")			$ 33,050,441.38
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Land	$	1,018,112.49	
Construction in progress		23,000.00	
Buildings and improvements		68,627,114.44	
Equipment		12,821,402.74	
Land improvements		3,503,754.55	
Accumulated depreciation		(23,428,022.58)	62,565,361.64
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Leased machinery and equipment	$	327,201.72	
Subscription assets		937,637.00	
Accumulated amortization - Right-to-use assets		(641,551.95)	623,286.77
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension liability	$	(29,364,011.00)	
Net OPEB liability		(19,245,566.00)	(48,609,577.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.			
Related to pensions	$	4,439,439.00	
Related to OPEB		(1,463,747.00)	2,975,692.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.			859,068.40
Revenue that are not available to pay current period expenditures are deferred in the funds.			331,483.48
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.			
Accrued interest payable	$	(7,083.47)	
Lease liability payable		(192,181.19)	
Subscription liability payable		(125,423.00)	
Compensated absences payable		(1,396,213.58)	(1,720,901.24)
Net position of governmental activities (Exhibit "A")			$ 50,074,855.43

TOOMBS COUNTY BOARD OF EDUCATION EXHIBIT "E"

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	$ 9,157,519.25	$ -	$ -	$ 9,157,519.25
Sales Taxes	58,897.78	4,129,829.08	52,250.00	4,240,976.86
State Funds	30,545,828.07	-	-	30,545,828.07
Federal Funds	6,906,443.10	-	-	6,906,443.10
Charges for Services	397,508.95	-	-	397,508.95
Investment Earnings	685,743.53	624,959.56	27,289.26	1,337,992.35
Miscellaneous	1,268,064.15	-	-	1,268,064.15
Total Revenues	49,020,004.83	4,754,788.64	79,539.26	53,854,332.73
EXPENDITURES				
Current				
Instruction	28,290,438.74	9,999.00	-	28,300,437.74
Support Services				
Pupil Services	2,451,711.41	-	-	2,451,711.41
Improvement of Instructional Services	1,614,615.19	-	-	1,614,615.19
Educational Media Services	639,768.94	-	-	639,768.94
General Administration	448,470.56	-	-	448,470.56
School Administration	1,985,375.03	-	-	1,985,375.03
Business Administration	419,448.84	-	-	419,448.84
Maintenance and Operation of Plant	2,902,440.30	430,798.00	-	3,333,238.30
Student Transportation Services	2,051,901.72	-	-	2,051,901.72
Central Support Services	77,159.27	-	-	77,159.27
Other Support Services	77,663.92	-	-	77,663.92
Enterprise Operations	236,774.76	-	-	236,774.76
Community Services	36,756.67	-	-	36,756.67
Food Services Operation	3,266,841.74	-	-	3,266,841.74
Capital Outlay	-	521,904.30	-	521,904.30
Debt Services				
Principal	128,625.39	-	2,090,000.00	2,218,625.39
Dues and Fees	-	-	3,500.00	3,500.00
Interest	34,349.72	-	104,500.00	138,849.72
Total Expenditures	44,662,342.20	962,701.30	2,198,000.00	47,823,043.50
Revenues over (under) Expenditures	4,357,662.63	3,792,087.34	(2,118,460.74)	6,031,289.23
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	3,943,189.04	-	3,943,189.04
Transfers In	-	600,000.00	2,142,250.00	2,742,250.00
Transfers Out	(600,000.00)	(2,142,250.00)	-	(2,742,250.00)
Total Other Financing Sources (Uses)	(600,000.00)	2,400,939.04	2,142,250.00	3,943,189.04
SPECIAL ITEM				
Sale of Buses	13,500.00	-	-	13,500.00
EXTRAORDINARY ITEM				
Hurricane Damages	-	(3,846,568.78)	-	(3,846,568.78)
Total Special/Extraordinary Items	13,500.00	(3,846,568.78)	-	(3,833,068.78)
Net Change in Fund Balances	3,771,162.63	2,346,457.60	23,789.26	6,141,409.49
Fund Balances - Beginning	13,845,800.54	13,062,478.19	753.16	26,909,031.89
Fund Balances - Ending	$ 17,616,963.17	$ 15,408,935.79	$ 24,542.42	$ 33,050,441.38

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

TOOMBS COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2025

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")		$ 6,141,409.49
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets and right-to-use assets are allocated over their estimated useful lives as depreciation and amortization expense.		
Capital outlay	$ 3,929,327.87	
Intangible right-to-use outlay	81,380.00	
Depreciation expense	(2,290,564.18)	
Amortization expense	(260,796.86)	1,459,346.83
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		(86,652.89)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(116,221.81)
Federal revenue reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		331,483.48
Federal revenue deferred in the funds in the prior year but recognized as revenue in the current year.		(390,026.05)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.		
Bond principal retirements	$ 2,090,000.00	
Lease liability payments	59,297.39	
Subscription liability payments	69,328.00	
Amortization of bond premium	95,798.79	2,314,424.18
District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
Pension expense	$ (478,568.00)	
OPEB expense	916,207.00	437,639.00
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net decrease in accrued interest	$ 20,294.73	
Compensated absences	12,824.07	33,118.80
Change in net position of governmental activities (Exhibit "B")		$ 10,124,521.03

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

TOOMBS COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

EXHIBIT "G"

		CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	$	878,389.30
Receivables, Net		
Other		220,460.00
Total Assets		1,098,849.30
LIABILITIES		
Accounts Payable and Accrued Liabilities		560,642.97
NET POSITION		
Restricted		
Southeastern Early College and Career Academy	$	538,206.33

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

TOOMBS COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

EXHIBIT "H"

		CUSTODIAL FUNDS
ADDITIONS		
Contributions		
Donors	$	847,920.00
Investment Earnings		
Interest		6,284.57
Miscellaneous		19,600.00
Total Additions		873,804.57
DEDUCTIONS		
Purchased Professional Services		630,630.73
Supplies and Other		102,840.27
Total Deductions		733,471.00
Change in Net Position		140,333.57
Net Position - Beginning of Year		397,872.76
Net Position - Ending	$	538,206.33

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

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NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund type:

- Custodial funds are used to report resources held by the School District in a purely custodial capacity.

Basis of Accounting

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

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

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

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

New Accounting Pronouncements

In fiscal year 2025, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* which supersedes prior requirements under GASB Statement No. 16. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Under the new standard, a liability is recognized when an employee earns leave that carries forward to a future reporting period and is more likely than not to be used, paid out or otherwise settled. The implementation required the School District to reevaluate and revise its recognition and measurement of compensated absences, including applying the “more likely than not” threshold to determine expected usage and payout. This approach is expected to provide a more accurate and complete estimate of the School District’s compensated absences liability. The adoption of this statement did not have a material impact but was significant and has been reported as a restatement of beginning net position. This statement will be applied retrospectively.

In fiscal year 2025, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School District’s financial statements. This statement will be applied prospectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions.

Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

Receivables

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

Inventories

Food Inventories

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

Prepaid Items

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

Capital Assets

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	Any Amount	N/A
Land Improvements	$ 5,000.00	20 to 80 years
Buildings and Improvements	$ 5,000.00	Up to 80 years
Equipment	$ 5,000.00	5 to 25 years
Buses	$ 5,000.00	8 to 14 years
Intangible Assets	$ 100,000.00	5 to 10 years

During the fiscal year, management decreased the capital asset threshold to $100,000.00 from $200,000.00 for intangible assets. The change in threshold did not have a material or significant impact on the financial statements.

Intangible Right-To-Use Assets

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

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

Capitalization thresholds of intangible right-to-use assets reported in the government-wide statements are capitalized in accordance with the guidelines set for similar capital asset categories whose purchase is financed through means other than a lease. Capitalization threshold of intangible right-to-use assets is $100,000.00.

Leases as Lessee

The School District is a lessee for noncancellable leases of copiers and subscription software owned by third parties.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use lease asset is initially

measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the lease term.

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

The lease agreements entered into by the School District as lessee do not contain stated interest rates. Therefore, the School District has used its estimated incremental borrowing rate as the discount rate for the leases. The School District has estimated this incremental borrowing rate to be 7.92% to 8.50% for the leases in which the School District is currently involved as the lessee.

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

Compensated absences payable consist of leave benefits, such as vacation and other forms of paid leave, that employees earned based on services already rendered. Compensated absences are recognized as a liability when the leave accumulates, is attributable to past service, and it is more likely than not that the leave will be used for time off or otherwise paid or settled.

The majority of the School District's compensated absences liability is comprised of sick leave.

Sick leave is earned at a rate of up to 1.25 days per month for eligible employees and may be accumulated up to a maximum of sixty 60 days. Of the accumulated balance, up to forty-five (45) days may be carried forward and used in a subsequent fiscal year. The School District does not provide for payout of unused sick leave upon resignation or retirement; accordingly, the liability represents the portion of accumulated sick leave that is more likely than not to be used by employees during active employment.

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward retirement service credit. This benefit is administered and funded by TRS; therefore, the related liability is not reported by the School District.

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Toombs County Board of Commissioners adopted the property tax levy for the 2024 tax digest year (calendar year) on November 20, 2024 (levy date) based on property values as of January 1, 2024. Taxes were due on January 20, 2025 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2024 tax digest are reported as revenue in the governmental funds for fiscal year 2025. The Toombs County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2025, for maintenance and operations amounted to $7,611,560.08.

The tax millage rate levied for the 2024 tax digest year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	14.00 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $1,522,512.33 during fiscal year ended June 30, 2025.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $4,182,079.08 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

The Superintendent is authorized by the Board to approve adjustments of the amount budgeted for expenditures between any budget function within the same fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds is anticipated to exceed the total appropriation at the aggregate fund level, the Superintendent shall request Board approval for the budget amendment. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance. At June 30, 2025, $3,100.90 of deposits were not secured by surety bond, insurance or collateral as specified above. The School District is working with the affected financial institutions to ensure appropriate levels of collateral are maintained for all the School District’s deposits.

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

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

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

(7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2025, School District had deposits with a carrying amount of $13,793,634.50, and a bank balance of $15,006,715.07. The bank balances insured by Federal depository insurance were $500,000.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District’s name were $350,000.00.

At June 30, 2025, $14,153,614.17 of the School District’s bank balances were exposed to custodial credit risk. This balance was in the State’s Secure Deposit Program (SDP).

