

NEW LIFE ACADEMY OF EXCELLENCE, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Life Academy of Excellence, Inc.
Duluth, Georgia

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Life Academy of Excellence, Inc. as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the New Life Academy of Excellence, Inc.'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 aggregate remaining fund information of the New Life Academy of Excellence, Inc. as of June 30, 2025 and the respective changes in financial position thereof 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 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 New Life Academy of Excellence, Inc. and to meet our 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 audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note 10 to the financial statements, New Life Academy of Excellence, Inc. adopted Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and GASB Statement No. 101, Compensated Absences as of July 1, 2024. These standards significantly changed the reporting of the compensated absence liabilities. 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 these financial statements in accordance with the 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.

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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 New Life Academy of Excellence, Inc.'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 New Life Academy of Excellence, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and 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 New Life Academy of Excellence, Inc.'s ability to continue as a going concern for a reasonable period of time.

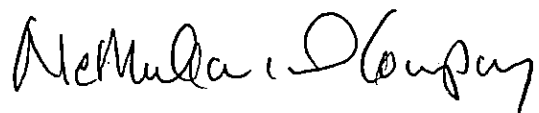
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during our audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management Discussion and Analysis, pension information and budget comparison schedule of the General Fund on pages 4-8 and 32-35, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the 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 provide an opinion on the internal control over financial reporting or compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Life Academy of Excellence, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2025
Duluth, Georgia

NEW LIFE ACADEMY OF EXCELLENCE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

The Board of Directors of New Life Academy of Excellence, Inc. ("NLAE") is pleased to present to readers of the financial statements of NLAE this narrative overview and analysis of the financial activities of NLAE for the fiscal year ended June 30, 2025, its nineteenth year of operation.

FINANCIAL HIGHLIGHTS

NLAE's operations are monitored by its Board of Directors, which meets frequently to review NLAE's operations. At these meetings, the Board discusses all relevant matters, financial and non-financial, that may have relevance to NLAE's financial operations.

NLAE's change in net position for the years ended June 30, 2025 and 2024 is \$414,633 and (\$742,709), respectively.

As of June 30, 2025 and 2024, NLAE's cash balance is \$2,550,628 and \$1,847,646, respectively.

Governmental Activities

The net position (deficit) of NLAE at the close of the fiscal year is (\$104,929). At the close of fiscal year 2024, it was originally stated at (\$384,073). NLAE recorded a prior period adjustment to reflect a change in accounting principle to implement GASB 101, *Compensating Absences*. The result of the prior period adjustment was to decrease the net position at July 1, 2024 by (\$135,489) to reflect a restated net position (deficit) of (\$519,562) as of July 1, 2024.

Fund Level

As of the close of the current fiscal year, NLAE's General Fund reported an ending fund balance of \$2,233,536, an increase of \$652,495 from the previous year. More than 99% of this amount is unassigned. The fund balance represents 36% of total General Fund expenditures.

Long-Term Debt

NLAE's total debt decreased to \$6,095,902 at June 30, 2025, a decrease of \$239,049. This decrease is a result of the principal payments made on the loans payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to NLAE's basic financial statements. NLAE's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.
(A Nonprofit Organization)
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

The Statement of Net Position (page 9) presents information on all of NLAE's assets, liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators as to whether the financial position of NLAE is improving or deteriorating.

The Statement of Activities (page 10) presents information showing how NLAE's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements: The fund financial statements begin on page 11 and provide detailed information about the General Fund. A "fund" is a fiscal and accounting entity with a self-balancing set of accounts that NLAE uses to keep track of specific sources of funding and spending for a particular purpose. The General Fund falls into the governmental category.

Governmental Funds - NLAE's basic services are reported in a Governmental Fund, which focuses on how cash flows into and out of the fund and the balances left at year-end that are available for future spending. The Governmental Fund financial statements provide a detailed, short-term view of NLAE's operations and the services it provides. Governmental Fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance NLAE's programs. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided (page 12) to explain the differences between the Governmental Fund Balance Sheet and the Statement of Net Position and between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities (page 14). These funds are reported using the modified accrual basis of accounting, which primarily measures cash and other financial assets available to satisfy current liabilities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on pages 16 through 31 of this report.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning NLAE's actual revenues and expenses compared to its budget, as well as NLAE's proportionate share of the net pension liability. The required supplementary information can be found on pages 32 through 35.

