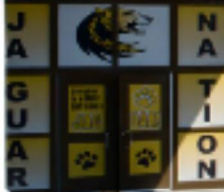




W.S. HORNSBY
ELEMENTARY SCHOOL



J
A
G
U
A
R
N
A
T
I
O
N



Richmond
County School System



ANNUAL
2025
FINANCIAL REPORT

For The Fiscal Year Ended
June 30, 2025
(Including Independent Auditors' Report)



rcboe.org

RICHMOND COUNTY SCHOOL SYSTEM SCHOOLS

For more information about our schools, visit rcboe.org/schools

Elementary Schools (Pre-K-5)

A. Dorothy Hains Elementary School
1820 Windsor Spring Road Augusta, GA 30906 • (706) 796-4918

Barton Chapel Elementary School
2329 Barton Chapel Road
Augusta, GA 30906 • (706) 796-4955

Bayvale Elementary School
3309 Milledgeville Road
Augusta, GA 30909 • (706) 737-7255

Belair Elementary School
3925 Harper Franklin Avenue Augusta, GA 30909 • (706) 821-2766

Blythe Elementary School
290 Church Street
Blythe, GA 30805 • (706) 592-4090

Copeland Elementary School
1440 Jackson Road
Augusta, GA 30909 • (706) 737-7228

Deer Chase Elementary School
1780 Deer Chase Lane
Hephzibah, GA 30815 • (706) 772-6240

Diamond Lakes Elementary School 4153
Windsor Spring Road Hephzibah, GA 30815 • (706) 771-2881

Glenn Hills Elementary School
2838 Glenn Hills Drive
Augusta, GA 30906 • (706) 796-4942

Goshen Elementary School
4040 Old Waynesboro Road Augusta, GA 30906 • (706) 796-4646

Gracewood Elementary School
2032 Tobacco Road
Augusta, GA 30906 • (706) 796-4969

Hephzibah Elementary School
2542 Highway 88
Hephzibah, GA 30815 • (706) 592-4561

Jamestown Elementary School
3637 Heirs Boulevard
Hephzibah, GA 30815 • (706) 796-4760

Jenkins-White Elementary School
800 15th Avenue
Augusta, GA 30901 • (706) 737- 7266

Lake Forest Hills Elementary School
3140 Lake Forest Drive
Augusta, GA 30909 • (706) 737-7317

Lamar-Milledge Elementary School
510 Eve Street
Augusta, GA 30904 • (706) 737-7262

McBean Elementary School
1165 Hephzibah McBean Road Hephzibah, GA 30815 • (706) 592-3723

Meadowbrook Elementary School
3630 Goldfinch Drive
Augusta, GA 30906 • (706) 796-4915

Monte Sano Elementary School
2164 Richmond Avenue
Augusta, GA 30904 • (706) 481-1813

Richmond Hill Elementary School
2160 Mura Drive
Augusta, GA 30906 • (706) 796-4940

Sue Reynolds Elementary School
3840 Wrightsboro Road
Augusta, GA 30909 • (706) 855-2540

T. Harry Garrett Elementary School
1100 Eisenhower Drive
Augusta, GA 30904 • (706) 737-7222

Tobacco Road Elementary School
2397 Tobacco Road
Augusta, GA 30906 • (706) 796-4658

W.S. Hornsby Elementary School
310 Kentucky Avenue
Augusta, GA 30901 • (706) 823-6928

Warren Road Elementary School
311 Warren Road,
Augusta, GA 30907 • (706) 868-4022

Wheless Road Elementary School
2530 Wheless Road
Augusta, GA 30906 • (706) 796-4985

Wilkinson Gardens Elementary School
1925 Kratha Drive
Augusta, GA 30906 • (706) 737-7219

Middle Schools (6-8)

Belair Middle School
150 Potential Way
Augusta, GA 30906 • (706) 796-4952

Glenn Hills Middle School
2941 Glenn Hills Drive
Augusta, GA 30906 • (706) 796-4705

Hephzibah Middle School
2427 Mims Road
Hephzibah, GA 30815 • (706) 592-4534

John M. Tutt Middle School
495 Boy Scout Road
Augusta, GA 30909 • (706) 737-7288

Murphey Middle School
1921 Eagles Way
Augusta, GA 30904 • (706) 737-7350

Pine Hill Middle School
2147 McElmurray Road
Hephzibah, GA 30815 • (706) 592-3730

Richmond Hill Middle School
3420 Julia Avenue
Augusta, GA 30906 • (706) 796-4944

W.S. Hornsby Middle School
320 Kentucky Avenue
Augusta, GA 30901 • (706) 823-6960

K-8 Schools

Freedom Park K-8 School
345 42nd Street Building 43400
Ft. Gordon, GA 30905 • (706) 796-8428

Magnet Schools

A.R. Johnson Health Science & Engineering Magnet School 1324 Laney-Walker Boulevard
Augusta, GA 30901 • (706) 823-6933

C. T. Walker Traditional Magnet School
1301 Wrightsboro Road
Augusta, GA 30901 • (706) 823-6950

John S. Davidson Fine Arts Magnet School
615 12th Street
Augusta, GA 30901 • (706) 823-6924

Richmond County Technical Career Magnet School (RCTCM)
3200B Augusta Tech Drive
Augusta, GA 30906 • (706) 823-5580

High Schools (9-12)

The Academy of Richmond County
910 Russell Street
Augusta, GA 30904 • (706) 737-7152

Cross Creek Comprehensive High School
3855 Old Waynesboro Road
Augusta, GA 30906 • (706) 772-8140

George P. Butler Comprehensive High School
2011 Lumpkin Road
Augusta, GA 30906 • (706) 796-4959

Glenn Hills Comprehensive High School
2840 Glenn Hills Drive
Augusta, GA 30906 • (706) 796-4924

Hephzibah Comprehensive High School
4558 Brothersville Road
Hephzibah, GA 30815 • (706) 592-2089

Lucy C. Laney Comprehensive High School
1339 Laney Walker Boulevard
Augusta, GA 30901 • (706) 823-6900

T.W. Josey Comprehensive High School
1701 Fifteenth Street
Augusta, GA 30901 • (706) 737-7360

Westside Comprehensive High School
1002 Patriot's Way
Augusta, GA 30907 • (706) 868-4030

Special Schools/Programs

Alternative School at Morgan Road
3635 Hiers Boulevard
Hephzibah, GA 30815 • (706) 796-4992

Cyber Academy of Excellence
3200B Augusta Tech Drive
Augusta, GA 30906 • (706) 823-5580

Marion E. Barnes Career Center
1701 15th Street
Augusta, GA 30901 • (706) 737-7360 (ext. 2997)

Performance Learning Center (PLC)
1740 Walton Way
Augusta, GA 30904 • (706) 796-4965

Reaching Potential Through Manufacturing (RPM)
2920 Mike Padgett Highway
Augusta, GA 30906 • (706) 823-5690

Sand Hills Center (GNETS)
1740 Walton Way
Augusta, GA 30904 • (706) 796-7791



RICHMOND COUNTY BOARD OF EDUCATION
AUGUSTA, GA

FOR THE FISCAL YEAR ENDED

June 30, 2025
(Including Independent Auditors' Report)

TABLE OF CONTENTS



Introductory Section.....i-ix

Section I

Financial

Independent Auditor's Report.....x-xiii

Required Supplementary Information

Management's Discussion and Analysis.....xiv-xxvi

Exhibits

Basic Financial Statements

A Government-Wide Financial Statements
Statement of Net Position 1

B Statement of Activities..... 2-3

C Fund Financial Statements
Balance Sheet - Governmental Funds..... 4

D Reconciliation of The Governmental Funds Balance
Sheet to The Statement of Net Position 5

E Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds 6

F Reconciliation of The Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to The Statement Of Activities 7

G Notes to The Basic Financial Statements8-49

Schedules

Required Supplementary Information

1 Schedule of Proportionate Share of The Net Pension Liability -
Teachers Retirement System of Georgia..... 50

2 Schedule of Contributions - Teachers Retirement System of Georgia.....51

3 Schedule of Proportionate Share of The Net Pension Liability -
Employees Retirement System of Georgia..... 52

4 Schedule of Contributions - Employees Retirement System of Georgia 53

5 Schedule of Proportionate Share of The Net Pension Liability -
Public Schools Employees Retirement System of Georgia54

TABLE OF CONTENTS Continued



	Page
6	Schedule of Proportionate Share of The Net OPEB Liability..... 55
7	Schedule of Contributions OPEB 56
8	Schedule of Proportionate Share of The Net OPEB Liability (Asset)..... 57
9	Schedule of Contributions SEAD-OPEB..... 58
10	Notes to The Required Supplementary Information.....59-60
11	Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual General Fund..... 61

Supplemental Information

12	Schedule of Expenditures of Federal Awards.....62-64
13	Schedule of State Revenue..... 65
14	Schedule of Approved Local Option Sales Tax Projects.....66-67

Section II

Compliance And Internal Control Reports

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.....	68-69
Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance.....	70-72

Section III

Auditee’s Response to Prior Year Findings and Questioned Costs	
Summary of Schedule of Prior Year Findings and Questioned Costs.....	73

Section IV

Findings and Questioned Costs	
Schedule of Findings and Questioned Costs.....	74



Introductory Section

Chartered on August 23, 1872, the Richmond County School System provides an equitable education to approximately 29,000 students and their families in Augusta, Georgia. The school system is comprised of 48 schools and six programs which offer our families a variety of choices to meet the specific needs of each student. The school system's central office has been located in historic downtown Augusta at 864 Broad Street since 2004.

Bordering the Savannah River and the South Carolina state line, Richmond County ranks 11th in population size in the state of Georgia with more than 206,000 residents calling this area home. Augusta is the county seat of Richmond County and is the second oldest city in Georgia. First settled in 1730, the city of Augusta was named after Princess Augusta of Saxe-Gotha-Altenburg. Augusta is known as the Garden City and home of the Masters Golf Tournament, held annually the first full week of April.

Mission Statement:

Empowering Every Learner Every Day.

Vision Statement:

To prepare every student to thrive, adapt, and lead in an ever-changing world.

Belief Statements:

- Success is attainable for everyone.
- All students deserve a quality educational experience.
- Education is a shared responsibility.
- Transparency is a foundation of trust.
- Safety for all is a priority.



 [@richmondcountyschools](#)

 [@richmondcountyschools](#)

 [@RCSSMedia](#)

 [@Richmond County School System](#)



Richmond County Board of Education

864 Broad Street
Augusta, GA 30901
(706) 826-1000

Dr. Malinda Cobb

As we reflect on this past year, I am proud of the progress we have made together and grateful for the trust our community places in the Richmond County School System. Our commitment to fiscal responsibility remains at the heart of every decision we make. We understand that every dollar must support our mission of Empowering Every Learner Every Day, and we take seriously our responsibility to steward public resources with integrity, transparency, and care.



This year, we launched our new 2025–2030 Strategic Plan, a roadmap shaped by the voices of our students, families, staff, and partners. This plan outlines clear priorities: student achievement, stakeholder engagement and communication, talent development, and safe, secure learning environments. These priorities guide how we align our budget to the needs and aspirations of our students. From classrooms and technology to school safety and professional learning, we are investing in the people, programs, and supports that make a meaningful difference in student success.

We continue to see encouraging signs of growth across the district, and those gains are strengthened by our ongoing commitment to operational excellence. As we streamline processes, modernize systems, and engage our business and community partners, we are building a school system that is both academically strong and financially sound.

RCSS is an essential part of the Augusta region’s economic vitality, and we remain humbled by the responsibility to serve every child, every day. Thank you for your partnership and continued confidence as we work together to ensure that all students have the opportunity to thrive in an ever-changing world.

Sincerely,

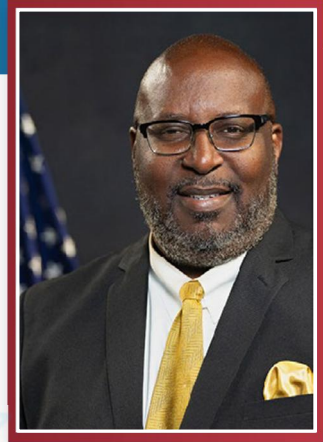
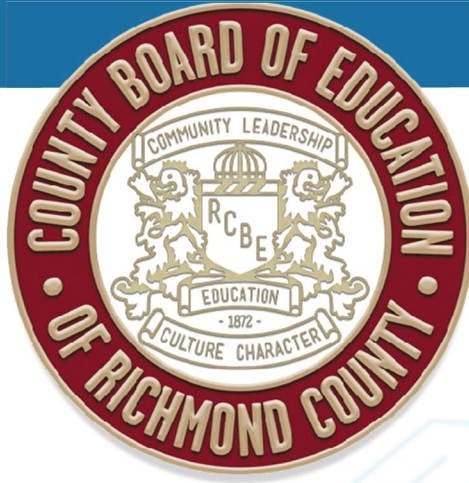
A handwritten signature in blue ink that reads "Malinda B. Cobb". The signature is written in a cursive, flowing style.

Dr. Malinda B. Cobb,

Superintendent of Schools Richmond
County School System



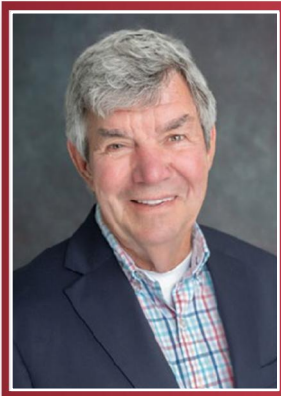
Shawnda Stovall
President
District 1



Edward D. Lowery
Vice-President
District 6



Charlie Hannah
District 2



Walter H. Eubanks
District 3



Shontae Boyd
District 4



Monique Braswell
District 5



Charlie Walker, Jr.
District 7



Mary Jane Abbott
District 8



Venus Cain
District 9 (at Large)



Samantha Valentine
District 10 (at Large)

School Board Profile

The Richmond County Board of Education is composed of 10 citizens representing each of the city districts, serving for a term of four years. The Board of Education is a policy-making body and serves as a legislative body in the development and evaluation of policies. While the board is responsible for school programs and operations by law, it delegates some portion of that authority to the Superintendent. The board is governed by a

President and a Vice-President who are elected by and from the board membership every two years on the Saturday preceding the second Thursday in January. As representatives of the people, board members are responsible for ensuring that school system operations are efficient, financially and legally sound, and focused on the best interest of the students and staff of the Richmond County School System.

STRATEGIC PLAN OVERVIEW



INTRODUCTION

The 2025-2030 Richmond County School System District Strategic Plan provides a clear and focused direction for continuous improvement. It identifies four strategic themes designed to accelerate both district-wide progress and student achievement. These high-leverage focus areas are aligned with the renewed school system's vision, mission, and core beliefs, and they guide the ongoing improvement efforts of schools and district-level departments.