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

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

At June 30, 2025, $3,100.90 of the School District's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	$	3,100.90
Total	$	3,100.90

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

Cash and cash equivalents		
Statement of Net Position	$	32,914,484.97
Statement of Fiduciary Net Position		878,389.30
Total cash and cash equivalents		33,792,874.27
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		19,999,239.77
Total carrying value of deposits - June 30, 2025	$	13,793,634.50

Categorization of Cash Equivalents

The School District reported cash equivalents of $19,999,239.77 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, $1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2025 was 51 days.

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

NOTE 5: CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

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

	Balances July 1, 2024	Increases	Decreases	Balances June 30, 2025
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	$ 1,018,112.49	$ -	$ -	$ 1,018,112.49
Construction in Progress	23,000.00	-	-	23,000.00
Total Capital Assets				
Not Being Depreciated	1,041,112.49	-	-	1,041,112.49
Capital Assets,				
Being Depreciated:				
Buildings and Improvements	65,956,887.99	2,752,514.58	82,288.13	68,627,114.44
Equipment	12,354,355.26	1,060,173.60	593,126.12	12,821,402.74
Land Improvements	3,538,507.36	116,639.69	151,392.50	3,503,754.55
Less Accumulated				
Depreciation:				
Buildings and Improvements	14,512,153.89	1,220,485.23	23,024.94	15,709,614.18
Equipment	5,633,345.81	928,959.06	586,173.18	5,976,131.69
Land Improvements	1,732,112.56	141,119.89	130,955.74	1,742,276.71
Total Capital Assets,				
Being Depreciated, Net	59,972,138.35	1,638,763.69	86,652.89	61,524,249.15
Governmental Activities				
Capital Assets - Net	$ 61,013,250.84	$ 1,638,763.69	$ 86,652.89	$ 62,565,361.64

Current year depreciation expense by function is as follows:

Instruction		$ 1,101,995.72
Support Services		
Pupil Services	$ 292,608.24	
Improvements of Instructional Services	42,784.00	
Educational Media Services	27,709.87	
General Administration	11,003.52	
School Administration	51,549.55	
Maintenance and Operation of Plant	345,583.85	
Student Transportation Services	303,089.76	
Central Support Services	30,268.53	1,104,597.32
Food Services		76,324.05
Enterprise Operations		7,647.09
		$ 2,290,564.18

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

	Balances July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities				
Intangible Right-to-Use Assets				
Equipment	$ 327,201.72	$ -	$ -	$ 327,201.72
Subscription Assets	856,257.00	81,380.00	-	937,637.00
Less Accumulated Amortization:				
Equipment	103,432.09	65,440.34	-	168,872.43
Subscription Assets	277,323.00	195,356.52	-	472,679.52
Governmental Activities				
Intangible Right-to-Use Assets - Net	$ 802,703.63	$ (179,416.86)	$ -	$ 623,286.77

Current year amortization expense by function is as follows:

Support Services	
Business Administration	$ 80,796.20
Maintenance and Operation of Plant	180,000.66
	$ 260,796.86

NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	Transfers From		
Transfers to	General Fund	Capital Projects Fund	Total
Capital Projects Fund	$ 600,000.00	$ -	$ 600,000.00
Debt Service Fund	-	2,142,250.00	2,142,250.00
Total	$ 600,000.00	$ 2,142,250.00	$ 2,742,250.00

Transfers are used to move property tax revenues collected by the general fund to capital projects fund as required match or supplemental funding source for capital construction projects. Transfers are also used to move Education Special Purpose Local Option Sales Tax (ESPLOST) revenues collected by the capital projects fund to the debt service fund for the payment of principal and interest on general long-term debt.

NOTE 7: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2024 Restated	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General Obligation (G.O.) Bonds	$ 2,090,000.00	$ -	$ 2,090,000.00	$ -	$ -
Unamortized Bond Premiums	95,798.79	-	95,798.79	-	-
Leases	251,478.58	-	59,297.39	192,181.19	64,168.03
Subscription Liabilities	194,751.00	-	69,328.00	125,423.00	37,080.00
Compensated Absences(1)	1,409,037.65	-	12,824.07	1,396,213.58	418,330.88
	$ 4,041,066.02	$ -	$ 2,327,248.25	$ 1,713,817.77	$ 519,578.91

(1) Net changes in the compensated absences liability are reported as increases or decreases accordingly.

General Obligation Bonds

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

During fiscal year 2025, the School District made the final principal and interest payments on its outstanding general obligation bonds from voter-approved sales taxes. Accordingly, there were no general obligation bonds or related bond premiums outstanding as of June 30, 2025.

Leases

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

The following is a summary of the carrying values of intangible right-to-use assets under lease at June 30, 2025:

	Governmental Activities
Equipment	$ 327,201.72
Less: Accumulated Amortization	168,872.43
	$ 158,329.29

Leases currently outstanding are as follows:

Purpose	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Canon Copiers	7.92%	12/1/2022	4/30/2028	$ 327,201.72	$ 192,181.19

The following is a schedule of total lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2026	$ 64,168.03	$ 12,924.65
2027	69,438.75	7,653.93
2028	58,574.41	2,061.97
Total Principal and Interest	$ 192,181.19	$ 22,640.55

Subscription Liabilities

The School District has entered into certain subscription-based contracts to use vendor-provided information technology (IT) under the provisions of various contracts that convey control of the right-to-use another entity's asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as subscription liabilities for accounting purposes.