NEW LIFE ACADEMY OF EXCELLENCE, INC.
(A Nonprofit Organization)
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Net Position (Deficit) as of June 30, 2025 and 2024 is as follows:

	Governmental Activities	
	2025	2024
ASSETS:		
Cash	\$ 2,550,628	\$ 1,847,646
Certificate of Deposit	-	245,165
Prepaid Items and Deposits	1,693	11,693
Intangible Right-to-Use Assets, Net of Amortization	-	11,020
Capital Assets:		
Land	830,000	830,000
Depreciable Assets	8,649,019	8,726,201
Accumulated Depreciation	(2,333,909)	(2,141,155)
TOTAL ASSETS	9,697,431	9,530,570
DEFERRED OUTFLOWS OF RESOURCES:		
Pension Related Items	1,333,976	1,643,406
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,333,976	1,643,406
LIABILITIES:		
Accounts Payable	171,007	101,844
Due to Other Government	-	212,997
Accrued Interest	24,871	23,681
Loan Payable:		
Due Within One Year	248,349	1,893,796
Due Within More Than One Year	6,000,100	4,452,175
Net Pension Liability	4,086,134	4,801,241
TOTAL LIABILITIES	10,530,461	11,485,734
DEFERRED INFLOWS OF RESOURCES:		
Pension Related Items	605,875	72,315
TOTAL DEFERRED INFLOWS OF RESOURCES	605,875	72,315
NET POSITION:		
Net Investment in Capital Assets	1,049,208	1,080,095
Unrestricted	(1,154,137)	(1,464,168)
TOTAL NET POSITION (DEFICIT)	\$ (104,929)	\$ (384,073)

The largest component of NLAE's net deficit, \$1,049,208, is reflected as investment in capital assets (e.g., building, equipment and others) net of related debt. The unrestricted net position of governmental activities increased due to the increase in current year change in net position.

NEW LIFE ACADEMY OF EXCELLENCE, INC.
(A Nonprofit Organization)
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

Change in Net Position Years Ended June 30, 2025 and 2024:

The Statement of Activities shows the cost of program services net of the charges for services and grants offsetting those services.

	Governmental Activities	
	2025	2024
REVENUES		
Local Sources	\$ 6,392,458	\$ 5,398,985
Other Sources	90,947	89,905
TOTAL REVENUES	6,483,405	5,488,890
NET EXPENDITURES		
Instruction	2,814,069	3,169,693
Pupil Services	3,724	27,410
Improvement of Instructional Services	83,343	66,504
General Administration	28,262	30,376
School Administration	1,351,714	1,191,271
Business Administration	191,959	219,804
Maintenance and Operations	555,162	456,660
Student Transportation Services	12,526	8,032
Educational Media Services	85,060	114,152
School Nutrition	5,911	(61,507)
Other Support Services	91,265	211,620
Unallocated Depreciation	485,938	434,425
Interest	359,839	363,159
TOTAL NET EXPENDITURES	6,068,772	6,231,599
CHANGE IN NET POSITION	414,633	(742,709)
NET POSITION BEGINNING OF YEAR, AS ORIGINALLY STATED	(384,073)	358,636
PRIOR PERIOD ADJUSTMENT	(135,489)	-
NET POSITION BEGINNING OF YEAR, RESTATED	(519,562)	358,636
NET POSITION AT END OF YEAR	\$ (104,929)	\$ (384,073)

NLAE recorded a prior period adjustment as part of a change in accounting principle to implement GASB 101 *Compensating Absences* for the fiscal year ending June 30, 2025.

NEW LIFE ACADEMY OF EXCELLENCE, INC.
(A Nonprofit Organization)
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF NLAE'S FUNDS

As NLAE completed the fiscal year, its Governmental Funds reported a fund balance of \$ 2,381,314. The Governmental Funds is comprised of two funds, the General fund and School Nutrition Fund. The General Fund is NLAE's operating fund which has a fund balance of \$2,233,536 as of June 30, 2025.