Resources are strategically prioritized and aligned with critical initiatives to support the achievement of the school system's objectives. The Strategic Plan is the result of a process developed by the District Strategic Thinking and Planning Core Focus Group with assistance from Cognia.

The District Strategic Thinking and Planning Core Focus Group included representation from a cross section of students, parents, local community members, departments, school-level administrators, and district-level administrators.

STAKEHOLDER INPUT

The 2025-2030 Strategic Plan was developed and informed by student achievement data, stakeholder surveys, workforce development forecasts, and input from several stakeholder. Cognia facilitated three meetings to learn more about our system's needs, concerns, and accomplishments from our stakeholders' perspectives. The first meeting was held with employee representatives from each department. The second meeting was held with the Superintendent's Student Advisory, and the final meeting was with School Council members (parents). Our strategic planning sessions held in September, November and January provided opportunities for key stakeholders to engage in effective dialogue, assess needs, and develop strategies. Key stakeholders participating included students, parents, community members, and representatives from all departments and school levels within our school system. During the process we considered a variety of data sources including census data for our area, employment forecasts, demographics, all of the school system's data points and the results of our accreditation report from Cognia. The District Strategic Thinking and Planning Core Group developed theories of action and conducted root cause analyses. The stakeholder input was analyzed to determine common themes for continuous improvement. Four strategic themes (focus areas) emerged from the analysis of qualitative and quantitative data. The whole child, the profile of a RCSS graduate, and employees' needs were also at the forefront of our decision-making. The Strategy Map was presented to the School Board for approval.

STRUCTURE

The Strategic Plan is structured to set a clear five-year direction with key measures for progress. The strategic themes, objectives, critical initiatives, and activities are grounded in the vision, mission, and beliefs of the school system.

Strategic Themes Set the School System's Focus area for Achieving the Vision and Mission.

Objectives Set the Broad Goals for RCSS's Future.

Critical Initiatives Describe the Prioritized Activities to Achieve Each Objective.

Activities Describe the Actions Steps to Be Taken to Achieve Each Objective.

Key Measures Describe Specific Measures to Demonstrate Progress of the Objectives And Critical Initiatives.

It is important to understand that the Strategic Theme areas strongly correlate to each Objective, Critical Initiative, Activity and Key Measure. The Strategic Themes were consistently identified as points of concern of future growth in the coming years.

EXECUTION and MONITORING

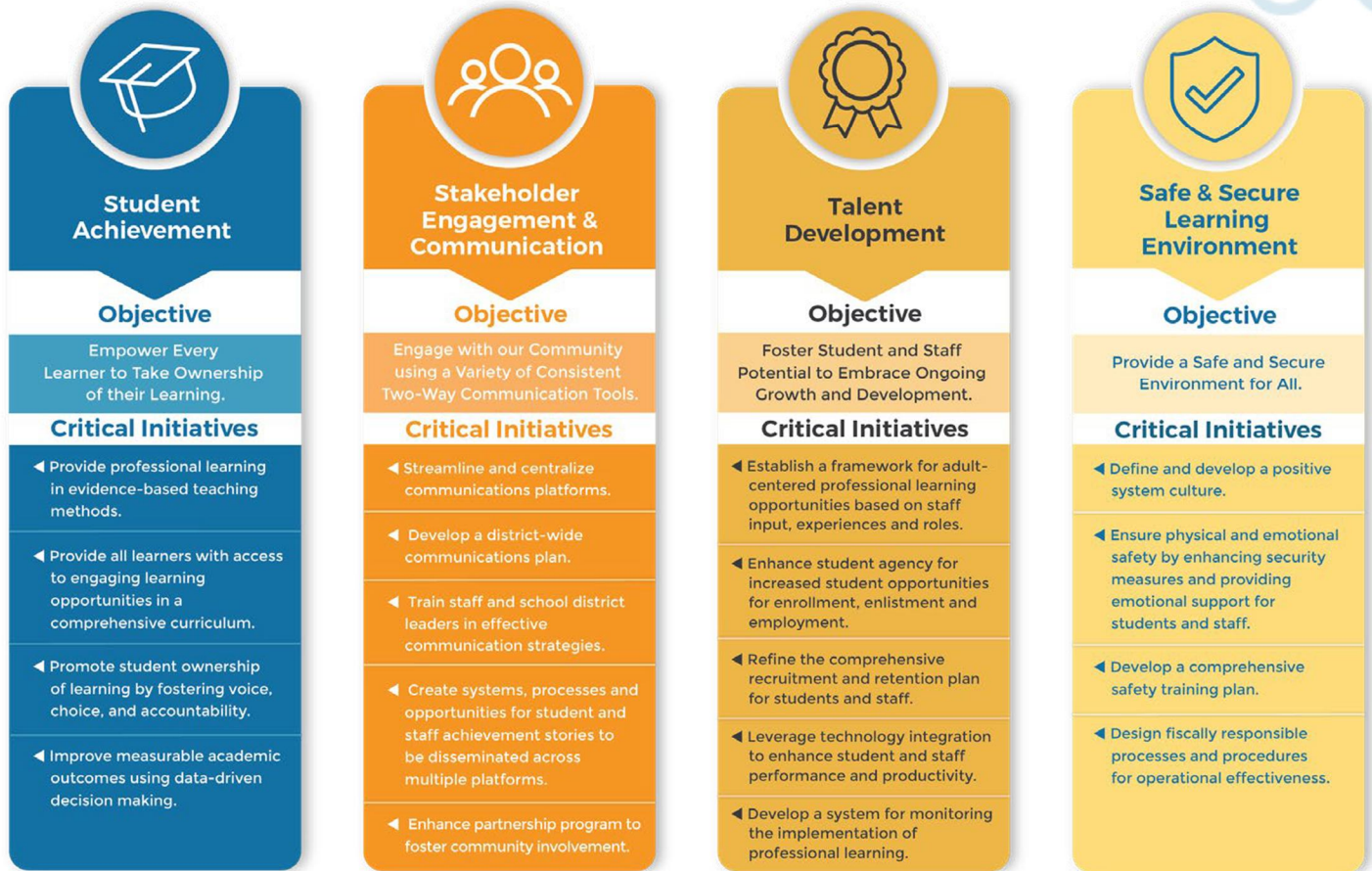
To ensure the successful implementation of our Strategic Plan, we will use a structured and data-informed approach that emphasizes accountability, collaboration, and continuous improvement.

Monitoring Framework

- ◀ **Benchmarks & Target Dates:** Each objective is aligned with measurable benchmarks and specific timelines to track progress effectively.
- ◀ **Plan-Do-Check-Act Cycle:** This continuous improvement model will guide the monitoring of each objective, ensuring timely adjustments and sustained momentum.
- ◀ **Cross-Functional Action Plans:** Departments will collaborate to develop integrated action plans that support the achievement of system-wide goals.

STRATEGIC PLAN AT-A-GLANCE

RICHMOND COUNTY SCHOOL SYSTEM 2025-2030 Strategy Map



This graphic portrays the complete Strategy Map which includes:

- ◀ The What Strategic Themes
- ◀ The How Critical Initiatives
- ◀ The Focus Objectives

STRATEGIC THEMES & CRITICAL INITIATIVES

Each Strategic Theme is supported by 4–5 Critical Initiatives, designed to drive meaningful progress. These initiatives are structured around four key components:

- ◀ **Critical Initiatives:** Targeted efforts aligned with each theme to advance strategic priorities.
- ◀ **Activities:** Specific actions and projects that bring each initiative to life.
- ◀ **Key Measures:** Defined metrics to monitor progress and ensure alignment with desired outcomes.
- ◀ **Intended Outcomes:** Clear, measurable results that indicate the success and impact of each initiative.

ONGOING EVALUATION & ACCOUNTABILITY

- ◀ **Quarterly Monitoring:** Three scheduled check-ins throughout the year will assess progress, identify challenges, and inform necessary adjustments.
- ◀ **Year-End Evaluation:** A comprehensive review at the end of the school year will evaluate the overall effectiveness and impact of the initiatives, reinforcing a culture of reflection and continuous improvement. The Strategic Plan is used by schools and departments to develop annual school improvement plans and goals with strategies and reporting metrics. We will measure our progress toward meeting each objective and the effectiveness of each critical initiative and activity annually.

Historic Improvements to Graduation Rate

The Class of 2024 marked a historic achievement with a 3.7% increase in the four-year graduation rate, reaching 81.7% — the highest on record for the School System.

College and Career Readiness Up Across All Schools

Our School System grew in every category of the College and Career Ready Performance Index (CCRPI). CCRPI is Georgia’s accountability system for K-12 schools that measures academic achievement and college and career readiness.

District ACT Scores Rose by 3%

Our School System saw significant improvement in its 2024 ACT composite score, rising from 18.1 in 2023 to 19.5 at a 3% gain across high schools. More than 160 students took the test in the 2024 cohort and achieved the second-highest ACT composite score in the School System’s history.

Class of 2025 Graduates Earn More than \$41 Million in Scholarships

Class of 2025 spring graduates earned more than \$41.6 million in scholarships this year, highlighting their determination, talent, and hard work. Nearly 1,800 graduates crossed the Bell Auditorium stage during commencement exercises held from May 28–30, 2025.

State Recognizes Academic Growth in RCSS Title I Schools

Eight schools were named Comprehensive Support and Improvement (CSI) Progress Schools by the Georgia Department of Education for exceptional academic improvement:

- [A. Dorothy Hains Elementary School](#)
- [Bayvale Elementary School](#)
- [Copeland Elementary School](#)
- [Glenn Hills Elementary School](#)
- [Jenkins White Elementary School](#)
- [Richmond Hill K-8 School](#)
(based on the 2023-2024 school year)
- [Spirit Creek Middle School](#)
- [W.S. Hornsby Elementary School](#)

10 Schools Named AP Honor Schools

Ten high schools were recognized as 2025 Advanced Placement (AP) Honor Schools by the Georgia Department of Education. The designation is based on performance in 2024 AP courses and exams with distinction in multiple categories:

- [John S. Davidson Fine Arts Magnet School:](#) Recognized in six categories, including AP STEM Achievement, AP STEM, AP Challenge, AP Access & Support, AP School of Distinction, and more.
- [A.R. Johnson Health Science and Engineering Magnet School:](#) AP STEM and AP Challenge School.
- [Academy of Richmond County:](#) AP STEM and AP Expansion School.
- [Cross Creek and Westside Comprehensive High Schools:](#) AP STEM achievement.
- [Glenn Hills Comprehensive High School:](#) AP Challenge and AP Expansion School.
- [Lucy C. Laney Comprehensive High School:](#) AP Challenge School.
- [Richmond County Technical Career Magnet School \(RCTCM\) and George P. Butler and Hephzibah Comprehensive High Schools:](#) AP Expansion Schools.



Building a world-class school system through education, collaboration, and innovation

STUDENT DEMOGRAPHICS



Total Enrollment: 28,923 Grade
Range: PK-12

Schools

Comprehensive High Schools.....	8
Middle.....	8
Elementary.....	27
K-8 Schools.....	1
Magnet.....	4
Special Programs.....	6

Student Demographics

American Indian/Alaskan Native.....	0.2%
Asian.....	0.6%
Black.....	75.7%
Hispanic.....	7.3%
Multi-Racial.....	4.7%
Pacific Islander.....	0.4%
White.....	11.1%

Employees Certified Personnel Data

Certified.....	2,465
Non-Certified.....	1,624

Certified Personnel Data

Education/Certification Level of School Professional Staff

Certified.....	2,465
Non-Certified.....	1,624

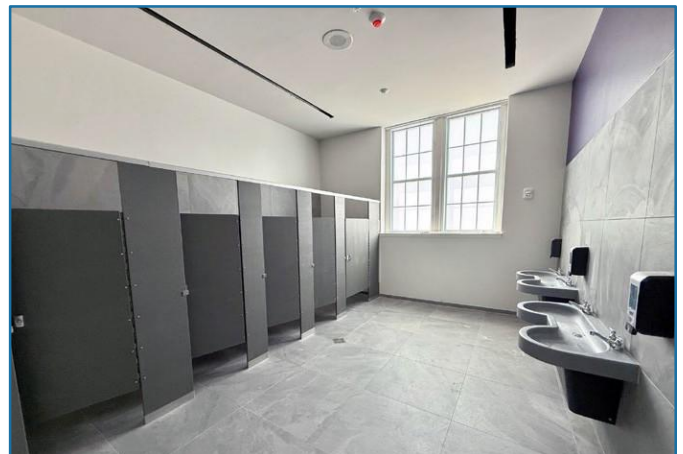
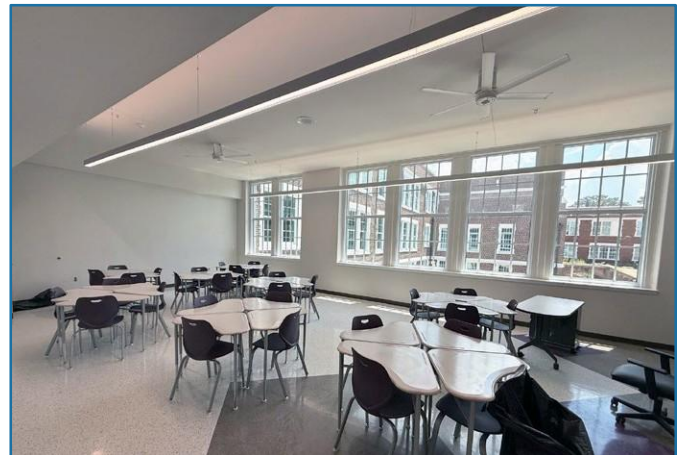
School Nutrition

Serves approximately 14,693 breakfasts, 20,358 lunches and 785 snacks to Primetime students at select sites, per day.

BUILT WITH SPLOST FUNDS

PHASE VI - ACADEMY OF RICHMOND COUNTY HIGH SCHOOL PROJECT

- The Phase VI ARC project consisted of the Historic Renovation of the 3-Story Classroom Wing.
- This included a complete renovation of all interior spaces, along with the reconfiguration of many existing classrooms to increase the classroom sizes to comply with district standards for high school classrooms.
- The project also included an Exterior Historical Restoration and structural improvements.
- Renovations to the Media Center, Kitchen, and Cafeteria were also included.



BUILT WITH SPLOST FUNDS

PHASE VI - HORNSBY ELEMENTARY SCHOOL

- 6 Classroom Addition – Elementary
- Connector Corridor
- 4 MS Specialty Labs (Renovation)
- HVAC & Roof (MS Building)



Michelle Bennett, CPA
Rick L. Evans, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA
Abram J. Serotta, CPA

Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA



INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richmond County Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Richmond County Board of Education'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 the aggregate remaining fund information of the Richmond County Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Richmond County Board of Education 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 Matters

As described in Note 2 to the financial statements, in fiscal year 2025, the Richmond County Board of Education adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective of Statement No. 102 is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Our opinion is not modified with respect to these matters.