Subsequently, the subscription asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the subscription-based information technology arrangement term.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

The following is a summary of the carrying values of intangible right-to-use assets under subscription at June 30, 2025:

	Governmental Activities
Subscription Assets	$ 937,637.00
Less: Accumulated Amortization	472,679.52
	$ 464,957.48

Subscription liabilities currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
YOSS HR/finance platform	8.50%	11/1/2023	10/31/2028	$ 203,316.00	$ 125,423.00
Softdocs Payroll/finance system	8.50%	9/1/2023	8/31/2025	62,266.00	-
				$ 265,582.00	$ 125,423.00

The following is a schedule of total subscription liability payments:

Fiscal Year Ended June 30:	Principal	Interest
2026	$ 37,080.00	$ 10,661.00
2027	41,663.00	7,509.00
2028	46,680.00	3,968.00
Total Principal and Interest	$ 125,423.00	$ 22,138.00

Compensated Absences

Compensated absences represent obligations of the School District relating to leave benefits earned by employees based upon service already rendered. This obligation relates only to vested and accumulated leave in which it is more likely than not that payment will be made or the leave will be used, and the amount can be reasonably estimated as of the measurement date. The School District uses the vesting method to compute compensated absences.

For fiscal year 2025, the School District began recording the accumulated compensated absences liability at June 30 in the government-wide financial statements due to the implementation of a new accounting standard. This is a change in accounting principle.

NOTE 8: RISK MANAGEMENT

Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters.

Georgia School Boards Association Risk Management Fund

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

according to their specialty for property (including coverage for flood and earthquake), machinery breakdown, general liability, errors and omissions, crime, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

Workers' Compensation

Georgia School Boards Association Workers' Compensation Fund

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

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the general fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2024	$ 17,155.00	$ -	$ -	$ 17,155.00
2025	$ 17,155.00	$ (17,155.00)	$ -	$ -

Surety Bond

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

Position Covered	Amount
Superintendent	$ 30,000.00
Drivers Education	$ 10,000.00
Athletic Director	$ 10,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2025:

Nonspendable			
Inventories	$	85,788.68	
Prepaid Assets		333,683.48	$ 419,472.16
Restricted			
Continuation of Federal Programs	$	945,630.95	
Capital Projects		7,452,508.47	
Debt Service		24,542.42	
School Security		42,716.62	8,465,398.46
Assigned			
Local Capital Outlay Projects	$	7,954,227.32	
School Activity Accounts		590,429.41	8,544,656.73
Unassigned			15,620,914.03
Fund Balance, June 30, 2025			$ 33,050,441.38

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

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were $713,894.00 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund.

During fiscal year 2025, the State of Georgia, through the State Health Benefit Plan (SHBP) administered by the Department of Community Health, made an on-behalf contribution in the amount of $417,152.00 for the School District's employees.

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

At June 30, 2025, the School District reported a liability of $19,245,566.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.168875%, which was an increase of 0.001069% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of ($202,313.00). At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 943,769.00	$ 3,475,052.00
Changes of assumptions	2,244,117.00	1,905,072.00
Net difference between projected and actual earnings on OPEB plan investments	-	125,284.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	773,388.00	633,507.00
School District contributions subsequent to the measurement date	713,894.00	-
Total	$ 4,675,168.00	$ 6,138,915.00

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2026	$ (1,124,431.00)
2027	$ (1,143,933.00)
2028	$ (292,281.00)
2029	$ 268,688.00
2030	$ 108,161.00
Thereafter	$ 6,155.00

Actuarial Assumptions: The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 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, 2024:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	6.75%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.60%
Equities	70.00%	9.10%
Total	100.00%	

* Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.98% was used as the discount rate, as compared with last year's rate of 3.68%. 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 (3.93% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2123.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.98%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current discount rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the Net OPEB liability	$ 21,773,854.00	$ 19,245,566.00	$ 17,113,423.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	$ 16,629,268.00	$ 19,245,566.00	$ 22,460,696.00

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

NOTE 12: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and

compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll, of which 20.57% of payroll was required from the School District and 0.21% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $4,012,176.00 and $40,842.83 from the School District and the State, respectively.

Public School Employees Retirement System (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of $16.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $46,268.00.

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

At June 30, 2025, the School District reported a liability of $29,364,011.00 for its proportionate share of the net pension liability for TRS.

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$	29,364,011.00
State of Georgia's proportionate share of the net pension liability associated with the School District		348,617.00
Total	$	29,712,628.00

The net pension liability for TRS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024.

At June 30, 2024, the School District's TRS proportion was 0.116827%, which was a decrease of 0.002028% from its proportion measured as of June 30, 2023.

At June 30, 2025, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is $231,940.00.

The PSERS net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $4,543,595.00 for TRS and $53,646.00 for PSERS and revenue of $52,851.00 for TRS and $53,646.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,322,742.00	$ 87,763.00
Changes of assumptions	2,042,712.00	-
Net difference between projected and actual earnings on pension plan investments	-	4,093,977.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	756,451.00
School District contributions subsequent to the measurement date	4,012,176.00	-
Total	$ 9,377,630.00	$ 4,938,191.00

The School District contributions subsequent to the measurement date for TRS 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS
2026	$ 220,854.00
2027	$ 3,533,627.00
2028	$ (1,937,180.00)
2029	$ (1,390,038.00)

Actuarial Assumptions: The total pension liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

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

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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Public School Employees Retirement System:

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

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

Asset Class	TRS/PSERS Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	1.50%
Domestic large stocks	46.40%	9.10%
Domestic small stocks	1.10%	13.00%
International developed market stocks	13.60%	9.10%
International emerging market stocks	3.90%	11.10%
Alternative	5.00%	10.60%
Total	100.00%	

* Rates shown are net of inflation

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

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

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	$ 50,541,340.00	$ 29,364,011.00	$ 12,076,828.00

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

NOTE 13: RESTATEMENT OF PRIOR YEAR NET POSITION

During fiscal year 2025, the School District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. As a result, the School District now recognizes a liability for certain types of accumulated leave that are more likely than not to be used for time off or otherwise paid or settled.