New Life Academy of Excellence, Inc. General Fund Budgetary Highlights

NLAE adopted the fiscal year 2025 budget in 2024. The final budget contained \$7,019,802 of revenues and \$7,018,412 of expenditures. The actual results were revenues of \$242,881 lower than budget and expenditures of \$893,986 lower than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

NLAE capitalizes assets acquired in excess of \$1,000. As of June 30, 2025, NLAE had invested \$7,145,110, net of accumulated depreciation, in its capital assets. The following table presents 2025 asset balances compared to 2024 asset balances:

	Governmental Activities	
	2025	2024
Land	\$ 830,000	\$ 830,000
Building and building improvements	5,564,769	5,798,237
Equipment	381,542	380,211
Furniture and fixtures	363,229	396,255
Subscription asset	5,570	10,343
Total Capital Assets	<u>\$ 7,145,110</u>	<u>\$ 7,415,046</u>

Debt

NLAE has two loans payable with a financial institution that totals \$6,095,902 as of June 30, 2025, compared to an outstanding balance of \$6,334,951 as of June 30, 2024. One loan has a balloon payment in July 2028 and the second loan has a balloon payment in November 2029.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities
ASSETS:	
Cash	\$ 2,550,628
Prepaid Items and Deposits	1,693
Capital Assets:	
Land	830,000
Depreciable Assets	8,649,019
Accumulated Depreciation	<u>(2,333,909)</u>
	<u>7,145,110</u>
TOTAL ASSETS	<u>9,697,431</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Items	<u>1,333,976</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,333,976</u>
LIABILITIES:	
Accounts Payable	171,007
Accrued Interest	24,871
Long-Term Liabilities:	
Due Within One Year	248,349
Due Within More Than One Year	6,000,100
Net Pension Liability	<u>4,086,134</u>
TOTAL LIABILITIES	<u>10,530,461</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Items	<u>605,875</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>605,875</u>
NET POSITION:	
Net Investment in Capital Assets	896,661
Unrestricted (Deficit)	<u>(1,001,590)</u>
TOTAL NET POSITION	<u>\$ (104,929)</u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 3,007,640	\$ -	\$ 193,571	\$ -	\$ (2,814,069)
Support Services:					
Pupil Services	3,724	-	-	-	(3,724)
Improvement of Instructional Services	83,343	-	-	-	(83,343)
Educational Media Services	85,060	-	-	-	(85,060)
General Administration	28,262	-	-	-	(28,262)
School Administration	1,351,714	-	-	-	(1,351,714)
Business Administration	191,959	-	-	-	(191,959)
Maintenance and Operation of Plant	660,654	-	-	99,945	(560,709)
Student Transportation Services	12,526	-	-	-	(12,526)
School Nutrition	155,425	-	149,514	-	(5,911)
Other Support Services	91,265	-	-	-	(91,265)
Unallocated Depreciation	480,391	-	-	-	(480,391)
Interest	359,839	-	-	-	(359,839)
Total Governmental Activities	<u>6,511,802</u>	<u>-</u>	<u>343,085</u>	<u>99,945</u>	<u>(6,068,772)</u>
General Revenues:					
Funding from Gwinnett County Public Schools					6,392,458
Miscellaneous					<u>90,947</u>
Total General Revenues					<u>6,483,405</u>
Change in Net Position					414,633
Net Position, Beginning of Year, as originally stated					(384,073)
Prior Period Adjustment					<u>(135,489)</u>
Net Position, Beginning of Year, restated					(519,562)
Net Position, End Of Year					<u>\$ (104,929)</u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS:			
Cash	\$ 2,402,850	\$ 147,778	\$ 2,550,628
Prepaid Items and Deposits	1,693	-	1,693
Total Assets	<u>\$ 2,404,543</u>	<u>\$ 147,778</u>	<u>\$ 2,552,321</u>
LIABILITIES:			
Accounts Payable	<u>\$ 171,007</u>	<u>\$ -</u>	<u>\$ 171,007</u>
Total Liabilities	171,007	-	171,007
FUND BALANCE:			
Nonspendable for Prepaid Items and Deposits	1,693	-	1,693
Restricted - School Nutrition	-	147,778	147,778
Unassigned	<u>2,231,843</u>	<u>-</u>	<u>2,231,843</u>
Total Fund Balance	<u>2,233,536</u>	<u>147,778</u>	<u>2,381,314</u>
Total Liabilities and Fund Balance	<u>\$ 2,404,543</u>	<u>\$ 147,778</u>	<u>\$ 2,552,321</u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION**