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 Richmond County Board of Education'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 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 generally accepted auditing standards 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 Richmond County Board of Education'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 Richmond County Board of Education'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, proportionate share of net pension liability, proportionate share of net OPEB liability, schedules of contributions and budgetary comparison information on pages xiv through xxvi and pages 50 through 60 be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richmond County Board of Education's basic financial statements. Schedules 13 and 14 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (Schedule 12) 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of the Richmond County Board of Education’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 Richmond County Board of Education’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 Richmond County Board of Education’s internal control over financial reporting and compliance.

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
January 20, 2026



Introduction

The discussion and analysis of the Richmond County Board of Education's (subsequently referred to as the School System) financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School System's financial performance as a whole. Readers are encouraged to review the transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements to enhance their understanding of the School System's financial performance.

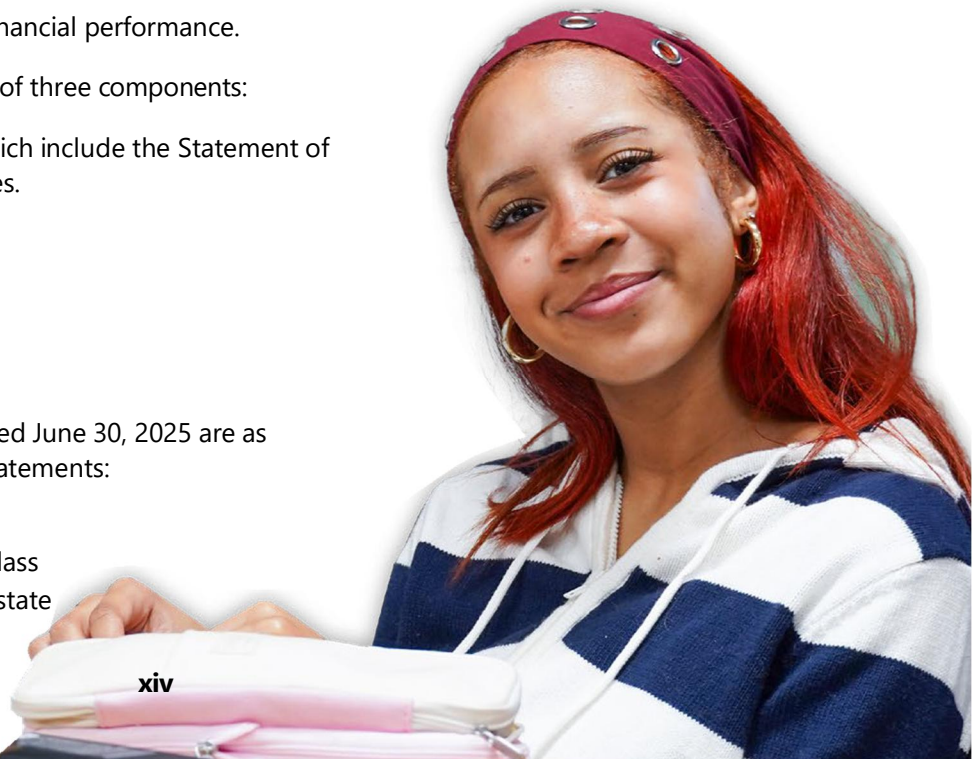
The basic financial statements are comprised of three components:

- 1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities.
- 2) Fund financial statements.
- 3) Notes to the financial statements.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2025 are as follows: On the government-wide financial statements:

- The School System maintained increased class sizes to compensate for the reductions in state funding.



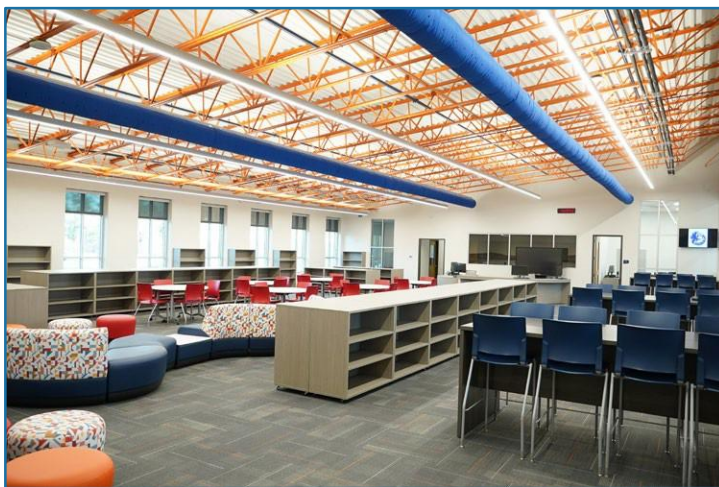


Total net position includes the following:

- 1) Net investment in capital assets include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt related to the construction or purchase of capital assets.
- 2) Restricted net position of \$119.4 million, constraints which are imposed outside of the School System. This includes restrictions for debt covenants and continuance of grants, and capital projects.
- 3) Unrestricted net assets, net of pension and OPEB liabilities, of \$24.1 million represents the net position available to sustain the School System's continuing obligations to its citizens and creditors.

On the fund financial statements:

- The School System's General Fund reported a fund balance of \$89.0 million at June 30, 2025, which represents a increase of \$10.6 million from the prior fiscal year.



The financial highlights noted above are explained in more detail within the financial analysis section of this document.



Overview of the Basic Financial Statements

This annual report consists of a series of financial statements, the government-wide, and fund statements, and notes to those statements.

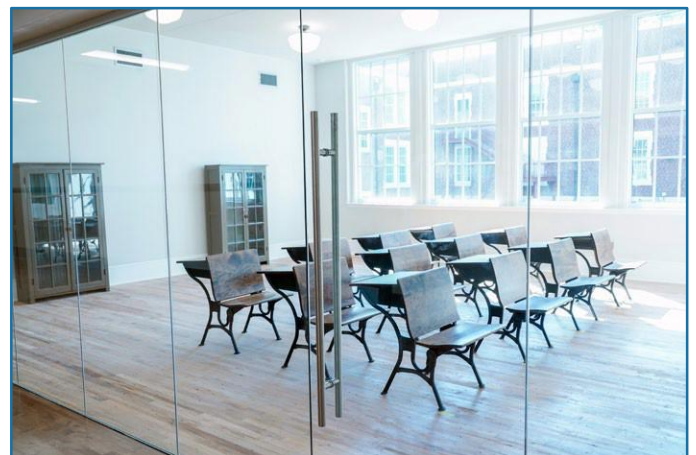
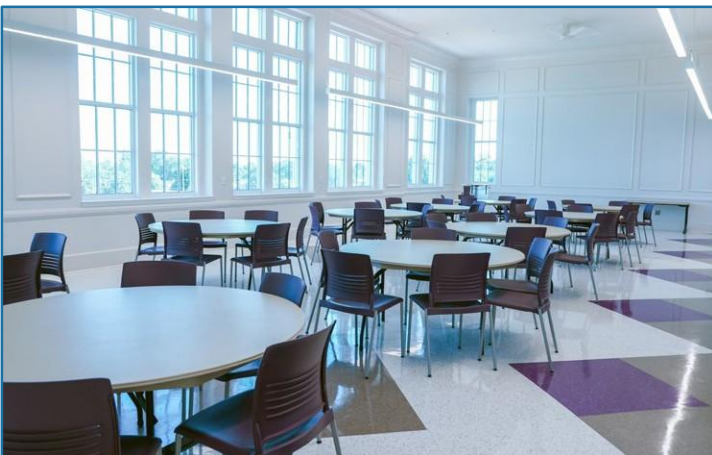
The government-wide financial statements, the Statement of Net Position, and the Statement of Activities are designed to illustrate the School System as an aggregate of its financial activities and present a longer-term view of its finances. Increases or decreases to net position may provide an informative indicator of the financial position of the school system as a whole.

The next level of detail is provided by the fund financial statements. These statements reflect the short-term finances as well as the balances available for future needs.

Fund financial statements are useful in assessing annual financing requirements and the commitment of existing spendable resources. The fund level statements report the School System's operations in more detail than the government-wide statements.

The notes to the financial statements serve to supplement and clarify the information contained within the financial statements and will provide the reader a more comprehensive understanding of the School System's financial position.

Figure 1 (page xvi) summarizes the significant features of the Richmond County Board of Education's annual financial statements and provides information on the School System's activities and the types of information found in the financial statements.



RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Figure 1. Significant Features of the Government-Wide and Fund Level Financial Statements			
	Government-wide Statements	Fund Level Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School System (excluding fiduciary funds)	The activities of the School System that are not proprietary or fiduciary. This includes instruction, support services, administration, transportation, and maintenance.	Funds for which the School System administers resources on behalf of someone else. This includes scholarships and student funds.
Required Financial Statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities (financial, capital, short-term and long-term).	Generally includes assets expected to be consumed and liabilities that are due within the year or soon thereafter. No capital assets or long-term liabilities are included.	All assets and liabilities. Includes short-term and long-term and may include capital assets.
Type of Inflow/ Outflow Information	All revenues and expenditures earned or incurred during the fiscal year regardless of when cash is received or paid out.	Revenues for which cash is received during the year or soon thereafter. Expenditures for which goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid out.



Reporting the School System as a Whole (Government-Wide)

Statement of Net Position and the Statement of Activities

The analysis of the School System as a whole looks at all financial transactions and enables the reader of the financial statements to ascertain whether the School System's financial position has improved or diminished. The statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This methodology is similar to the accounting of most private-sector businesses. This basis of accounting considers all the current year's revenues and expenses regardless of when cash is received or paid. There are many factors, some financial, some not, affecting the financial position of the School System. Some of these factors include the School System's property tax base, state austerity reductions, state and federal mandates that are unfunded, the age and condition of school facilities, and the economy of the area.

In the Statement of Net Position and the Statement of Activities, all of the School System's activities are reflected as governmental activities. The governmental activities of the Richmond County Board of Education are financed through taxes, state QBE funds, competitive and non-competitive grants.

The Statement of Net Position provides information about the overall financial activities of the School System; whereas, the Statement of Activities provides a comparison of direct expenses and program revenues. Direct expenses are incurred in association with a specific program or function. Program and services reported here include instruction, support services, operation and maintenance of plant, pupil transportation, food service, school activity accounts and various others.

Reporting the School System's Most Significant Funds (Fund Financials)

Governmental Funds: The fund financial statements provide detailed information about the School System's most significant funds. The School System's major governmental funds are the General Fund, Capital Projects Fund, and the Debt Service Fund.

Most of the School System's activities are reported in governmental funds which focus on how money flows into and out of these funds and the balances remaining at year-end that are available for spending in future periods. These funds are reported using an accounting methodology called modified accrual accounting. This methodology measures cash and all other financial assets that may be readily converted to cash. The fund statements offer a detailed short-term view of the School System's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources available to finance educational programs in the near future. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in these statements.

Reporting the School System as a Whole The Statement of Net Position provides the perspective of the School System as a whole.

Table 1 (page xviii) provides a comparative summary of the School System's net position for fiscal years 2025 and 2024.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

TABLE 1
NET POSITION
(in Thousands)

	Governmental Activities <u>June 30, 2025</u>	Governmental Activities (restated) <u>June 30, 2024</u>
Assets		
Current and Other Assets	\$ 247,498	\$ 266,523
Capital Assets, Net	<u>780,895</u>	<u>754,168</u>
Total Assets	<u>\$ 1,028,393</u>	<u>\$ 1,020,691</u>
Deferred Outflows of Resources	140,608	175,639
Liabilities		
Current and Other Liabilities	\$ 53,771	\$ 60,769
Long-Term Liabilities	<u>633,735</u>	<u>726,127</u>
Total Liabilities	<u>\$ 687,506</u>	<u>\$ 786,896</u>
Deferred Inflows of Resources	114,827	88,520
Net Position		
Net Investment in Capital Assets	\$ 693,584	\$ 667,158
Restricted	119,386	143,144
Unrestricted	<u>(446,302)</u>	<u>(489,387)</u>
Total Net Position	<u>\$ 366,668</u>	<u>\$ 320,915</u>

The School System's net position increased \$52.0 million.

Table 2 shows the comparative changes in net position for fiscal years 2025 and 2024.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

TABLE 2
CHANGE IN NET POSITION
(in Thousands)

	Governmental Activities June 30, 2025	Governmental Activities (Restated) June 30, 2024
Revenues		
Program Revenues		
Charges for Services	\$ 1,269	\$ 1,539
Operating Grants and Contributions	279,674	307,354
Capital Grants and Contributions	14,865	1,897
Total Program Revenues	\$ 295,808	\$ 310,790
General Revenues		
Taxes		
Property Taxes	\$ 141,816	\$ 120,883
Sales Tax	62,557	57,506
Grants and Contributions not Restricted	23,389	13,059
Investment Earnings	7,816	10,323
Miscellaneous	5,406	5,893
Gain (Loss) on Sale of Assets	(2,351)	1,365
Total General Revenues	\$ 238,633	\$ 209,029
Total Revenues	\$ 534,441	\$ 519,819
Program Expenses		
Instruction	\$ 259,601	\$ 283,601
Support Services		
Pupil Services	25,738	30,219
Improvement of Instruction	27,623	34,763
Educational Media Services	5,780	7,330
General Administration	8,972	8,486
School Administration	34,489	39,184
Business Administration	3,334	4,030
Maintenance and Operations of Plant	60,439	65,413
Student Transportation Services	20,107	21,698
Central Support Services	9,401	11,347
Other Support Services	3,081	3,275
Operations of Non-Instructional Services		
Community Services	8	10
Food Services	26,743	29,401
Interest on Short-Term and Long-Term Debt	3,372	2,454
Total Expenses	\$ 488,688	\$ 541,211
Change in Net Position	\$ 45,753	\$ (21,392)

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Governmental Activities

The Statement of Activities details 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 for governmental activities. It identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Cost of service comparisons are provided for fiscal years 2025 and 2024.