The change was applied retrospectively, resulting in a restatement of beginning net position for governmental activities as of July 1, 2024. The effect of this restatement was a decrease in beginning net position and an increase in the compensated absences liability of $1,409,037.65.

Net Position, July 1, 2024, as previously reported	$ 41,359,372.05
Change in Accounting Principle - GASB Statement No. 101	(1,409,037.65)
Net Position, July 1, 2024, as restated	$ 39,950,334.40

NOTE 14: EXTRAORDINARY ITEMS

During the current fiscal year, the School District sustained damage to numerous facilities and other assets as a result of Hurricane Helene. The hurricane is considered both unusual in nature and infrequent in occurrence and therefore the financial impacts have been classified as an extraordinary item on the Statement of Activities.

The extraordinary item reflects total insurance proceeds of $3,943,189.04. These proceeds were offset by repair and remediation expenses of $392,180.62 incurred during the current fiscal year to restore affected facilities to their pre-storm condition and a loss on disposal of damaged capital assets of $38,996.20. The net result of these transactions is reflected as an extraordinary gain of $3,512,012.22 on the Statement of Activities.

At the fund level, the financial impacts of the hurricane are reflected in the capital projects fund. Insurance proceeds of $3,943,189.04 received during the current fiscal year are reported as other financing sources. Total expenditures of $3,846,568.78 incurred in connection with the hurricane are reported as an extraordinary item.

NOTE 15: SPECIAL ITEM

During fiscal year 2025, the school district sold several buses. These items were removed from the capital asset records at their net carrying values and, combined with the proceeds received, resulted in a net gain of $13,500.00. This amount is reflected as a gain on sale of buses and is reported as a special item on the Statement of Activities.

NOTE 16: SUBSEQUENT EVENTS

In the subsequent fiscal year, the School District issued general obligation bonds in the amount of $15,000,000.00. The proceeds from these bonds will be used for constructing and equipping a new Career, Technical and Agricultural Education (CTAE) facility; renovating, modifying, and equipping Booster Stadium, constructing and equipping a new fieldhouse/ weight room/classroom for Toombs County High School, and financing the costs of issuance of the bonds including capitalized interest.

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

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.116827%	$ 29,364,011.00	$ 348,617.00	$ 29,712,628.00	$ 18,502,304.96	158.70%	80.86%
2024	0.118855%	$ 35,091,101.00	$ 516,675.00	$ 35,607,776.00	$ 17,631,681.20	199.02%	76.29%
2023	0.121205%	$ 39,357,606.00	$ 452,334.00	$ 39,809,940.00	$ 16,643,657.39	236.47%	72.85%
2022	0.122463%	$ 10,831,036.00	$ 124,351.00	$ 10,955,387.00	$ 16,128,614.59	67.15%	92.03%
2021	0.124317%	$ 30,114,443.00	$ 335,017.00	$ 30,449,460.00	$ 16,237,801.42	185.46%	77.01%
2020	0.127676%	$ 27,453,792.00	$ 319,100.00	$ 27,772,892.00	$ 15,762,764.09	174.17%	78.56%
2019	0.131125%	$ 24,339,609.00	$ 276,762.00	$ 24,616,371.00	$ 15,851,880.81	153.54%	80.27%
2018	0.135991%	$ 25,274,346.00	$ 47,578.00	$ 25,321,924.00	$ 15,658,673.37	161.41%	79.33%
2017	0.136703%	$ 28,203,353.00	$ -	$ 28,203,353.00	$ 15,094,728.93	186.84%	76.06%
2016	0.140441%	$ 21,380,748.00	$ -	$ 21,380,748.00	$ 14,824,395.13	144.23%	81.44%

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

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2025	$ 4,012,176.00	$ 4,012,176.00	$ -	$ 19,504,987.85	20.57%
2024	$ 3,652,355.00	$ 3,652,355.00	$ -	$ 18,502,304.96	19.74%
2023	$ 3,473,609.00	$ 3,473,609.00	$ -	$ 17,631,681.20	19.70%
2022	$ 3,260,599.00	$ 3,260,599.00	$ -	$ 16,643,657.39	19.59%
2021	$ 3,039,250.00	$ 3,039,250.00	$ -	$ 16,128,614.59	18.84%
2020	$ 3,394,191.00	$ 3,394,191.00	$ -	$ 16,237,801.42	20.90%
2019	$ 3,256,569.93	$ 3,256,569.93	$ -	$ 15,762,764.09	20.66%
2018	$ 2,634,844.45	$ 2,634,844.45	$ -	$ 15,851,880.81	16.62%
2017	$ 2,230,298.64	$ 2,230,298.64	$ -	$ 15,658,673.37	14.24%
2016	$ 2,154,017.82	$ 2,154,017.82	$ -	$ 15,094,728.93	14.27%