JUNE 30, 2025

Total Fund Balances - Governmental Funds	\$ 2,381,314
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds.	
Cost of Capital Assets	9,479,019
Less Accumulated Depreciation	(2,333,909)
The net pension liability is not a financial liability in governmental fund activities and therefore, not reported in governmental funds.	
Net Pension Liability	(4,086,134)
Deferred Outflows Pension Related Items	1,333,976
Deferred Inflows Pension Related Items	(605,875)
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities and related amounts at fiscal year-end consist of:	
Loan Payable	(6,248,449)
Accrued Interest	(24,871)
Total Net Position - Governmental Activities	<u>\$ (104,929)</u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES			
State and County QBE Revenues	\$ 6,392,458	\$ -	\$ 6,392,458
Federal revenues	193,571	149,514	343,085
State revenues	99,945	-	99,945
Miscellaneous	90,947	-	90,947
Total Revenues	<u>6,776,921</u>	<u>149,514</u>	<u>6,926,435</u>
EXPENDITURES			
Current:			
Instruction	2,900,572	-	2,900,572
Support Services:			
Pupil Services	3,724	-	3,724
Improvement of Instructional Services	83,343	-	83,343
Educational Media Services	85,060	-	85,060
General Administration	28,262	-	28,262
School Administration	1,258,416	54,933	1,313,349
Business Administration	191,959	-	191,959
Maintenance and Operation of Plant Services	655,599	-	655,599
Student Transportation Services	12,526	-	12,526
School Nutrition	-	155,425	155,425
Other Support Services	91,265	-	91,265
Capital Outlay:			
Capital Outlay	216,002	-	216,002
Debt Service:			
Debt Service - Principal	239,049	-	239,049
Debt Service - Interest and Issuance Costs	358,649	-	358,649
Total Expenditures	<u>6,124,426</u>	<u>210,358</u>	<u>6,334,784</u>
Net Change in Fund Balance	<u>652,495</u>	<u>(60,844)</u>	<u>591,651</u>
Fund Balance - July 1, 2024	<u>1,581,041</u>	<u>208,622</u>	<u>1,789,663</u>
Fund Balance - June 30, 2025	<u><u>\$ 2,233,536</u></u>	<u><u>\$ 147,778</u></u>	<u><u>\$ 2,381,314</u></u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balance - Governmental Funds	\$	591,651
Capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense.		
Capital Outlays		216,002
Depreciation Expense		(485,938)
Amortization Expense		(11,020)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal Payments on Long Term Debt		239,049
Lease Liability Payments		11,512
Interest expense reported in the Statement of Activities is recorded as incurred, whereas interest expense in the governmental fund statements is reported when paid.		
		(1,190)
Compensating absences are reported in the Statement of Activities as incurred, whereas compensating absence in the governmental fund statements is reported when paid		
		(17,550)
Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.		
		<u>(127,883)</u>
Change in Net Position - Governmental Activities	\$	<u>414,633</u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

JUNE 30, 2025

	<u>Agency Fund</u>
ASSETS:	
Cash	<u><u>\$ 29,159</u></u>
LIABILITIES:	
Funds held for others	<u><u>\$ 29,159</u></u>

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – DESCRIPTION OF SCHOOL AND REPORTING ENTITY

Reporting Entity

New Life Academy of Excellence, Inc. (NLAE) is a charter school established in 2006 and operated in the state of Georgia and funded by the Gwinnett County Public Schools. NLAE is organized exclusively for educational purposes. The current charter expires June 30, 2029. NLAE currently serves kindergarten to eighth grade.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard setting for establishing governmental accounting and financial reporting principles.

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by direct revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to students who purchase, use or directly benefit from goods and services provided and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Grants and other revenues not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements - Continued

NLAE reports only one major governmental fund:

- The General Fund is NLAE's primary operating fund and it accounts for and reports all of the financial resources not accounted for and reported in another fund.

Additionally, NLAE reports the following non-major fund:

- The School Nutrition fund accounts for certain revenues and expenses relating to the school lunch program.

NLAE reports the following fiduciary fund type:

- The agency fund accounts for assets held by the School as an agent for a parents fundraising group.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting - Continued

The Governmental Fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, NLAE considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

The Agency funds utilize the accrual basis of accounting, similar to government-wide statements, but do not have a measurement focus as they do not measure operations.