TABLE 3
Governmental Activities
(In Thousands)

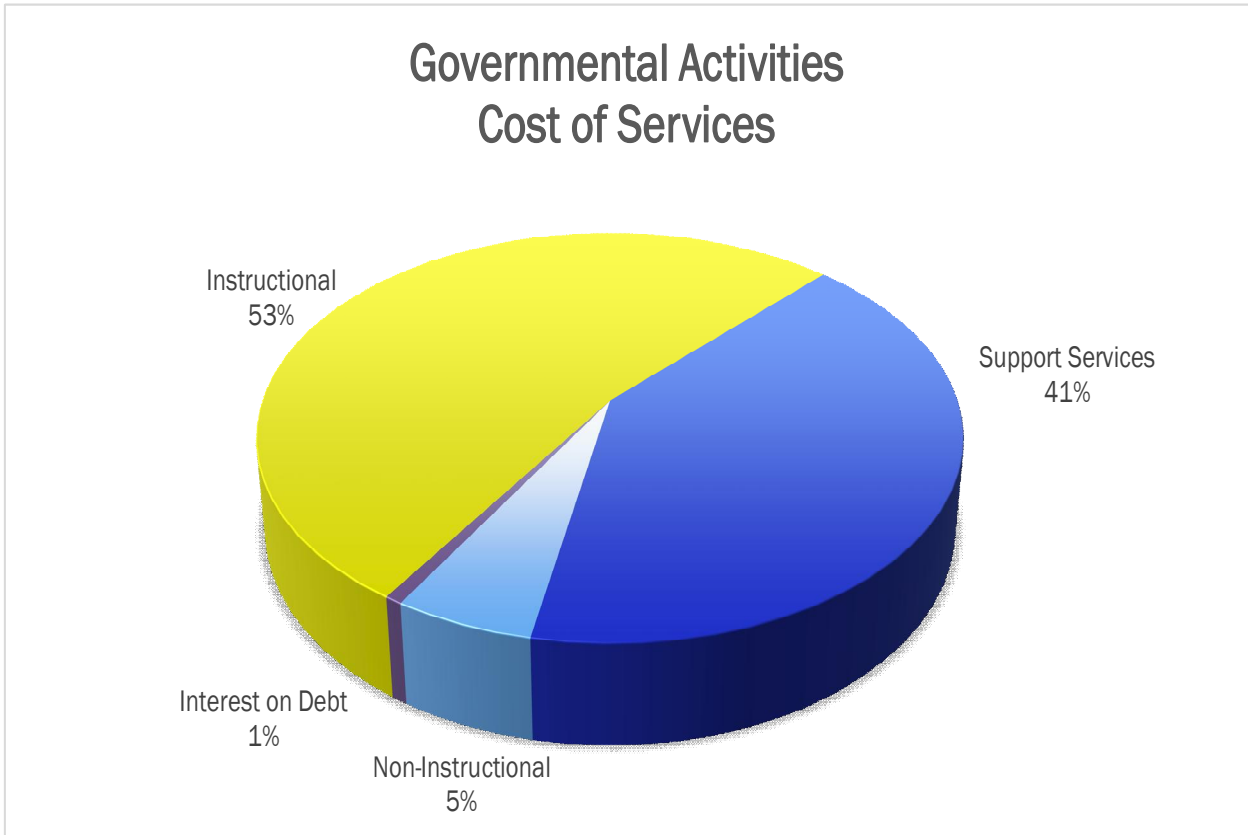
	Total Cost of Services		Net Cost of Services	
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2025	(Restated) 2024	2025	(Restated) 2024
Instructional	\$ 259,601	\$ 283,601	\$ 77,901	\$ 97,239
Support Services				
Pupil Services	25,738	30,219	10,319	15,529
Improvement of Instruction	27,623	34,763	9,948	9,274
Educational Media Services	5,780	7,330	704	2,687
General Administration	8,972	8,486	3,001	(1,546)
School Administration	34,489	39,184	22,997	26,633
Support Services Business	3,334	4,040	3,301	3,792
Maintenance and Operation of Plant	60,439	65,413	45,359	47,383
Student Transportation	20,107	21,698	2,686	15,196
Central Support Services	9,401	11,347	9,126	4,938
Other Support Services	3,081	3,275	2,957	3,205
Operations of Non-Instructional Services				
Community Services	8	10	7	10
Food Services	26,743	29,401	1,202	3,626
Interest on Short-Term and Long-Term Debt	3,372	2,454	3,372	2,454
Total Expense	\$ 488,688	\$ 541,221	\$ 192,880	\$ 230,420

The State's Quality Basic Education Funding (QBE) is not sufficient to provide basic education services or to provide adequate maintenance of the School System's facilities. To provide further funding, the School System levies a millage rate of 18.330 mills in addition to a 1% Education Special Purpose Local Option Sales Tax (SPLOST) authorized by local referendum. The millage rate was approved at a rate of 18.740 mills in September 2025 an increase of 0.410 mills.

RICHMOND COUNTY BOARD OF EDUCATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2025

The net cost reflects the financial burden placed on the School System's local taxpayers. The increase in the net cost of services indicates that the School System's taxpayers have had to provide a larger percentage of the total cost of services.

Figure 2.

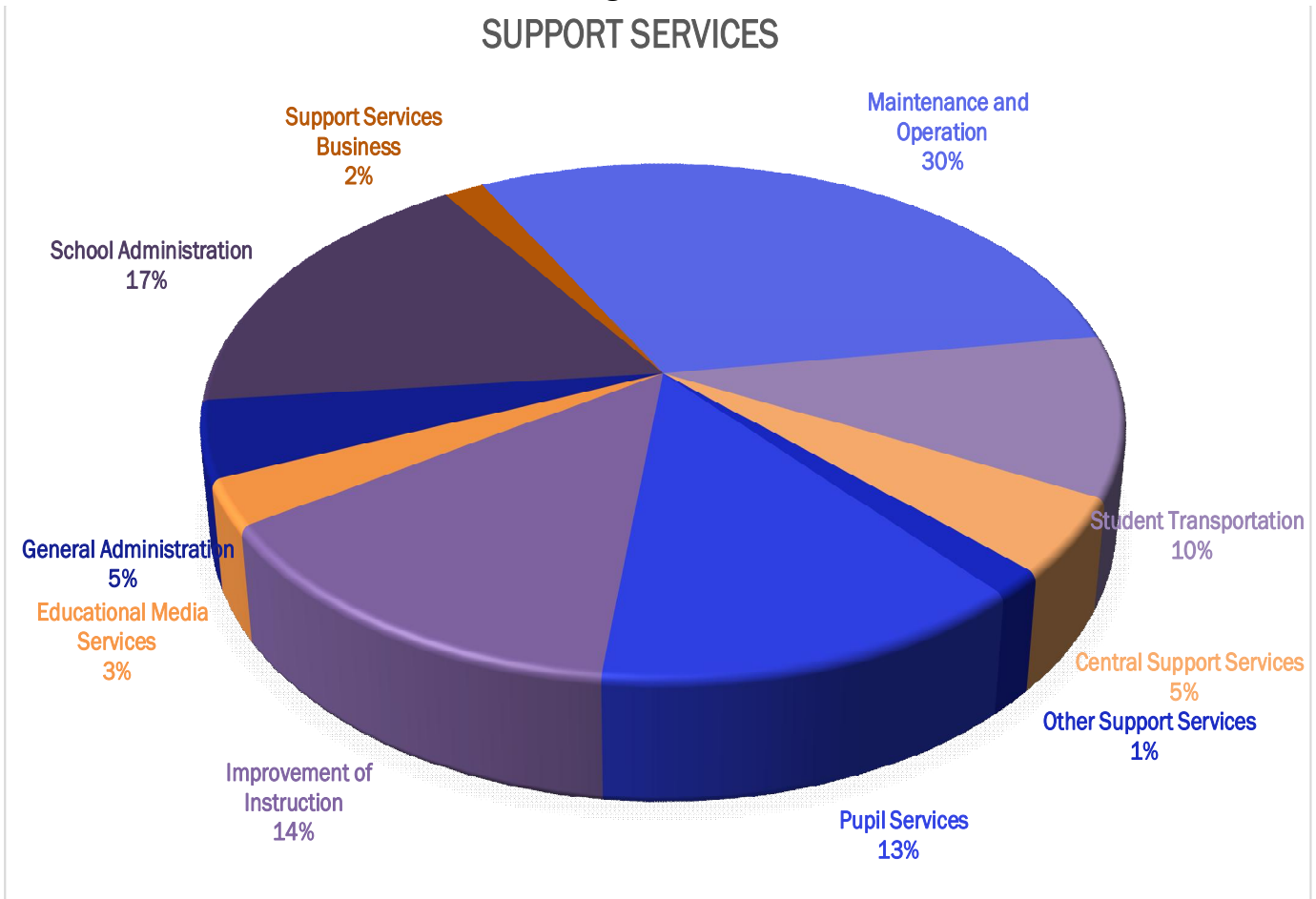


GOVERNMENTAL ACTIVITIES COMPARISON OF NET COST TO TOTAL COST OF SERVICES (IN MILLIONS)

	Instructional	Pupil Services	Improve Instruction	Educational Media	School Admin	Business Services	Maintenance	Transportation	Food Services
Net Cost	77,901	10,319	9,948	704	22,997	3,301	45,359	2,686	1,202
Total Cost	259,601	25,738	27,623	5,780	34,489	3,334	60,439	20,107	26,743

Instruction expenditures include activities related to the interaction between students and teachers. Instruction expenditures account for the largest percentage of the cost of service for governmental activities.

Figure 3.
SUPPORT SERVICES



Support services include activities that assess and supplement the teaching process, assist teachers in developing and evaluating the technique of providing instruction, operation of the educational media centers, administration of the policy of the School System, maintenance of the fiscal responsibilities of the School System, transportation costs, and upkeep of the grounds and facilities.

The School System's Funds

The School System's funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues and other financing sources of \$542.4 million and expenditures and other financing uses of \$555.7 million. The general fund's fund balance reflected an increase of \$10.6 million, and the capital projects funds decreased by \$29.4 million.

The general fund operation's revenues increase is attributed to an increase in state funds, federal funds, and property taxes.

The capital projects fund operation's decrease is related to use of bond proceeds for the Phase 6 Bond construction projects.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

General Fund Budgeting Highlights

The School System's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund. Throughout fiscal year 2025, the School System amended its general fund budget several times. Site-based budgeting is used by the School System and is designed to tightly control total site budgets but allow some management flexibility. The School System's top management monitors a detailed report comparing actual revenues and expenditures to budget on a monthly basis. Site management has access to this information on a demand basis through a report available using the School System's accounting software.

For the general fund, the final budgeted revenues of \$467.2 million were more than the original budget of \$456.8 million by \$10.4 million. Actual revenues were more than budgeted revenues by \$4.3 million. The final budgeted expenditures of \$476.1 million were more than the original budget of \$464.6 million by \$11.5 million. Actual expenditures were \$14.1 million less than the final budgeted amount. The significant difference in the comparison of the budget to actual expenditures is the result of many of the federal program funds being budgeted for periods exceeding the fiscal year or crossing two fiscal years. The actual fund balance increased by \$10.6 million.

Capital Assets and Debt Administration

At the end of fiscal year 2025, the School System had capital assets and right-to-use assets of \$780.9 million, net of accumulated depreciation and amortization.

The primary increase occurred in construction work in progress and buildings and building improvements. Due to funding from a Special Purpose Local Option Sales Tax and a bond issue, the School System is building and renovating numerous schools.

Table 4 shows comparative statements for 2025 and 2024.

TABLE 4
CAPITAL ASSETS
(Net of Depreciation and Amortization, in Thousands)

	Governmental Activities June 30, 2025	Governmental Activities June 30, 2024
Land	\$ 18,535	\$ 18,555
Construction Work in Progress	55,583	101,838
Works of Art	42	42
Building and Building Improvements	664,679	601,983
Equipment	34,842	23,045
Land Improvements	6,173	7,130
Right-to-Use Equipment	47	75
Right-to-Use Subscription Based Assets	994	1,500
Total Capital Assets, Net of Depreciation and Amortization	\$ 780,895	\$ 754,168

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Debt

On June 30, 2025, the School System had \$94.6 million in general obligation bonds, with \$32.5 million due within one year. Debt comparisons between fiscal year 2025 and 2024 are shown below.

TABLE 5
DEBT
(in Thousands)

	Governmental Activities June 30, 2025	Governmental Activities (Restated) June 30, 2024
General Obligation Bonds	\$ 94,550	\$ 126,050
Arbitrage	1,994	961
Lease Liability	54	272
Subscription Based License Liability	919	1,401
Compensated Absences	38,451	34,245
Unamortized Bond Premium	1,594	3,436
Total Debt	<u>\$ 137,562</u>	<u>\$ 166,365</u>

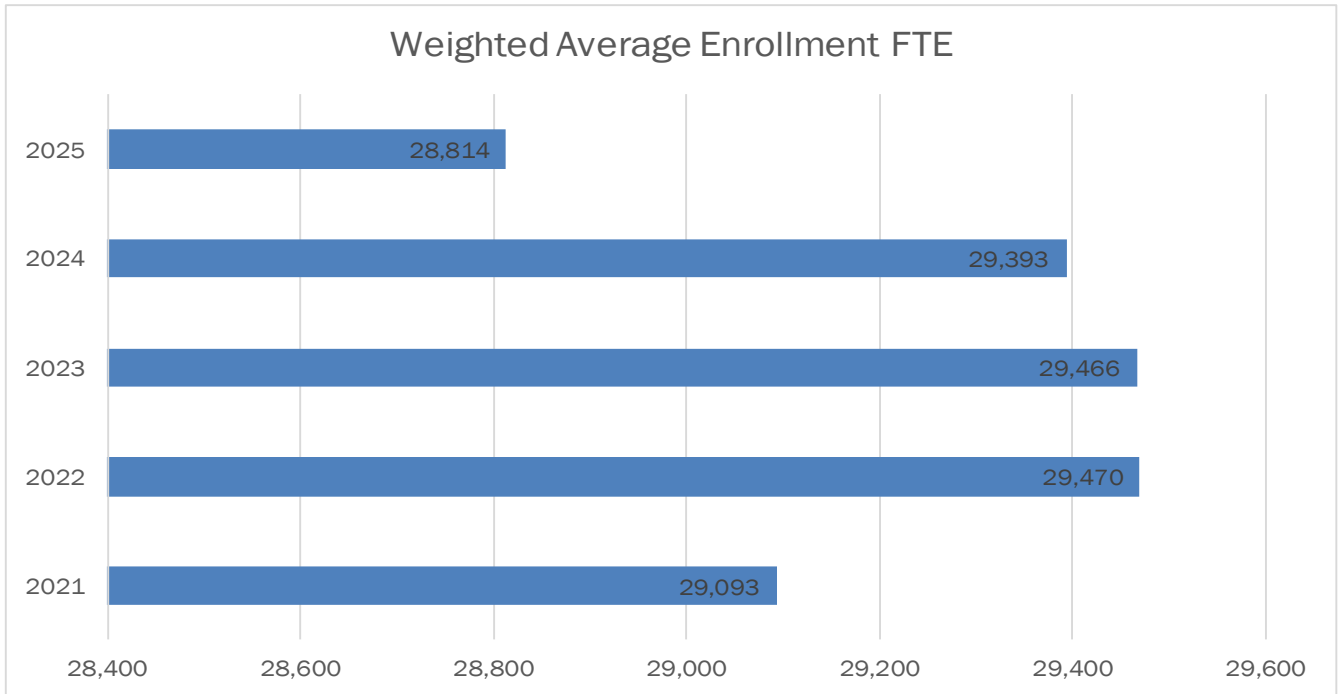
Current Issues

The Richmond County Board of Education has maintained its economic stability by budgeting conservatively and monitoring its expenditures. Areas of concern are the State of Georgia's continued amended formula reduction to the QBE funding formula, the rising costs in employee benefits and declining student growth.