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

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.00%	$ -	$ 231,940.00	$ 231,940.00	$ 803,179.96	N/A	90.02%
2024	0.00%	$ -	$ 312,364.00	$ 312,364.00	$ 770,166.86	N/A	85.67%
2023	0.00%	$ -	$ 387,814.00	$ 387,814.00	$ 690,619.56	N/A	81.21%
2022	0.00%	$ -	$ 38,010.00	$ 38,010.00	$ 652,499.19	N/A	98.00%
2021	0.00%	$ -	$ 248,944.00	$ 248,944.00	$ 650,816.73	N/A	84.45%
2020	0.00%	$ -	$ 291,092.00	$ 291,092.00	$ 764,044.93	N/A	85.02%
2019	0.00%	$ -	$ 271,268.00	$ 271,268.00	$ 708,039.17	N/A	85.26%
2018	0.00%	$ -	$ 261,394.00	$ 261,394.00	$ 728,391.07	N/A	85.69%
2017	0.00%	$ -	$ 335,228.00	$ 335,228.00	$ 693,860.80	N/A	81.00%
2016	0.00%	$ -	$ 235,801.00	$ 235,801.00	$ 740,925.09	N/A	87.00%

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

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.168875%	$ 19,245,566.00	$ -	$ 19,245,566.00	$ 17,466,728.48	110.18%	6.88%
2024	0.167806%	$ 18,380,483.00	$ -	$ 18,380,483.00	$ 15,993,716.69	114.92%	6.05%
2023	0.164678%	$ 16,308,362.00	$ -	$ 16,308,362.00	$ 15,635,912.18	104.30%	6.17%
2022	0.159877%	$ 17,316,002.00	$ -	$ 17,316,002.00	$ 14,409,357.78	120.17%	6.14%
2021	0.165045%	$ 24,241,267.00	$ -	$ 24,241,267.00	$ 13,788,312.97	175.81%	3.99%
2020	0.174936%	$ 21,468,400.00	$ -	$ 21,468,400.00	$ 13,574,106.07	158.16%	4.63%
2019	0.179165%	$ 22,771,322.00	$ -	$ 22,771,322.00	$ 13,859,309.24	164.30%	2.93%
2018	0.178888%	$ 25,133,693.00	$ -	$ 25,133,693.00	$ 13,362,633.48	188.09%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2025	$ 713,894.00	$ 713,894.00	$ -	$ 17,007,670.33	4.20%
2024	$ 690,663.00	$ 690,663.00	$ -	$ 17,466,728.48	3.95%
2023	$ 644,565.00	$ 644,565.00	$ -	$ 15,993,716.69	4.03%
2022	$ 595,435.00	$ 595,435.00	$ -	$ 15,635,912.18	3.81%
2021	$ 594,714.00	$ 594,714.00	$ -	$ 14,409,357.78	4.13%
2020	$ 558,143.00	$ 558,143.00	$ -	$ 13,788,312.97	4.05%
2019	$ 942,154.00	$ 942,154.00	$ -	$ 13,574,106.07	6.94%
2018	$ 928,594.00	$ 928,594.00	$ -	$ 13,859,309.24	6.70%
2017	$ 932,733.00	$ 932,733.00	$ -	$ 13,362,633.48	6.98%
2016	$ 740,708.00	$ 740,708.00	$ -	$ 12,755,874.89	5.81%

Teachers Retirement System

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

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

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

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

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

Public School Employees Retirement System

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

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

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

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

School OPEB Fund

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

Changes in assumptions: June 30, 2023 valuation: Medicare health care trend rates were updated.
June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees' Retirement System's experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

June 30, 2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement System's experience study.

June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

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

June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018, back to 3.58% as of June 30, 2019, to 2.22% as of June 30, 2020, to 2.20% as of June 30, 2021, to 3.57% as of June 30, 2022, to 3.68% as of June 30, 2023, and to 3.98% as of June 30, 2024.