Cash and Cash Equivalents

NLAE's cash and cash equivalents consist of both cash on hand and demand deposits at FDIC-insured commercial banks. Official Code of Georgia Annotated ("O.C.G.A.") 45-8-14 authorizes the School to deposit its funds in one or more solvent banks or insured federal savings and loan associations.

Prepaid Items and Other Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and other deposits in both the government-wide and fund financial statements. Prepaid items and other deposits are recorded as expenditures at the time of consumption.

Intangible Right-to-Use Assets

NLAE has recorded a right-to-use lease asset as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right-to-use lease asset is amortized on a straight line basis over the life of the related lease.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Property and equipment are recorded at cost or, for donated assets, the fair market value at the date of donation. The cost of normal repairs and maintenance that does not add to the value of the asset or materially extend of the life of the asset is not capitalized.

Depreciation is computed on a straight-line basis over the assets' useful lives as follows:

Building and improvements	15 - 39 years
Equipment	5 - 10 years
Furniture and fixtures	7 years
Vehicles	5 years
Subscription assets	3 years

Compensated Absences

Compensated absences reported in the governmental activities consist of vacation and sick leave accruals. Sick leave is accumulated in accordance with GASB Statement No. 101 and is based upon an estimate for the time to be used as sick leave. For sick leave, eligible employees earn 5 days a year and can carryover and accumulate up to 50 days. For vacation leave, the only eligible employees are 12-month employees who may earn and accumulate up to a maximum of a 25 month period. At the time of termination, the employee will receive pay for earned vacation up to the maximum of 333 hours.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. NLAE reports deferred outflow related to pension activity, reported in the government-wide statement of net position. The deferred outflow related to pension activity is the result of changes of NLAE's proportionate share of the total plan from year to year, the difference between actual employer contributions and NLAE's proportionate share of total contributions, and actual contributions subsequent to measurement date.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources - Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. NLAE reports deferred inflows related to pension activity, reported in the government-wide statement of net position. The deferred inflow is the result of projected versus actual investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt 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 fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by the TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

In the fund financial statements, the governmental fund financial statements present fund balances based on classification that comprise a hierarchy that is based primarily on the extent to which NLAE is bound to honor constraints on the specific purposes for which amounts in the governmental fund can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable** – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Equity - Continued

- **Restricted** - includes fund balance amounts that are constrained for specific purposes which are externally approved by providers such as creditors or amounts contracted due to constitutional provisions or enabling legislation.
- **Committed** - includes fund balance amounts that are constrained for specific purposes that are internally imposed by formal action of the Board of Directors through the adoption of a resolution.
- **Assigned** - includes fund balance amounts that are constrained for specific purposes that are neither considered restricted nor committed. This intent can be expressed by the Board of Directors delegating the responsibility to management through the budgetary process.
- **Unassigned** - includes fund balance amounts that are not restricted, committed or assigned to a specific purpose in the General Fund.

Net Position

Net position represents the differences between assets and deferred outflows and liabilities and deferred inflows in the government-wide financial statements. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding of long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations on their use through external restrictions imposed by creditors, grantors or laws and regulations of the government. All other net positions are reported as unrestricted.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. NLAE's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor any exposure to unrelated business income tax. The Organization is no longer subject to federal and state tax examinations by either tax authority for years before year end June 30, 2022.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – DEPOSITS, CASH EQUIVALENTS AND CERTIFICATE OF DEPOSIT

As of June 30, 2025, NLAE has a cash and cash equivalent balance of \$2,550,628. The cash accounts are held at various commercial banks. Custodial credit risk for deposits is the risk, that in the event of the failure of a depository financial institution, the School will not be able to recover deposits. NLAE has its deposits covered by either federal deposit insurance or the State's Secure Deposit Program (SDP). As of June 30, 2025, NLAE's deposits were properly collateralized in accordance with state law and applicable GASB pronouncements. NLAE does not have a policy for custodial credit risk beyond the requirements of Georgia state law.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NLAE adopts an annual budget for its General Fund. For the fiscal year ended June 30, 2025, General Fund expenditures exceeded appropriations in the following functional areas:

<u>Function</u>	<u>Overexpenditure</u>
Educational Media Services	\$4,493
General Administration	\$4,262
Student Transportation Services	\$340
Other Support Services	\$31,378
Capital Outlay	\$201,002

These overexpenditures were offset by underexpenditures in other functional areas within the same fund and use of the prior year fund balance.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4 – INTANGIBLE RIGHT-TO-USE ASSET