Student enrollment is the driving factor in the State's education funding formula. Student enrollment is converted to a "Full Time Equivalent" (FTE) for funding purposes. As student enrollment and FTE decrease so does State funding.

The School System showed a decrease in the weighted average of full-time equivalent students. From 2024 to 2025 the weighted average of full-time equivalent students decreased by 579 students. The figure shown below shows the trend in the School System's enrollment over the past five years.

RICHMOND COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025



The School System has maintained classroom size waivers and made certain efforts to reduce operating expenses to help offset increases in pension contribution rate increases.

Contacting the School System's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School System's finances and to reflect the School System's accountability for the funds it receives.

For questions about this report or additional financial information, please contact the

Chief Financial Officer or the Director of Budget and Finance,

Richmond County Board of Education,
864 Broad Street, Augusta, GA 30901

RICHMOND COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2025

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 168,648,624
Investments	29,787,834
Receivables, Net	
Taxes	9,980,119
State Government	31,299,427
Federal Government	5,572,052
Lease	19,000
Other	748,872
Inventories	1,173,113
Prepaid Items	268,418
Intangible Right-to-Use Assets (Net of Accumulated Amortization)	46,787
Subscription Right-to-Use Assets (Net of Accumulated Amortization)	993,924
Capital Assets, Non-Depreciable	74,160,021
Capital Assets, Depreciable (Net of Accumulated Depreciation)	<u>705,694,555</u>
Total Assets	<u>1,028,392,746</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	100,843,651
Related to OPEB Plan	<u>39,764,497</u>
Total Deferred Outflows of Resources	<u>140,608,148</u>
<u>LIABILITIES</u>	
Accounts Payable	7,173,139
Salaries and Benefits Payable	33,407,671
Interest Payable	1,181,874
Claims Incurred but not Reported (IBNR)	2,537,386
Contracts Payable	6,681,354
Retainages Payable	2,314,316
Deposits and Unearned Revenue	474,763
Net Pension Liability	310,235,891
Net OPEB Liability	185,936,795
Long-Term Liabilities	
Due Within One Year	47,001,172
Due in More Than One Year	<u>90,560,812</u>
Total Liabilities	<u>687,505,173</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Lease Revenue	19,000
Related to Defined Benefit Pension Plans	56,371,359
Related to OPEB Plans	<u>58,436,979</u>
Total Deferred Inflows of Resources	<u>114,827,338</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	693,584,304
Restricted for	
Continuation of Federal Programs	8,657,444
Debt Service	40,296,470
Capital Projects	65,226,037
Other	5,205,904
Unrestricted Deficit	<u>(446,301,776)</u>
Total Net Position	<u>\$ 366,668,383</u>

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

RICHMOND COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2025

	EXPENSES
<u>GOVERNMENTAL ACTIVITIES</u>	
Instruction	\$ 259,600,575
Support Services	
Pupil Services	25,737,500
Improvement of Instructional Services	27,623,196
Educational Media Services	5,780,084
General Administration	8,971,941
School Administration	34,489,321
Business Administration	3,334,404
Maintenance and Operation of Plant	60,439,052
Student Transportation Services	20,106,615
Central Support Services	9,401,107
Other Support Services	3,080,814
Operations of Non-Instructional Services	
Community Services	7,872
Food Services	26,742,622
Interest on Short-Term and Long-Term Debt	3,372,022
 Total Governmental Activities	 \$ 488,687,125
 General Revenues	
Taxes	
Property Taxes	
For Maintenance and Operations	
Railroad Cars	
Other Taxes	
Sales Taxes	
Special Purpose Local Option Sales Tax	
For Debt Service	
For Capital Projects	
Other Sales Tax	
Grants and Contributions not Restricted to Specific Programs	
Investment Earnings	
Miscellaneous	
Transfers	
Loss on sale of assets	
 Total General Revenues and Special Items	
 Change in Net Position	
Net Position - Beginning of Year	
Prior Period Adjustment (Note 14)	
Net Position - Beginning of Year, restated	
Net Position - End of Year	

CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
\$ 593,229	\$ 180,592,926	\$ 513,707	\$ (77,900,713)
-	15,342,851	75,596	(10,319,053)
-	17,675,491	256	(9,947,449)
-	5,075,723	-	(704,361)
-	5,969,894	852	(3,001,195)
-	11,387,409	104,684	(22,997,228)
-	23,671	9,587	(3,301,146)
73,682	12,324,391	2,682,125	(45,358,854)
-	6,306,749	11,113,610	(2,686,256)
-	151,053	124,596	(9,125,458)
-	8,831	115,380	(2,956,603)
-	-	1,052	(6,820)
602,353	24,814,740	123,175	(1,202,354)
-	-	-	(3,372,022)
<u>\$ 1,269,264</u>	<u>\$ 279,673,729</u>	<u>\$ 14,864,620</u>	<u>(192,879,512)</u>
			129,569,450
			119,668
			12,126,961
			41,700,785
			18,724,826
			2,131,373
			23,388,525
			7,815,816
			5,406,222
			(2,350,896)
			<u>238,632,730</u>
			45,753,218
			<u>352,716,717</u>
			(31,801,552)
			<u>320,915,165</u>
			<u>\$ 366,668,383</u>

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

RICHMOND COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 87,297,975	\$ 41,054,250	\$ 40,296,469	\$ 168,648,694
Investments	208,713	29,579,051	-	29,787,764
Receivables, Net				
Taxes	4,962,752	5,017,367	-	9,980,119
State Government	31,299,427	-	-	31,299,427
Federal Government	5,572,052	-	-	5,572,052
Lease	19,000	-	-	19,000
Other	748,872	-	-	748,872
Due from Other Funds	1,428,962	-	-	1,428,962
Inventories	1,173,113	-	-	1,173,113
Prepaid Items	268,418	-	-	268,418
	<u>\$ 132,979,284</u>	<u>\$ 75,650,668</u>	<u>\$ 40,296,469</u>	<u>\$ 248,926,421</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 7,173,139	\$ -	\$ -	\$ 7,173,139
Salaries and Benefits Payable	33,407,671	-	-	33,407,671
Due to Other Funds	-	1,428,962	-	1,428,962
Contracts Payable	-	6,681,354	-	6,681,354
Retainages Payable	-	2,314,316	-	2,314,316
Deposits and Unearned Revenue	474,763	-	-	474,763
	<u>41,055,573</u>	<u>10,424,632</u>	<u>-</u>	<u>51,480,205</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	2,897,302	-	-	2,897,302
Lease Revenue	19,000	-	-	19,000
	<u>2,916,302</u>	<u>-</u>	<u>-</u>	<u>2,916,302</u>
<u>FUND BALANCES</u>				
Nonspendable	1,441,531	-	-	1,441,531
Restricted	6,513,545	65,226,036	40,296,469	112,036,050
Committed	5,908,271	-	-	5,908,271
Unassigned	75,144,062	-	-	75,144,062
	<u>89,007,409</u>	<u>65,226,036</u>	<u>40,296,469</u>	<u>194,529,914</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 132,979,284</u>	<u>\$ 75,650,668</u>	<u>\$ 40,296,469</u>	<u>\$ 248,926,421</u>

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

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C") \$ 194,529,914

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	\$	18,534,963	
Construction in progress		55,583,058	
Buildings and improvements		981,383,903	
Equipment		96,456,538	
Land improvements		24,752,698	
Works of art		42,000	
Accumulated depreciation		<u>(396,898,584)</u>	779,854,576

Right-to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Leased Equipment		222,721	
Subscription Assets		2,341,454	
Accumulated amortization - Right to use assets		<u>(1,523,464)</u>	1,040,711

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	\$	(310,235,891)	
Net OPEB liability		<u>(185,936,795)</u>	(496,172,686)

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	\$	44,472,292	
Related to OPEB		<u>(18,672,482)</u>	25,799,810

Taxes that are not available to pay for current period expenditures are deferred in the funds.

2,897,302

Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	\$	(94,550,000)	
Lease Liability Payable		(54,594)	
SBITA Liability Payable		(918,604)	
Accrued interest payable		(1,181,874)	
Bond arbitrage payable		(1,994,163)	
Compensated absences payable		(38,450,988)	
Premium on issuance of bonds		(1,593,635)	
Claims Incurred but not Reported (IBNR)		<u>(2,537,386)</u>	(141,281,244)

Net position of governmental activities (Exhibit "A") \$ 366,668,383

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

RICHMOND COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 140,935,757	\$ -	\$ -	\$ 140,935,757
Sales Taxes	2,131,373	18,724,826	41,700,785	62,556,984
State Funds	236,088,396	4,020,410	-	240,108,806
Federal Funds	81,858,245	-	-	81,858,245
Charges for Services	1,269,264	-	-	1,269,264
Investment Earnings	3,730,550	4,361,583	757,258	8,849,391
Miscellaneous	5,473,894	-	-	5,473,894
Total Revenues	471,487,479	27,106,819	42,458,043	541,052,341
<u>EXPENDITURES</u>				
Current				
Instruction	247,594,177	9,718,817	-	257,312,994
Support Services				
Pupil Services	24,580,994	-	-	24,580,994
Improvement of Instructional Services	27,459,396	-	-	27,459,396
Educational Media Services	6,302,916	-	-	6,302,916
General Administration	8,934,859	78,408	-	9,013,267
School Administration	33,780,953	-	-	33,780,953
Business Administration	3,430,098	-	-	3,430,098
Maintenance and Operation of Plant	39,916,989	1,357,090	-	41,274,079
Student Transportation Services	29,726,749	3,948,595	-	33,675,344
Central Support Services	8,312,806	-	-	8,312,806
Other Support Services	2,208,861	-	-	2,208,861
Food Services Operation	26,313,049	-	-	26,313,049
Capital Outlay	2,542,969	41,703,088	-	44,246,057
Debt Services				
Principal	713,715	-	31,500,000	32,213,715
Dues and Fees	-	-	6,075	6,075
Interest	86,703	-	5,515,000	5,601,703
Total Expenditures	461,905,234	56,805,998	37,021,075	555,732,307
Revenues over (under) Expenditures	9,582,245	(29,699,179)	5,436,968	(14,679,966)
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Capital Assets	1,360,367	-	-	1,360,367
Lease Liability Proceeds	12,290	-	-	12,290
Transfers In	-	321,000	-	321,000
Transfers Out	(321,000)	-	-	(321,000)
Total Other Financing Sources (Uses)	1,051,657	321,000	-	1,372,657
Net Change in Fund Balances	10,633,902	(29,378,179)	5,436,968	(13,307,309)
Fund Balances - Beginning	78,373,507	94,604,215	34,859,501	207,837,223
Fund Balances - Ending	\$ 89,007,409	\$ 65,226,036	\$ 40,296,469	\$ 194,529,914

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

RICHMOND COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ (13,307,309)

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 is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$	55,699,401	
Intangible right-to-use outlay		12,290	
Depreciation expense		(24,658,869)	
Amortization expense		(546,575)	
		30,506,247	30,506,247

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. (3,778,935)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 880,324

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			31,500,000
Amortization on bond premium			1,842,006
Bond arbitrage			(1,033,575)
Lease liability proceeds			(12,291)
Lease liability payments			230,252
Subscription asset - payments			482,518

District pension 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 liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Net pension expense			(7,159,296)
Net OPEB expense			9,337,921

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.

Accrued interest on issuance of bonds		393,750	
Compensated absences		(4,205,560)	
Claims and judgments		77,166	
		(3,734,644)	(3,734,644)

Change in net position of governmental activities (Exhibit "B") \$ 45,753,218

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

NOTE 1: DESCRIPTION OF SCHOOL SYSTEM AND REPORTING ENTITY

Reporting Entity

The Richmond County School System (School System) 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 System 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 System 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 System 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 System's accounting policies are described below.

Basis of Presentation

The School System'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 System 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 System. 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 System's 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 System'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 System 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 System's governmental activities.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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 System related to the administration and support of the School System'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 System's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School System reports the following major governmental funds:

- The general fund is the School System'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), bond proceeds, lease proceeds and grants from Georgia State Financing and Investment Commission 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.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide 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 System 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 System 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

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

School System considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School System considers all intergovernmental revenues to be available if they are collected within 60 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 long-term debt, claims and judgments, and compensated absences, 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 System 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 System'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 System adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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. The adoption of this statement had a material impact on the School System's financial statements. This statement will be applied prospectively.

In fiscal year 2025, the School System 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 System'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 System to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

Investments

The School System can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

Investments made by the School System in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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.

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

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 weighted average basis). The School System 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.

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of net position because their use is limited by applicable debt statutes, e.g. Qualified Zone Academy Bond sinking funds.

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 System does not capitalize book collections.

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.

Amortization of intangible assets such as water, timber and mineral rights, easements, patents, trademarks, copyrights, and internally generated software is computed using the straight-line method over the estimated useful lives of the assets.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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	20 years
Buildings and Improvements	\$ 100,000	25 to 30 years
Equipment	\$ 5,000	5 to 30 years
Bulk Purchases	\$ 1,000,000	5 to 10 years
Intangible Assets	\$ 1,000,000	5 years
Infrastructure	\$ 1,000,000	65 years
Vehicles	\$ 5,000	8 years
Works of Art	Any Amount	N/A

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 System's right to use an underlying asset for the lease or subscription term. Lease and subscription obligations represent the School System'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.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Capitalization thresholds of intangible right-to-use assets reported in the government-wide statements are as follows:

		Capitalization Policy	Estimated Useful Life
Equipment	\$	5,000	5 to 30 years
Subscription Assets	\$	50,000	5 to 30 years

Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight-line basis over the lease term.

Leases as Lessee

The School System is a lessee for noncancellable leases of office equipment owned by 3rd parties.

At the commencement of a lease, the School System 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 System 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 System as lessee do not contain stated interest rates. Therefore, the School System has used its estimated incremental borrowing rate as the discount rate for the leases. The School System has estimated this incremental borrowing rate to be 1.0% to 9.89% for the leases in which the School System 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 System will make over the lease term.

The School System 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.

Leases as Lessor

The School System is a lessor for building space owned by the School System. The School System recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in the statement of net position.