TOOMBS COUNTY BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
REVENUES				
Property Taxes	$ 7,699,747.00	$ 8,947,928.00	$ 9,157,519.25	$ 209,591.25
Sales Taxes	60,000.00	60,000.00	58,897.78	(1,102.22)
State Funds	28,957,675.00	30,134,018.00	30,545,828.07	411,810.07
Federal Funds	6,933,164.47	7,131,870.47	6,906,443.10	(225,427.37)
Charges for Services	132,000.00	142,000.00	397,508.95	255,508.95
Investment Earnings	120,000.00	655,000.00	685,743.53	30,743.53
Miscellaneous	391,701.00	545,818.00	1,268,064.15	722,246.15
Total Revenues	44,294,287.47	47,616,634.47	49,020,004.83	1,403,370.36
EXPENDITURES				
Current				
Instruction	27,640,717.19	27,590,122.12	28,290,438.74	(700,316.62)
Support Services				
Pupil Services	2,283,487.82	2,518,065.48	2,451,711.41	66,354.07
Improvement of Instructional Services	1,717,084.99	1,695,867.17	1,614,615.19	81,251.98
Educational Media Services	658,124.91	639,252.34	639,768.94	(516.60)
General Administration	496,506.10	522,878.85	448,470.56	74,408.29
School Administration	2,157,035.23	1,958,020.02	1,985,375.03	(27,355.01)
Business Administration	423,839.72	423,985.94	419,448.84	4,537.10
Maintenance and Operation of Plant	2,709,887.06	3,005,879.64	2,902,440.30	103,439.34
Student Transportation Services	1,940,805.84	2,133,893.59	2,051,901.72	81,991.87
Central Support Services	141,406.04	94,857.59	77,159.27	17,698.32
Other Support Services	75,727.80	84,444.80	77,663.92	6,780.88
Enterprise Operation	166,000.10	114,118.00	236,774.76	(122,656.76)
Community Services	57,499.80	37,466.80	36,756.67	710.13
Food Services Operation	3,679,743.18	3,503,943.18	3,266,841.74	237,101.44
Debt Service	-	-	162,975.11	(162,975.11)
Total Expenditures	44,147,865.78	44,322,795.52	44,662,342.20	(339,546.68)
Excess of Revenues over (under) Expenditures	146,421.69	3,293,838.95	4,357,662.63	1,063,823.68
OTHER FINANCING SOURCES (USES)				
Other Sources	159,692.00	163,392.00	-	(163,392.00)
Other Uses	(159,692.00)	(763,392.00)	(600,000.00)	163,392.00
Total Other Financing Sources (Uses)	-	(600,000.00)	(600,000.00)	-
SPECIAL ITEM				
Sale of Buses	-	13,500.00	13,500.00	-
Net Change in Fund Balances	146,421.69	2,707,338.95	3,771,162.63	1,063,823.68
Fund Balances - Beginning	13,855,700.54	13,855,700.54	13,845,800.54	(9,900.00)
Adjustments	38,776.58	3,070.42	-	(3,070.42)
Fund Balances - Ending	$ 14,040,898.81	$ 16,566,109.91	$ 17,616,963.17	$ 1,050,853.26

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.
The actual revenues and expenditures of the various principal accounts are $978,458.30 and $965,489.80, respectively.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

See notes to the basic financial statements.

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	255GA324N1199	$ 681,827.20
National School Lunch Program	10.555	255GA324N1199	2,277,747.37
Fresh Fruit and Vegetable Program	10.582	255GA324L1603	81,931.00
Total Child Nutrition Cluster			3,041,505.57
Other Programs			
Pass-Through From Bright From the Start:			
Georgia Department of Early Care and Learning			
Child and Adult Care Food Program	10.558	245GA368N2020	22,322.08
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	255GA904N2533	7,750.72
Child Nutrition Discretionary Grants Limited Availability	10.579	258GA000L4303	38,648.91
Total Other Programs			68,721.71
Total U.S. Department of Agriculture			3,110,227.28
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	268,330.42
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A230073	123,247.75
Grants to States	84.027A	H027A240073	655,607.85
Preschool Grants	84.173A	H173A230081	8.00
Preschool Grants	84.173A	H173A240081	26,436.00
Total Special Education Cluster			805,299.60
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A240010	58,297.75
Comprehensive Literacy Development	84.371C	S371C190016	829,152.14
English Language Acquisition State Grants	84.365A	S365A230010	2,212.00
English Language Acquisition State Grants	84.365A	T365A240010	20,909.11
Migrant Education State Grant Program	84.011A	S011A230011	143,481.00
Migrant Education State Grant Program	84.011A	S011A240011	89,731.20
Rural and Low-Income School Program	84.358B	S358B230010	6,444.00
Rural and Low-Income School Program	84.358B	S358B240010	90,177.36
Student Support and Academic Enrichment Program	84.424A	S424A230011	4,958.00
Student Support and Academic Enrichment Program	84.424A	S424A240011	56,239.46
Student Support and Academic Enrichment Program	84.424F	S424F220011	24,749.75
Supporting Effective Instruction State Grants	84.367A	S367A230001	20,821.00
Supporting Effective Instruction State Grants	84.367A	S367A240001	128,670.91
Title I Grants to Local Educational Agencies	84.010A	S010A230010	63,351.09
Title I Grants to Local Educational Agencies	84.010A	S010A240010	1,420,363.46
Total Other Programs			2,959,558.23
Total U.S. Department of Education			4,033,188.25
Total Expenditures of Federal Awards			$ 7,143,415.53

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Toombs County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present [the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling $63,692.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and funds totaling $19,000.00 were transfered from the Supporting Effective Instruction State Grants program (ALN 84.367A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2025.

AGENCY/FUNDING	GOVERNMENTAL FUND TYPE GENERAL FUND
GRANTS	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	$ 1,076,758.33
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	1,221,647.00
Kindergarten Program - Early Intervention Program	284,643.00
Primary Grades (1-3) Program	2,756,584.00
Primary Grades - Early Intervention (1-3) Program	652,656.00
Upper Elementary Grades (4-5) Program	1,400,811.00
Upper Elementary Grades - Early Intervention (4-5) Program	321,166.00
Middle School (6-8) Program	2,586,548.00
High School General Education (9-12) Program	2,272,383.00
Vocational Laboratory (9-12) Program	1,021,136.00
Students with Disabilities	5,869,305.00
Gifted Student - Category VI	282,601.00
Remedial Education Program	235,937.00
Alternative Education Program	201,085.00
English Speakers of Other Languages (ESOL)	379,434.00
Media Center Program	460,240.00
20 Days Additional Instruction	142,010.00
Staff and Professional Development	85,238.00
Principal Staff and Professional Development	1,769.00
Indirect Cost	
Central Administration	698,534.00
School Administration	1,006,991.00
Facility Maintenance and Operations	814,284.00
Categorical Grants	
Pupil Transportation	
Regular	923,013.00
Nursing Services	71,673.00
Sparsity - Regular	40,487.00
Education Equalization Funding Grant	4,516,221.00
Other State Programs	
Food Services	88,538.54
Hygiene Products	2,407.00
Instructional Supports and Teacher Training to Address Readiness in Literacy	9,016.00
Math and Science Supplements	10,542.00
Preschool Disability Services	130,984.00
School Security Grant	235,620.00
Teachers Retirement	40,842.83
Vocational Education	170,781.03
Vocational Supervisors	14,442.00
Office of the State Treasurer	
Public School Employees Retirement	46,268.00
Community Health, Georgia Department of	
Other Post-Employment Benefits (OPEB)	417,151.53
CONTRACT	
Human Resources, Georgia Department of	
Family Connections	56,080.81
	$ 30,545,828.07