NLAE has recorded one right-to-use asset. The asset is a right-to-use asset for a building. The lease is further described in Note 9. Intangible right-to-use asset activity for the year ended June 30, 2025, is as follows:

	<u>Balance</u> <u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
Right-to-Use Asset:				
Leased building	\$222,232	\$ -	(\$222,232)	\$ -
Total right-to-use asset	<u>222,232</u>	<u>-</u>	<u>(222,232)</u>	<u>-</u>
Less Accumulated Amortization:				
Leased building	(211,212)	(11,020)	222,232	-
Total accumulated amortization	<u>(211,212)</u>	<u>(11,020)</u>	<u>222,232</u>	<u>-</u>
Total right-to-use asset, net	<u><u>\$11,020</u></u>	<u><u>\$ (11,020)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The lease expired in August 2024 and the School did not renew it and moved out of the leased building. Hence, the right-to-use asset and corresponding accumulated amortization was written off during the fiscal year ended June 30, 2025.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	<u>Balance</u> <u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$830,000	\$0	\$0	\$830,000
Total non-depreciable assets	<u>830,000</u>	<u>-</u>	<u>-</u>	<u>830,000</u>
Depreciable Assets:				
Building and building improvements	7,159,733	6,706	-	7,166,439
Equipment	804,212	142,929	(169,675)	777,466
Furniture and Fixtures	716,713	66,367	(92,287)	690,793
Subscription Assets	14,321	-	-	14,321
Vehicles	31,222	-	(31,222)	-
Total depreciable assets	<u>8,726,201</u>	<u>216,002</u>	<u>(293,184)</u>	<u>8,649,019</u>

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS - CONTINUED

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Less Accumulated Depreciation:				
Building and building improveme:	(1,361,496)	(240,174)	-	(1,601,670)
Equipment	(424,001)	(141,598)	169,675	(395,924)
Furniture and Fixtures	(320,458)	(99,393)	92,287	(327,564)
Subscription Assets	(3,978)	(4,773)	-	(8,751)
Vehicles	(31,222)	-	31,222	-
Total accumulated depreciation	(2,141,155)	(485,938)	293,184	(2,333,909)
Total capital assets, net	7,415,046	\$ (269,936)	\$ -	7,145,110

Depreciation and expense of \$485,938 for the year ended June 30, 2025 is recorded as unallocated depreciation in the statement of activities.

NOTE 6 – LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Changes in long-term liabilities of the governmental activities during the fiscal year were as follows:

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Amounts Due Within One Year
Loan Payable	\$ 6,334,951	\$ -	\$ (239,049)	\$ 6,095,902	\$ 248,349
Lease Liability	11,020	-	(11,020)	-	-
Compensating absences*	135,489	17,058	-	152,547	-
Net Pension Liability	4,801,241	-	(715,107)	4,086,134	-
Total	\$11,282,701	\$17,058	(\$965,176)	\$10,334,583	\$248,349

* The change in compensating absences liabilities is presented as a net change.

Compensating Absences. Beginning balances of the compensating absences liabilities have been adjusted due to the implementation of GASB Statement No. 101 as further described in Note 10.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES – CONT.

Loans payable consists of the following as of June 30, 2025:

Loan payable to a financial institution due in monthly installments of principal and interest of \$17,259 over term of loan, including principal and interest at 5.80%, maturity date of November 2029 when a balloon payment is due, secured by 4725 River Green Parkway; \$1,640,635

Loan payable to a financial institution due in monthly installments of principal and interest of \$33,240 over term of loan, including principal and interest at 5.84%, maturity date of July 2028 when a balloon payment is due, secured by 4725 River Green Parkway and 3425 Corporate Way; \$4,455,267

6,095,902
(248,349)
\$5,847,553

Less current portion

The following is a schedule of future minimum principal and interest:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 248,349	\$ 357,639	\$ 605,988
2027	263,221	342,767	605,988
2028	278,946	327,042	605,988
2029	4,125,848	69,426	4,195,274
2030	1,179,538	26,478	1,206,016
Total	<u>\$ 6,095,902</u>	<u>\$ 1,123,352</u>	<u>\$ 7,219,254</u>

The loan agreement contains several financial and non-financial covenants. NLAE was in compliance with all such covenants as of June 30, 2025.