At the commencement of a lease, the School System initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources for deferred lease

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee. Subsequently, the deferred inflow of resources is amortized on a straight-line basis over the lease term.

Key estimates and judgments related to leases include how the School System 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 System do not contain stated interest rates. Therefore, the School System has used its estimated incremental borrowing rate as the discount rate for the leases. The School System has estimated this incremental borrowing rate to for the leases in which the School System is currently involved as the lessor.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the School System will receive over the lease term.

The School System monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 consists 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 or paid.

The majority of the School System's compensated absences liability is comprised of vacation leave.

Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 20 days. Upon terminating employment, the School System pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

Sick leave is earned at a rate of 1.5 days per month for eligible employees. Unused sick leave may be accumulated up to a maximum of 90 days. Members of the Teachers Retirement System of Georgia (TRS) may

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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 System.

Long-Term Liabilities and Bond Discounts/Premiums

In the School System'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 effective interest method. 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 System 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.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (SEAD - 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 State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) plan (the Plan) and additions to/deductions from the SEAD-OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, death benefits 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 System'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.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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 System'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 System'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 Augusta-Richmond County Board of Commissioners adopted the property tax levy for the 2024 tax digest year (calendar year) on September 19, 2024 (levy date) based on property values as of January 1, 2024. Taxes were due on November 18, 2024 (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 Augusta-Richmond County Board of Commissioners bills and collects the property taxes for the School System, withholds 2.50% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School System. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2025, for maintenance and operations amounted to \$129,569,450.

Tax millage rates levied for the 2024 tax digest year (calendar year) for the School System were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>18.330</u> mills
-------------------	---------------------

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$12,126,961 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 \$60,425,611 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.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School System'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, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School System'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 System'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 no more than 10% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 10% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds \$100,000 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. 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, CASH EQUIVALENTS AND INVESTMENTS

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.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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 System's deposits may not be returned to it. The School System has a formal deposit policy for custodial risk in place, wherein there will not be on deposit at any time in any depository for a time longer than 10 days a sum of public-derived money which has not been secured by surety bond, by guarantee of insurance, or by collateral in an amount of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. At June 30, 2025, the School System had deposits with a carrying amount of \$25,143,349, and a bank balance of \$26,484,612. The bank balances insured by Federal depository insurance were \$334,428 and the bank balances collateralized with securities held by the pledging financial institution in the School System's name were \$0.

At June 30, 2025, \$26,150,183 of the School System's bank balance was exposed to custodial credit risk as follows:

Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the School System's name	\$ <u>26,150,183</u>
--	----------------------

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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

Cash and cash equivalents		
Statement of Net Position	\$	168,648,624
Total cash and cash equivalents	\$	168,648,624
Less:		
Cash on hand	\$	789
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		103,236,810
Demand Deposit		
State and Local Government Series (SLGS) securities program		40,267,676
Total carrying value of deposits - June 30, 2025	\$	25,143,349

Categorization of Cash Equivalents

The School System reported cash equivalents of \$103,236,810 in Georgia Fund 1 and \$40,267,676 in the demand deposit State and Local Government Series (SLGS) securities program, both of which are included in the cash balances above.

The School System reported cash equivalents of \$103,236,810 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 AAf 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 System 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>.

The School System reported cash equivalents of \$40,267,676 in the demand deposit State and Local Government Series (SLGS) securities program, which is included in the cash balance above. SLGS, are special purpose non-marketable securities that the U.S. Department of Treasury issues to state and local governments to assist with compliance of federal tax laws and IRS regulations governing the investment of cash proceeds generated from a tax-exempt bond issuance. SLGS, administered by the U.S. Department of Treasury, is not required to be categorized since the School System did not own any specific identifiable securities. Additional information on SLGS is publicly available at: <https://www.treasurydirect.gov/government/slgs/>.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

Categorization of Investments

At June 30, 2025, the School System had the following investments:

Investment Type	Fair Value	Investment Maturity			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	More than 10 Years
Debt Securities					
U. S. Treasuries	\$ 29,579,121	\$ 29,579,121	\$ -	\$ -	-
	<u>29,579,121</u>	<u>\$ 29,579,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Other Investments					
Equity Securities - Domestic	<u>208,713</u>				
Total Investments	<u>\$ 29,787,834</u>				

Fair Value of Investments

The School System measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

At June 30, 2025 the School System had the following investments by fair value level:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Investments by fair value level:	Fair Value	Level 1	Level 2	Level 3
U. S. Treasuries	\$ 29,579,121	\$ 29,579,121	\$ -	-
Equity Mutual Funds - Domestic	208,713	208,713	-	-
	<u>29,787,834</u>	<u>\$ 29,787,834</u>	<u>\$ -</u>	<u>-</u>
Total investments by fair value level	<u>\$ 29,787,834</u>	<u>\$ 29,787,834</u>	<u>\$ -</u>	<u>-</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School System's policy for managing interest rate risk is The School System's policy for managing interest rate risk is to maintain an investment portfolio designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the investment risk and cash flow requirements.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School System will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School System's policy for managing custodial credit risk is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the School System and conforming to all state and local statutes governing the investment of local funds.

As of June 30, 2025, the School System did not have any investments to which this risk would apply.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School System's policy for managing custodial credit risk is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the School System and conforming to all state and local statutes governing the investment of local funds.

The investments subject to credit quality risk are reflected below:

Rated Debt Investments	Fair Value	Quality Ratings				
		AAA	AA	A	A1	Unrated
Debt Securities						
U. S. Treasuries	\$ 29,579,121	\$ 29,579,121	\$ -	\$ -	\$ -	-
Totals by Quality Ratings	<u>\$ 29,579,121</u>	<u>\$ 29,579,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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:				
Works of Art	\$ 42,000	\$ -	\$ -	\$ 42,000
Land	18,554,963	-	20,000	18,534,963
Construction in Progress	101,838,279	39,270,103	85,525,324	55,583,058
Total Capital Assets				
Not Being Depreciated	120,435,242	39,270,103	85,545,324	74,160,021
Capital Assets,				
Being Depreciated				
Buildings and Improvements	902,589,712	85,525,324	6,731,133	981,383,903
Equipment	81,549,010	16,429,298	1,521,770	96,456,538
Land Improvements	24,819,352	-	66,654	24,752,698
Total Capital Assets				
Being Depreciated	1,008,958,074	101,954,622	8,319,557	1,102,593,139
Less Accumulated				
Depreciation:				
Buildings and Improvements	300,606,949	19,108,621	3,011,091	316,704,479
Equipment	58,504,305	4,593,040	1,482,877	61,614,468
Land Improvements	17,689,083	957,208	66,654	18,579,637
Total Accumulated				
Depreciation	376,800,337	24,658,869	4,560,622	396,898,584
Total Capital Assets,				
Being Depreciated, Net	632,157,737	77,295,753	3,758,935	705,694,555
Governmental Activities				
Capital Assets - Net	\$ 752,592,979	\$ 116,565,856	\$ 89,304,259	\$ 779,854,576

The capital assets above include significant amounts of (asset category) which have been valued at estimated historical cost. The estimated historical cost was based on (standard costing, normal costing, replacement cost).

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

Current year depreciation expense by function is as follows:

Instruction	\$		3,231,501
Support Services			
Pupil Services	\$	474,048	
Improvements of Instructional Services		1,596	
General Administration		3,243	
School Administration		657,012	
Maintenance and Operation of Plant		16,411,080	
Student Transportation Services		1,625,225	
Central Support Services		754,052	
Other Support Services		720,305	
Community Services		<u>6,567</u>	20,653,128
Food Services			<u>774,240</u>
	\$		<u><u>24,658,869</u></u>

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

	Balances <u>June 30, 2024</u>	Increases	Decreases	Balances <u>June 30, 2025</u>
Intangible Right-to-Use Assets				
Equipment	\$ 210,431	\$ 12,290	\$ -	\$ 222,721
Subscription Assets	<u>2,341,454</u>	<u>-</u>	<u>-</u>	<u>2,341,454</u>
Total Intangible Right-to-Use Assets	<u>2,551,885</u>	<u>12,290</u>	<u>-</u>	<u>2,564,175</u>
Less Accumulated Amortization:				
Equipment	134,995	40,939	-	175,934
Subscription Assets	<u>841,894</u>	<u>505,636</u>	<u>-</u>	<u>1,347,530</u>
Total Accumulated Amortization, Intangible Right-to-Use Assets	<u>976,889</u>	<u>546,575</u>	<u>-</u>	<u>1,523,464</u>
Governmental Activities				
Intangible Right-to-Use Assets - Net	<u>\$ 1,574,996</u>	<u>\$ (534,285)</u>	<u>\$ -</u>	<u>\$ 1,040,711</u>

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Current year amortization expense by function is as follows:

Instruction		\$	14,018
Support Services			
General Administration	\$		2,078
Business Administration			59,852
Maintenance and Operation of Plant			390,224
Student Transportation Services			56,616
Central Support Services			23,787
			<u>532,557</u>
		\$	<u><u>546,575</u></u>

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Assets and Liabilities

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2025, consisted of the following:

		Due From:	
			<u>Capital Projects Fund</u>
Due To:			
General Fund	\$		<u>1,428,962</u>
		\$	<u><u>1,428,962</u></u>

Amounts due from the capital project fund are related to reimbursements for construction projects paid by the general fund and settled subsequent to year-end.

Interfund Transfers

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

		Transfers from:	
			<u>General Fund</u>
Transfers to:			
Capital Projects Fund	\$		<u>321,000</u>
		\$	<u><u>321,000</u></u>

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

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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	Restatement	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General Obligation (G.O.) Bonds	\$ 126,050,000	\$ -	\$ -	\$ 31,500,000	\$ 94,550,000	\$ 32,465,000
Unamortized Bond Premiums	3,435,641	-	-	1,842,006	1,593,635	987,545
Arbitrage	960,588	-	1,033,575	-	1,994,163	-
Leases	272,555	-	12,291	230,252	54,594	29,369
Subscription Liabilities	1,401,122	-	-	482,518	918,604	509,842
Compensated Absences	2,443,876	31,801,552	18,084,181	13,878,621	38,450,988	13,009,416
	<u>\$ 134,563,782</u>	<u>31,801,552</u>	<u>\$ 19,130,047</u>	<u>\$ 47,933,397</u>	<u>\$ 137,561,984</u>	<u>\$ 47,001,172</u>

General Obligation Bonds

The School System's bonded debt consists of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The School System 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 System.

The School System had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2025. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (EPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School System. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School System to be transferred to the Debt Service Account Custodian for the payment of debt.

Of the total amount originally authorized, \$194,705,000 remains unissued. General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2021	2.00% - 5.00%	2021	2026	\$ 74,655,000	\$ 7,780,000
General Government - Series 2023	2.00% - 5.00%	2023	2028	86,770,000	86,770,000
				<u>\$ 161,425,000</u>	<u>\$ 94,550,000</u>

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

The following schedule details debt service requirements to maturity for the School System's total general obligation bonds payable:

<u>Fiscal Year Ended June 30:</u>	<u>General Obligation Debt</u>		<u>Unamortized Bond Premium</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 32,465,000	\$ 3,818,625	\$ 987,545
2027	33,455,000	2,267,875	502,853
2028	<u>28,630,000</u>	<u>715,750</u>	<u>103,237</u>
Total Principal and Interest	<u>\$ 94,550,000</u>	<u>\$ 6,802,250</u>	<u>\$ 1,593,635</u>

Leases

The School System has acquired copiers and postage machines 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:

	<u>Governmental Activities</u>
Equipment	\$ 222,721
Less: Accumulated Amortization	<u>175,934</u>
	<u>\$ 46,787</u>

During the current fiscal year, the School System entered into a lease agreement as lessee for the right-to-use postage machines at a cost of \$12,291 with a down payment of \$0. This lease qualifies as a lease for accounting purposes, and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

Leases currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Postage Machines	1.00%	10/1/2019	3/31/2029	\$ 12,291	\$ 10,669
Printshop Copiers	9.54%	2/16/2022	1/16/2027	118,934	43,925
				<u>\$ 131,225</u>	<u>\$ 54,594</u>

The following is a schedule of total lease payments:

Fiscal Year Ended June 30:	Principal	Interest
2026	\$ 29,369	\$ 4,206
2027	19,657	1,417
2028	3,040	535
2029	2,528	153
	<u>54,594</u>	<u>6,311</u>
Total Principal and Interest	\$ <u>54,594</u>	\$ <u>6,311</u>

Subscription Liabilities

The School System 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 SBITA 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 lease at June 30, 2025:

	Governmental Activities
Subscription Assets	\$ 2,341,454
Less: Accumulated Amortization	<u>1,347,530</u>
	<u>\$ 993,924</u>

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Subscription liabilities currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Time and Attendance	5.00%	September 2022	June 2026	\$ 238,530	\$ 63,974
Security	5.00%	August 2022	August 2027	2,146,000	798,059
Transportation	5.00%	February 2024	February 2027	169,847	56,571
				<u>\$ 2,554,377</u>	<u>\$ 918,604</u>

The following is a schedule of total subscription liability payments:

Fiscal Year Ended June 30:	Principal	Interest
2026	\$ 509,842	\$ 45,930
2027	408,762	20,438
	<u>918,604</u>	<u>66,368</u>
Total Principal and Interest	\$ <u>918,604</u>	\$ <u>66,368</u>

Compensated Absences

Compensated absences represent obligations of the School System relating to employees' rights to receive compensation for future absences 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. Typically, the general fund is the fund used to liquidate this long-term debt. The School System uses the vesting method to compute compensated absences.

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

The School System 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. Except as described below, the School System carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceed commercial insurance coverage in any of the past three fiscal years.

The School System has elected to self-insure for losses related to torts, assets and natural disasters. In addition, the School System has elected to self-insure for errors or omissions, which includes, among other risks, risks for sexual harassment and discrimination. The School System has not experienced any losses related to these risks in the past three years.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Georgia School Boards Association Risk Management Fund

The School System 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 System 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 System 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 System 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.