See notes to the basic financial statements.

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TOOMBS COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2025

SCHEDULE "10"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
SPLOST #5			
a. The payment of principal and interest on general obligation debt incurred for constructing and equipping Toombs County High School;	$ 4,342,000.00	$ 4,095,000.00	Completed
b. Constructing and equipping a new athletic facility at Toombs County High School;	3,350,000.00	4,122,518.43	Completed
c. Constructing, make additions to and/or renovating, modifying and equipping Toombs Central Elementary School and other School System facilities and making critical infrastructure and security improvements to existing facilities;	4,598,000.00	4,598,000.00	6/30/2026
d. Purchasing school buses; and	500,000.00	500,000.00	6/30/2026
e. Purchasing textbooks (including e-books), furniture, technology and software, additional instructional materials and equipment for all facilities.	1,250,000.00	1,250,000.00	6/30/2026
Subtotal SPLOST #5	14,040,000.00	14,565,518.43	
SPLOST #6			
a. Constructing, making additions to, and/or renovating, modifying, and equipping schools and other School System facilities and making critical infrastructure and security improvements to existing facilities;	$ 8,300,000.00	$ 8,300,000.00	6/30/2030
b. Purchasing school buses;	1,500,000.00	1,500,000.00	6/30/2030
c. Purchasing textbooks (including e-books), furniture, technology, including licenses, and software, additional instructional materials, and equipment for all facilities;	5,000,000.00	5,000,000.00	6/30/2030
d. Expansion of technology and other equipment to enhance communication, safety and security upgrades and capabilities at all facilities; and	3,500,000.00	3,500,000.00	6/30/2030
e. Acquisition and enhancement of facilities, essential improvements such as HVAC systems, roofing, and other necessary repairs to ensure the upkeep of facilities.	2,500,000.00	2,500,000.00	6/30/2030
Subtotal SPLOST #6	20,800,000.00	20,800,000.00	
Total	$ 34,840,000.00	$ 35,365,518.43	

TOOMBS COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2025

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3) (4)	AMOUNT EXPENDED IN PRIOR YEARS (3) (4)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
SPLOST #5				
a. The payment of principal and interest on general obligation debt incurred for constructing and equipping Toombs County High School;	$ -	$ 4,095,000.00	$ 4,095,000.00	$ -
b. Constructing and equipping a new athletic facility at Toombs County High School;	-	4,122,518.43	4,122,518.43	-
c. Constructing, make additions to and/or renovating, modifying and equipping Toombs Central Elementary School and other School System facilities and making critical infrastructure and security improvements to existing facilities;	521,125.05	2,146,655.76	-	-
d. Purchasing school buses; and	-	-	-	-
e. Purchasing textbooks (including e-books), furniture, technology and software, additional instructional materials and equipment for all facilities.	190,941.03	616,328.86	-	-
Subtotal SPLOST #5	712,066.08	10,980,503.05	8,217,518.43	-
SPLOST #6				
a. Constructing, making additions to, and/or renovating, modifying, and equipping schools and other School System facilities and making critical infrastructure and security improvements to existing facilities;	$ -	$ -	$ -	$ -
b. Purchasing school buses;	-	-	-	-
c. Purchasing textbooks (including e-books), furniture, technology, including licenses, and software, additional instructional materials, and equipment for all facilities;	-	-	-	-
d. Expansion of technology and other equipment to enhance communication, safety and security upgrades and capabilities at all facilities; and	-	-	-	-
e. Acquisition and enhancement of facilities, essential improvements such as HVAC systems, roofing, and other necessary repairs to ensure the upkeep of facilities.	-	-	-	-
Subtotal SPLOST #6	-	-	-	-
Total	$ 712,066.08	$ 10,980,503.05	$ 8,217,518.43	$ -

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.
(3) The voters of Toombs County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.
(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

Prior Years	$ 1,100,475.13
Current Year	104,500.00
Total	$ 1,204,975.13

Section II

Compliance and Internal Control Reports

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Barrett Waller, Superintendent and Members of the
Toombs County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Toombs County Board of Education (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 27, 2026. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 27, 2026

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Mr. Barrett Waller, Superintendent and Members of the
Toombs County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Toombs County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 27, 2026

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

TOOMBS COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

TOOMBS COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

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

Noncompliance material to financial statements noted: — No

Federal Awards

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

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

All major programs — Unmodified

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

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
10.553, 10.555, 10.582	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.