NOTE 7 – LINE OF CREDIT

NLAE entered into a line of credit agreement with a local bank for the amount of \$100,000 which is collateralized by the business assets of NLAE. The line of credit bears interest at the bank's prime rate plus 2.5% and expired in July 2025. NLAE then signed a new line of credit agreement for the same amount and the same terms in July 2025. There were no borrowings during the fiscal year on the line of credit.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – RETIREMENT PLAN

Teachers Retirement System

Plan Description: All teachers of NLAE as defined in Section 47-3-60 of the *Official Code of Georgia Annotated* (O.C.G. A.) and certain other support personnel as defined in Section 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. Title 47 of the O.C.G.A. assigns authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired at 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. Section 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 cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during the fiscal year 2025. NLAE's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual payroll. NLAE contributions to TRS were \$561,975 for the fiscal year ended June 30, 2025.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – RETIREMENT PLAN – CONTINUED

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

At June 30, 2025, NLAE reported a liability of \$4,086,134 for its proportionate share of the net pension liability. The 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. NLAE'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, NLAE's proportion was .016257% which was a decrease of .000005% from its proportion measured at June 30, 2023.

For the year ended June 30, 2025, NLAE recognized pension expense of \$689,979. At June 30, 2025, NLAE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$462,374	\$12,213
Changes of assumptions	284,253	-
Net difference between projected and actual earnings on pension plan investments	-	569,695
Changes in proportion and differences between NLAE contributions and proportionate share	25,374	23,967
NLAE contributions subsequent to measurement date	561,975	-
Total	\$1,333,976	\$605,875

NLAE contributions subsequent to the measurement date amounted to \$561,975 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,

2026	\$88,681
2027	515,855
2028	(250,785)
2029	(187,625)

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – RETIREMENT PLAN – CONTINUED

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:

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 inc.	1.50% semi-annually

Post-retirement mortality rates for service requirements 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 year 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 improvements in mortality rates were 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.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – RETIREMENT PLAN – CONTINUED

The target allocation and best estimates of arithmetic real rates of returns for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	1.50%
Domestic large equities	46.40%	9.10%
Domestic small equities	1.10%	13.00%
International developed market equities	13.60%	9.10%
International emerging market equities	3.90%	11.10%
Alternatives	5.00%	10.60%
Total	100.00%	

* Rates shown are net of inflation

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

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

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
NLAE's proportionate share of the net pension liability	\$7,033,054	\$4,086,134	\$1,680,545

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – RETIREMENT PLAN – CONTINUED

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

Payable to the Pension Plan: For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are remitted electronically on a monthly basis. Accrued retirement contributions as of June 30, 2025 were remitted in July 2025. Accrued retirement contributions as of June 30, 2025 amounted to \$57,908 which is included in Accounts Payable in both the Government-Wide and Fund Financial Statements.

NOTE 9 – LEASE OBLIGATIONS

NLAE leases space at one location. The lease agreement qualifies as other than short-term leases under GASB 87, and therefore, has been recorded at the present value of the future minimum lease payments. The original lease agreement was executed in July 2017 and was set to expire in April 2022 when an extension was signed that carries the lease until August 2024. The lease requires monthly payments which increases each year between 3% and 5% as outlined in the lease agreement. The lease liability is measured at a discount rate 5.75% which is NLAE's implicit borrowing rate. The lease expired in August 2024 and was not renewed by NLAE. As a result of the lease not being renewed, the lease asset and related accumulated amortization was removed from the books in August 2024.

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year 2025, NLAE made a prior period adjustment due to the adoption of GASB Statement No. 101, *Compensating Absences* which required NLAE to reevaluate the accounting treatment for compensating absences. Also, in conjunction with the implementation of GASB 100, *Accounting Changes and Error Corrections*, NLAE is required to reevaluate its reporting of a change in accounting principle by adjusting net position for the effect of a newly adopted accounting principle on prior periods. As a result, NLAE was required to restate its beginning net position for governmental activities:

	Governmental Activities
Net position, July 1, 2024 as previously reported	(\$384,073)
Prior Period Adjustment - Implementation of GASB 101 and GASB 100	(135,489)
Net position, July 1, 2024 as restated	(\$519,562)

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2025 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