Changes in the workers' 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
	\$	<u>3,125,913</u>	\$	<u>1,672,708</u>	\$	<u>2,184,069</u>	\$	<u>2,614,552</u>
2024								
2025								
	\$	<u>2,614,552</u>	\$	<u>2,693,340</u>	\$	<u>2,770,506</u>	\$	<u>2,537,386</u>

Unemployment Compensation

The School System is self-insured with regard to unemployment compensation claims. In connection with this program, a self-insurance reserve has been established within the general fund by the School System. The School System accounts for claims within the general fund 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.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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	\$ 408,333	\$ 50,420	\$ -	\$ 458,753
2025	\$ 458,753	\$ 63,591	\$ 3,320	\$ 519,024

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000
President	\$ 50,000
Vice President	\$ 50,000
Chief Financial Officer	\$ 50,000
Deputy Superintendent	\$ 50,000
Director of Budget and Finance	\$ 20,000
Accounting Supervisors	\$ 20,000
Accounting and Professional Learning Bookkeepers	\$ 10,000
Each Principal	\$ 5,000
Each School Bookkeeper	\$ 5,000
Each High School Business Manager	\$ 5,000
Each Lunchroom Manager	\$ 5,000

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

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

<u>FUND BALANCES</u>		
Nonspendable		
Inventories	\$ 1,173,113	
Prepaid Assets	268,418	\$ 1,441,531
Restricted		
Capital Projects	\$ 65,226,036	
Continuation of Federal Programs	6,393,900	
Debt Service	40,296,469	
Scholarships	119,645	112,036,050
Committed		
Athletics	\$ 109,176	
Employee Benefits	2,295,760	
School Activity Accounts	3,503,335	5,908,271
		75,144,062
Unassigned		
Fund Balance, June 30, 2025	\$	194,529,914

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

It is the goal of the School System to achieve and maintain a committed, assigned, and unassigned fund balance in the general fund at fiscal year-end of not less than 5-10% of prior year general fund budgeted expenditures, not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with O.C.G.A. §20-2-167(a)5. If the unassigned fund balance at fiscal year-end falls below the goal, the School System shall develop a restoration plan to achieve and maintain the minimum fund balance.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

NOTE 10: SIGNIFICANT COMMITMENTS

Commitments Under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School System as of June 30, 2025, together with funding available:

Project	Project Number	Unearned Executed Contracts (1)	Payments through June 30, 2025 (2)	Funding Available From State (1)
Langford Middle School - Phase I	B-21-006-1058	\$ 11,952,919	\$ 3,223,081	\$ -
Langford Middle School - Phase II	B-25-001-1058	22,836,314	497,686	-
Davidson Fine Arts	B-21-007-4562	6,192,412	481,246	-
Richmond Hill Middle School - Bathroom Conversion Project	B-24-030-1885	21,285	507,164	-
Maintenance & Facilities Project	B-21-012-0445	56,074	1,418,272	-
Hornsby	B-21-003-0210	304,739	4,833,514	-
Academy of Richmond County	B-21-005-4060	1,494,735	30,020,079	-
Richmond Hill Elementary School	B-21-001-1062-2	9,471	31,359,483	-
Pine Hill Middle School	B-22-048-0000	141,942	268,209	-
Hephzibah Middle School	B-22-048-0000	64,003	302,957	-
		<u>\$ 43,073,894</u>	<u>\$ 72,911,691</u>	<u>\$ -</u>

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include Contracts and Retainages Payable at year end.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Arbitrage Rebate Tax

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of Investment Income received at yields that exceed the issuer's tax-exempt borrowing rates. The U. S. Treasury requires payment every five years, or upon maturity of the bonds, whichever is earlier. The arbitrage calculation resulted in \$1,994,163 of possible excess earnings, which has the potential of being rebated to the IRS. At June 30, 2025, this amount is reported as a reserve for arbitrage commitments in Governmental activities.

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

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

of the School System. However, the School System believes that such disallowances, if any, will be immaterial to its overall financial position.

NOTE 12: 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 System as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund 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 System were \$10,956,006 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 \$4,040,780 for the School System's employees. This amount is recognized as part of the employer's OPEB contributions.

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

At June 30, 2025, the School System reported a liability of \$185,972,856 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 System'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 System's proportion was 1.631865%, which was an increase (decrease) of -0.029735% from its proportion measured as of June 30, 2023.

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

For the year ended June 30, 2025, the School System recognized OPEB expense of (\$2,418,652). At June 30, 2025, the School System 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	\$ 9,119,788	\$ 33,579,956
Changes of assumptions	21,685,243	18,408,998
Net difference between projected and actual earnings on OPEB plan investments	-	1,210,637
Changes in proportion and differences between School System contributions and proportionate share of contributions	2,027,444	5,233,673
School System contributions subsequent to the measurement date	10,956,006	-
Total	\$ 43,788,481	\$ 58,433,264

School System 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	\$ 841,128
2027	\$ (11,291,551)
2028	\$ (4,973,592)
2029	\$ 733,657
2030	\$ 63,955
Thereafter	\$ (18,379)

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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 Projections 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 Projections scaled 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 adjust 104% for males and 99% for females) with the MP-2019 Project 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 with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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 System's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School System's proportionate share of the net OPEB liability calculated using the discount rate of 3.98%, as well as what the School System's proportionate share of the net OPEB liability

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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 System's proportionate share of the Net OPEB liability	\$ 210,404,086	\$	185,972,856	\$	165,369,631

Sensitivity of the School System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the School System's proportionate share of the net OPEB liability, as well as what the School System'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 System's proportionate share of the Net OPEB liability	\$ 160,691,162	\$	185,972,856	\$	217,041,145

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>.

Postemployment Benefits Other Than Pensions (SEAD – OPEB)

Plan Description: SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits Provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Contributions: Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member’s earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the School System reported an asset of \$36,061 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB asset 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 System’s proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2024. At June 30, 2024, the School System’s proportion was 0.006425%, which was an increase (decrease) of 0.000320% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School System recognized OPEB expense of (\$233). At June 30, 2024, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SEAD-OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 145	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,216
Changes in proportion and differences between School System contributions and proportionate share of contributions	-	499
School System contributions subsequent to the measurement date	16,650	-
Total	\$ 16,795	\$ 3,715

The School System 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.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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:	SEAD-OPEB
2026	\$ 14,531
2027	\$ 1,741
2028	\$ (1,949)
2029	\$ (1,243)

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, applied to all periods included in the measurement:

SEAD - OPEB:

Inflation	2.50%
Salary increases:	
ERS	3.00% - 6.75%
GJRS	3.75%
LRS	N/A
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

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:

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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 OPEB 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 plan investment expense and inflation) are developed for each major asset class.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>SEAD - OPEB Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
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	<u>100.00%</u>	

* Rates shown are net of inflation

Discount Rate: The discount rate used to measure the total OPEB 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 State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School System's proportionate share of the net OPEB asset to changes in the discount rate: The following presents the School System's proportionate share of the net OPEB asset calculated using the discount rate of 7.00 %, as well as what the School System's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 %) or 1-percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net OPEB asset	\$ (27,618)	\$ (36,061)	\$ (42,999)

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS annual comprehensive financial report which is publicly available at www.ers.ga.gov/financials.

NOTE 13: RETIREMENT PLANS

The School System 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 System as defined in O.C.G.A §47-3-60 and certain other support personnel as defined by §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 System's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School System payroll, of which 99.72% of payroll was required from the School System and 0.28% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$42,399,427 and \$29,952 from the School System and the State, respectively.

Employees' Retirement System

Plan Description: The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits Provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200, plus 6.00% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School System's total required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. 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. Employer contributions to the pension plan were \$19,276 for the current fiscal year.

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

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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 \$610,376.

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

At June 30, 2025, the School System reported a liability of \$310,235,891 for its proportionate share of the net pension liability for TRS (\$310,137,210) and ERS (\$98,681).

The TRS net pension liability reflected a reduction for support provided to the School System by the State of Georgia for certain public school support personnel. The amount recognized by the School System 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 System were as follows:

School System's proportionate share of the net pension liability (TRS)	\$	310,137,210
School System's proportionate share of the net pension liability (ERS)		98,681
School System's proportionate share of net pension liability		310,235,891
State of Georgia's proportionate share of the net pension liability associated with the School System		591,417
Total	\$	310,827,308

The net pension liability for TRS and ERS 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 System's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2024.

At June 30, 2024, the School System's TRS proportion was 1.233905%, which was a decrease of 0.45210% from its proportion measured as of June 30, 2023. At June 30, 2024, the School System's ERS proportion was 0.002192%, which was an a decrease of 0.000097% from its proportion measured as of June 30, 2023.

At June 30, 2025, the School System 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 System is \$2,771,083.

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

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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 System 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 System recognized pension expense of \$49,632,595 for TRS, (\$29,437.00) for ERS and \$30,553 for PSERS and revenue of \$29,952 for TRS and \$30,553 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 System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,094,183	\$ 926,934	\$ 5,289	\$ -
Changes of assumptions	21,574,743	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	43,239,819	-	11,114
Changes in proportion and differences between School System contributions and proportionate share of contributions	1,750,733	12,185,803	-	7,689
School System contributions subsequent to the measurement date	42,399,427	-	19,276	-
Total	\$ 100,819,086	\$ 56,352,556	\$ 24,565	\$ 18,803

The School System contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year

RICHMOND COUNTY SCHOOL SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "G"

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	ERS
2026	\$ 44,901,078	\$ 10,188
2027	\$ 35,935,096	\$ 6,665
2028	\$ (21,190,145)	\$ (6,764)
2029	\$ (15,179,499)	\$ (4,327)

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.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Employees' Retirement System:

Inflation	2.50%
Salary increases	3.00% – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.05%, 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:

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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.

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:

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
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%

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

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, ERS 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/ERS/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 ERS and 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, ERS 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 System's proportionate share of the net pension liability to changes in the discount rate: The following presents the School System's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00%, as well as what the School System's proportionate share of the

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability	\$ 533,808,218	\$ 310,137,210	\$ 127,553,202
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net pension liability	\$ 148,675	\$ 98,681	\$ 56,636

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

Defined Contribution Plan

In November 1999, the School System began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School System selected Variable Annuity Life Insurance Company (VALIC) as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal up to 6% of the employee's base pay.

The employee becomes vested in the plan with five years of experience. Employees who had already achieved five years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and five years of service to the Richmond County School System. If an employee terminates employment prior to achieving five years of service, funds paid on behalf of the non-vested employee are credited back to the School System.

The vendor for the plan changed to Corebridge Financial in October 2022.

RICHMOND COUNTY SCHOOL SYSTEM
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2025

EXHIBIT "G"

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

Fiscal Year	Percentage Contributed	Required Contribution
2025	100%	\$ 474,605
2024	100%	\$ 288,969
2023	100%	\$ 290,613

NOTE 14: RESTATEMENT OF PRIOR YEAR NET POSITION

Net position as of July 1, 2024, has been restated as follows for the adoption of GASB 101 – Compensated Absences. This change is in accordance with generally accepted accounting principles.

Net Position, July 1, 2024, as previously reported	\$	352,716,717
GASB 101 - Compensated Absences		(31,801,552)
Net Position, July 1, 2024, as restated	\$	320,915,165

NOTE 15: SUBSEQUENT EVENTS

Voters previously authorized the School System to issue general obligation bonds. Subsequent to year-end the School System has issued \$194,705,000 of these bonds as of the report date.

Subsequent to year-end, the School System entered into a 5-year lease agreement for copiers of \$1,066,560.

RICHMOND 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 System's	State of Georgia's		School System's		School System's	Plan fiduciary net
	proportion of the net pension liability	proportionate share of the net pension liability associated with the School System	Total	School System's covered payroll	proportionate share of the net pension liability as a percentage of its covered payroll	position as a percentage of the total pension liability	
2025	1.23%	\$ 591,417	\$ 310,728,627	\$ 193,002,989	160.69%	80.86%	
2024	1.28%	\$ 639,791	\$ 378,289,477	\$ 187,976,419	200.90%	76.29%	
2023	1.28%	\$ 703,667	\$ 416,595,093	\$ 174,761,334	237.98%	72.85%	
2022	1.34%	\$ 217,217	\$ 119,092,482	\$ 175,986,671	67.55%	92.03%	
2021	1.29%	\$ 646,779	\$ 312,063,119	\$ 166,173,980	187.40%	77.01%	
2020	1.28%	\$ 573,047	\$ 276,329,314	\$ 156,868,021	175.79%	78.56%	
2019	1.34%	\$ 583,779	\$ 249,698,676	\$ 162,629,880	153.18%	80.27%	
2018	1.39%	\$ 2,859,350	\$ 261,713,475	\$ 165,244,807	156.65%	79.33%	
2017	1.42%	\$ 3,992,533	\$ 296,221,136	\$ 155,958,419	187.38%	76.06%	
2016	1.44%	\$ 3,042,061	\$ 222,772,438	\$ 154,846,238	141.90%	81.44%	

RICHMOND 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			School District's covered payroll	Contribution as a percentage of covered payroll
		to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll		
2025	\$ 42,399,427	\$ 42,399,427	\$ -	\$ 204,485,732	20.73%	
2024	\$ 38,503,732	\$ 38,503,732	\$ -	\$ 193,002,989	19.95%	
2023	\$ 37,494,496	\$ 37,494,496	\$ -	\$ 187,976,419	19.95%	
2022	\$ 34,571,707	\$ 34,571,707	\$ -	\$ 174,761,334	19.78%	
2021	\$ 33,493,032	\$ 33,493,032	\$ -	\$ 175,986,671	19.03%	
2020	\$ 35,063,017	\$ 35,063,017	\$ -	\$ 166,173,980	21.10%	
2019	\$ 32,679,487	\$ 32,679,487	\$ -	\$ 156,868,021	20.83%	
2018	\$ 27,879,425	\$ 27,879,425	\$ -	\$ 162,629,880	17.14%	
2017	\$ 23,112,521	\$ 23,112,521	\$ -	\$ 165,244,807	13.99%	
2016	\$ 22,255,266	\$ 22,255,266	\$ -	\$ 155,958,419	14.27%	

RICHMOND COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

Year Ended	School System's proportion of the net pension liability	School System's proportionate share of the net pension liability	School System's covered payroll	School System's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total net pension liability
2025	0.002192%	\$ 98,681	\$ 64,454	153.10%	78.75%
2024	0.002289%	\$ 136,552	\$ 62,839	217.30%	71.20%
2023	0.003403%	\$ 227,268	\$ 96,991	234.32%	67.44%
2022	0.004955%	\$ 115,893	\$ 118,770	97.58%	87.62%
2021	0.005798%	\$ 244,383	\$ 146,195	167.16%	76.21%
2020	0.006927%	\$ 285,845	\$ 174,629	163.69%	76.74%
2019	0.006633%	\$ 272,685	\$ 169,434	160.94%	76.68%
2018	0.006458%	\$ 262,281	\$ 181,731	144.32%	76.33%
2017	0.004710%	\$ 222,803	\$ 141,105	157.90%	72.34%
2016	0.003872%	\$ 156,870	\$ 86,574	181.20%	76.20%