NEW LIFE ACADEMY OF EXCELLENCE, INC.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School's proportion of the net pension liability	0.016257%	0.016262%	0.016397%	0.016526%	0.015678%
School's proportionate share of the net pension liability	\$ 4,086,134	\$ 4,801,241	\$ 5,324,423	\$ 1,461,614	\$3,797,825
School's covered employee payroll during measurement period	\$ 2,704,403	\$ 2,534,304	\$ 2,370,320	\$ 2,223,741	\$2,150,152
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	151.09%	189.45%	224.63%	65.73%	176.63%
Plan's fiduciary net position as a percentage of the total pension liability	80.86%	76.29%	72.85%	92.03%	77.01%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School's proportion of the net pension liability	1.633500%	0.015102%	0.015996%	0.015518%	0.015196%
School's proportionate share of the net pension liability	\$ 3,512,467	\$ 2,803,255	\$ 2,972,906	\$ 3,201,536	\$2,313,440
School's covered employee payroll during measurement period	\$ 2,021,301	\$ 1,996,407	\$ 1,996,407	\$ 1,801,916	\$1,837,386
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	173.77%	140.42%	148.91%	177.67%	125.91%
Plan's fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF SCHOOL CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 561,975	\$ 506,354	\$ 473,590	\$ 440,523	\$ 409,819
Contributions in relation to the contractually required contribution	<u>\$ 561,975</u>	<u>\$ 506,354</u>	<u>\$ 473,590</u>	<u>\$ 440,523</u>	<u>\$ 409,819</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School covered-employee payroll	\$2,704,403	\$2,534,304	\$2,370,320	\$2,223,741	\$2,150,152
Contributions as a percentage of covered-employee payroll	20.78%	19.98%	19.98%	19.81%	19.06%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 427,303	\$ 417,249	\$ 302,902	\$ 262,195	\$ 242,866
Contributions in relation to the contractually required contribution	<u>\$ 427,303</u>	<u>\$ 417,249</u>	<u>\$ 302,902</u>	<u>\$ 262,195</u>	<u>\$ 242,866</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School covered-employee payroll	\$2,021,301	\$1,996,407	\$1,801,916	\$1,837,386	\$1,701,934
Contributions as a percentage of covered-employee payroll	21.14%	20.90%	16.81%	14.27%	14.27%

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

NEW LIFE ACADEMY OF EXCELLENCE, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

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 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

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

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Local and County Revenues	\$ 6,795,090	\$ 6,795,090	\$ 6,392,458	\$ (402,632)
Federal Revenues	-	-	193,571	193,571
State Revenues	127,500	127,500	99,945	(27,555)
Miscellaneous	97,212	97,212	90,947	(6,265)
Total Revenues	7,019,802	7,019,802	6,776,921	(242,881)
EXPENDITURES				
Current:				
Instruction	3,894,478	3,894,478	2,900,572	993,906
Support Services:				
Pupil Services	20,000	20,000	3,724	16,276
Improvement of Instructional Services	109,340	109,340	83,343	25,997
Educational Media Services	80,567	80,567	85,060	(4,493)
General Administration	24,000	24,000	28,262	(4,262)
School Administration	1,318,276	1,318,276	1,258,416	59,860
Business Administration	205,144	205,144	191,959	13,185
Maintenance and Operation of Plant Services	679,534	679,534	655,599	23,935
Student Transportation Services	12,186	12,186	12,526	(340)
Other Support Services	59,887	59,887	91,265	(31,378)
Capital Outlay:				
Capital Outlay	15,000	15,000	216,002	(201,002)
Debt Service:				
Debt Service - Principal	240,000	240,000	239,049	951
Debt Service - Interest	360,000	360,000	358,649	1,351
Total Expenditures	7,018,412	7,018,412	6,124,426	893,986
Net Change in Fund Balance	1,390	1,390	652,495	(651,105)
Fund Balance - July 1, 2024			1,581,041	
Fund Balance - June 30, 2025			<u>\$ 2,233,536</u>	

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

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

To the Board of Directors
New Life Academy of Excellence, Inc.
Duluth, Georgia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and aggregate remaining fund information of the New Life Academy of Excellence, Inc. as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the New Life Academy of Excellence, Inc.'s basic financial statements and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

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

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

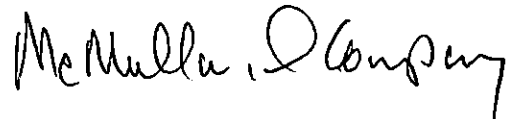
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. 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 of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2025
Duluth, Georgia