RICHMOND COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 EMPLOYEES' 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 System's covered payroll	Contribution as a percentage of covered payroll
	Contractually required contribution		the contractually required contribution				
2025	\$ 19,276	\$ 19,276	\$ 19,276	\$ -	\$ -	66,012	29.20%
2024	\$ 18,917	\$ 18,917	\$ 18,917	\$ -	\$ -	64,454	29.35%
2023	\$ 19,486	\$ 19,486	\$ 19,486	\$ -	\$ -	62,839	31.01%
2022	\$ 23,891	\$ 23,891	\$ 23,891	\$ -	\$ -	96,991	24.63%
2021	\$ 29,289	\$ 29,289	\$ 29,289	\$ -	\$ -	118,770	24.66%
2020	\$ 36,052	\$ 36,052	\$ 36,052	\$ -	\$ -	146,195	24.66%
2019	\$ 43,273	\$ 43,273	\$ 43,273	\$ -	\$ -	174,629	24.78%
2018	\$ 41,289	\$ 41,289	\$ 41,289	\$ -	\$ -	169,434	24.37%
2017	\$ 43,930	\$ 43,930	\$ 43,930	\$ -	\$ -	181,731	24.17%
2016	\$ 27,153	\$ 27,153	\$ 27,153	\$ -	\$ -	141,105	19.24%

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

For the Year Ended June 30	School System's proportion of the net pension liability	School System's share of the net pension liability	State of Georgia's proportionate share of the net pension liability associated with the School System	Total	School System's covered payroll	School System's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
		\$	\$	\$	\$		
2025	0.00%	\$ -	\$ 2,771,083	\$ 2,771,083	\$ 16,734,405	N/A	90.02%
2024	0.00%	\$ -	\$ 3,867,638	\$ 3,867,638	\$ 15,963,790	N/A	85.67%
2023	0.00%	\$ -	\$ 5,116,154	\$ 5,116,154	\$ 15,757,189	N/A	81.21%
2022	0.00%	\$ -	\$ 524,543	\$ 524,543	\$ 15,546,739	N/A	98.00%
2021	0.00%	\$ -	\$ 3,805,288	\$ 3,805,288	\$ 16,221,989	N/A	84.45%
2020	0.00%	\$ -	\$ 3,493,102	\$ 3,493,102	\$ 16,082,071	N/A	85.02%
2019	0.00%	\$ -	\$ 3,707,324	\$ 3,707,324	\$ 18,668,558	N/A	85.26%
2018	0.00%	\$ -	\$ 3,565,584	\$ 3,565,584	\$ 21,691,771	N/A	85.69%
2017	0.00%	\$ -	\$ 4,330,927	\$ 4,330,927	\$ 14,721,301	N/A	81.00%
2016	0.00%	\$ -	\$ 2,704,777	\$ 2,704,777	\$ 12,766,477	N/A	87.00%

RICHMOND 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 System's proportion of the net OPEB liability	School System's proportionate share of the net OPEB liability	State of Georgia's proportionate share of the net OPEB liability associated with the School System		Total	School System's covered- employee payroll	School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	1.63187%	\$ 185,972,856	\$ -	\$ 185,972,856	\$ 161,138,294	115.41%	6.88%	
2024	1.66160%	\$ 182,001,898	\$ -	\$ 182,001,898	\$ 155,141,253	117.31%	6.05%	
2023	1.66816%	\$ 165,200,821	\$ -	\$ 165,200,821	\$ 134,623,323	122.71%	6.17%	
2022	1.65735%	\$ 179,504,499	\$ -	\$ 179,504,499	\$ 154,303,914	116.33%	6.14%	
2021	1.64553%	\$ 241,690,475	\$ -	\$ 241,690,475	\$ 138,246,787	174.83%	3.99%	
2020	1.62723%	\$ 199,696,033	\$ -	\$ 199,696,033	\$ 125,044,442	159.70%	4.63%	
2019	1.74795%	\$ 222,159,208	\$ -	\$ 222,159,208	\$ 143,158,148	155.18%	2.93%	
2018	1.74795%	\$ 248,008,625	\$ -	\$ 248,008,625	\$ 118,577,531	209.15%	1.61%	

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

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

SCHEDULE "7"

For the Year Ended June 30	Contractually	Contributions in		Contribution	School System's	Contribution as a
	required	relation to the	deficiency (excess)		covered-employee	
	contribution	contractually required	contribution		payroll	percentage of
						covered-employee
						payroll
2025	\$ 10,956,006	\$ 10,956,006	\$ -	\$ -	\$ 145,260,918	7.54%
2024	\$ 6,673,984	\$ 6,673,984	\$ -	\$ -	\$ 161,138,294	4.14%
2023	\$ 6,387,919	\$ 6,387,919	\$ -	\$ -	\$ 155,141,253	4.12%
2022	\$ 6,031,647	\$ 6,031,647	\$ -	\$ -	\$ 134,623,323	4.48%
2021	\$ 6,165,056	\$ 6,165,056	\$ -	\$ -	\$ 154,303,914	4.00%
2020	\$ 5,564,809	\$ 5,564,809	\$ -	\$ -	\$ 138,246,787	4.03%
2019	\$ 8,763,763	\$ 8,763,763	\$ -	\$ -	\$ 125,044,442	7.01%
2018	\$ 9,059,466	\$ 9,059,466	\$ -	\$ -	\$ 143,158,148	6.33%

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

RICHMOND COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
 SEAD - OPEB

For the Year Ended June 30	School System's proportion of the net OPEB asset	School System's share of the net OPEB asset	School System's covered- employee payroll	School System's proportionate share of the net OPEB liability as a percentage of covered- employee payroll	Plan fiduciary net position as a percentage of total OPEB liability
2025	0.006425%	\$ (36,061)	\$ 67,703	-53.26%	155.14%
2024	0.006105%	\$ (26,923)	\$ 50,272	-53.55%	144.49%
2023	0.008133%	\$ (29,896)	\$ 96,445	-31.00%	138.03%
2022	0.010957%	\$ (67,476)	\$ 120,620	-55.94%	164.76%
2021	-0.012269%	\$ (34,846)	\$ 131,842	-26.43%	129.20%
2020	-0.013690%	\$ (38,711)	\$ 174,629	-22.17%	129.73%
2019	-0.012222%	\$ (33,078)	\$ 116,419	-28.41%	129.46%
2018	-0.010878%	\$ (28,272)	\$ 40,659	-69.53%	130.17%

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

RICHMOND COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 SEAD - OPEB

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School System's covered-employee payroll	Contribution as a percentage of covered- employee payroll
2025	\$ 16,650	\$ 16,650	\$ -	\$ 66,284	25.12%
2024	\$ 18,917	\$ 18,917	\$ -	\$ 67,703	27.94%
2023	\$ 19,486	\$ 19,486	\$ -	\$ 50,272	38.76%
2022	\$ 23,891	\$ 23,891	\$ -	\$ 96,445	24.77%
2021	\$ 29,289	\$ 29,289	\$ -	\$ 120,620	24.28%
2020	\$ 36,052	\$ 36,052	\$ -	\$ 131,842	27.34%
2019	\$ 43,273	\$ 43,273	\$ -	\$ 174,629	24.78%
2018	\$ 41,289	\$ 41,289	\$ -	\$ 116,419	35.47%

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

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%.

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, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forwarded 2 years for both males and females).

A new funding policy was initially adopted the Board on March 15, 2018, and most recently amended on June 18, 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 rate of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return of 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed

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."

SEAD-OPEB Employer

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

Changes of assumptions: On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. 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 the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018. 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 Systems based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. 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 OPEB Liability.

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

SCHEDULE "11"

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 136,950,000	\$ 136,950,000	\$ 140,935,757	\$ 3,985,757
Sales Taxes	2,000,000	2,000,000	2,131,373	131,373
State Funds	228,216,918	230,160,065	236,088,396	5,928,331
Federal Funds	82,310,047	89,839,912	81,858,245	(7,981,667)
Charges for Services	1,231,050	1,231,050	1,269,264	38,214
Investment Earnings	2,227,350	2,227,350	3,730,550	1,503,200
Miscellaneous	3,837,227	4,756,040	5,473,894	717,854
Total Revenues	456,772,592	467,164,417	471,487,479	4,323,062
EXPENDITURES				
Current				
Instruction	246,860,409	249,252,758	247,594,177	1,658,581
Support Services				
Pupil Services	26,378,531	26,959,115	24,580,994	2,378,121
Improvement of Instructional Services	28,398,227	34,912,998	27,459,396	7,453,602
Educational Media Services	6,446,138	6,502,957	6,302,916	200,041
General Administration	7,684,980	10,017,601	8,934,859	1,082,742
School Administration	32,072,980	32,466,564	33,780,953	(1,314,389)
Business Administration	6,027,702	3,585,344	3,430,098	155,246
Maintenance and Operation of Plant	41,297,615	41,030,586	39,916,989	1,113,597
Student Transportation Services	31,155,002	31,718,191	29,726,749	1,991,442
Central Support Services	10,031,789	10,031,689	8,312,806	1,718,883
Other Support Services	253,923	267,534	2,208,861	(1,941,327)
Food Services Operation	26,516,343	26,516,343	26,313,049	203,294
Capital Outlay	1,438,845	2,791,393	2,542,969	248,424
Debt Service				
Redemption of Principal	-	-	713,715	(713,715)
Interest	-	-	86,703	(86,703)
Total Expenditures	464,562,484	476,053,073	461,905,234	14,147,839
Excess of Revenues over (under) Expenditures	(7,789,892)	(8,888,656)	9,582,245	18,470,901
OTHER FINANCING SOURCES (USES)				
Sale or Compensation for the Loss of Capital Assets	-	-	1,360,367	1,360,367
Other Revenue	199,950	199,950	-	(199,950)
Lease Liability Proceeds	-	-	12,290	12,290
Operating Transfers from Other Funds	7,600	7,600	-	(7,600)
Operating Transfers to Other Funds	(328,600)	(328,600)	(321,000)	7,600
Total Other Financing Sources (Uses)	(121,050)	(121,050)	1,051,657	1,172,707
Net Change in Fund Balances	(7,910,942)	(9,009,706)	10,633,902	19,643,608
Fund Balances - Beginning	78,373,507	78,373,507	78,373,507	-
Fund Balances - Ending	<u>\$ 70,462,565</u>	<u>\$ 69,363,801</u>	<u>\$ 89,007,409</u>	<u>\$ 19,643,608</u>

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 (\$0) or expenditures (\$0) of the various principal accounts. The actual revenues and expenditures of the various principal accounts are \$4,082,194 and \$3,645,637, 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.

RICHMOND COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

SCHEDULE "12"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES	
Agriculture, U. S. Department of				
Child Nutrition Cluster				
Pass-Through From Georgia Department of Education				
Food Services				
School Breakfast Program	10.553	245GA324N1199	\$ 6,820,404	
National School Lunch Program	10.555	245GA324N1199	18,347,169	(1)(3)
Special Milk Program for Children	10.556	245GA324N1199	1,471,091	
Fresh Fruit and Vegetable Program	10.582	245GA324N1199	196,240	
Total Child Nutrition Cluster			26,834,904	
Education, U. S. Department of				
Direct				
Impact Aid				
Payments for Federally Connected Children - Section 7003	84.041B			(2)
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	6,167,993	
COVID-19 - American Rescue Plan Elementary and Secondary School				
Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	75,532	
Total Education Stabilization Fund			6,243,525	
Special Education Cluster				
Pass-Through From Georgia Department of Education				
Special Education				
Grants to States	84.027A	H027A250073	6,853,695	
Grants to States	84.027A	H027A240073	1,736	
Preschool Grants	84.173A	H173A250081	149,018	
Total Special Education Cluster			7,004,449	

See notes to the basic financial statements.

RICHMOND COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Other Programs			
Direct			
Innovative Approaches to Literacy	84.215G		1,341,224
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A250010	454,938
Education for Homeless Children and Youth	84.196A	S196A250011	84,852
Education for Homeless Children and Youth	84.196A	S196A240011	28,405
English Language Acquisition State Grants	84.365A	S365A250010	65,285
Student Support and Academic Enrichment Program	84.424A	S424A250011	2,202,638
Student Support and Academic Enrichment Program	84.424A	S424A240011	136,765
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A230001	2,285,009
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	S367A240001	6,943
Title I Grants to Local Educational Agencies	84.010A	S010A250010	22,009,266
Title I Grants to Local Educational Agencies	84.010A	S010A240010	1,177,967
Twenty-First Century Community Learning Centers	84.287C	S287C240010	9,736
Total Other Programs			<u>29,803,028</u>
Total U. S. Department of Education			<u>43,051,002</u>
Environmental Protection Agency, U. S.			
Direct			
Clean School Bus Program	66.045		9,875,000
Total U. S. Environmental Protection Agency			<u>9,875,000</u>
Homeland Security, U.S. Department of			
Pass-Through From Georgia Emergency Management and Homeland Security Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disas	97.036		(5)
Defense, U. S. Department of			
Direct			
Department of the Air Force			
R.O.T.C. Program	12.UNKNOWN		82,639
Department of the Army			
R.O.T.C. Program	12.UNKNOWN		237,175
Department of the Navy			
R.O.T.C. Program	12.UNKNOWN		314,466
Total U. S. Department of Defense			<u>634,280</u>
Total Expenditures of Federal Awards			<u>\$ 80,395,186</u>

See notes to the basic financial statements.

RICHMOND COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2025

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 Richmond 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.

- (1) Expenditures for the fund earned on the Snack Program (\$116,780) were not maintained separately and are included in the 2025 National School Lunch Program.
- (2) Funds earned on the Impact Aid Program, in the amount of (\$672,745), do not require reporting of expenditures.
- (3) During the year ended June 30, 2025, program income and federal funds related to the Child Nutrition Cluster were comingled and are included in the accompanying schedule of federal awards.
- (4) Funds earned from Medicaid reimbursements, in the amount of (\$3,169,469), do not require reporting of expenditures.
- (5) Funds reimbursed from the Federal Emergency Management Agency (FEMA) for Hurricane Helene Disaster Recovery, in the amount of (\$595,536), do not require reporting of expenditures.

Note 4. Elementary and Secondary School Emergency Relief Fund Activity

For the year ended June 30, 2025, the amount reflected on the Schedule for the Elementary and Secondary School Emergency Relief Fund/American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ALN 84.425D/U) includes \$0 of approved eligible expenditures that were incurred in a prior fiscal year.

Note 5. Schoolwide Consolidation of Funds

Federal, state, and local funds were consolidated into one fund to support Title I schools operating a schoolwide program. The following federal programs and amounts were included in this schoolwide consolidation of funds:

ALN	Program Name	Amount
84.010A	Title I Grants to Local Educational Agencies	\$ 15,082,274
	Total Federal Funds in Schoolwide Consolidation of Funds	<u>\$ 15,082,274</u>

See notes to the basic financial statements.

RICHMOND COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2025

SCHEDULE "13"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 7,135,849	\$ -	\$ 7,135,849
Education, Georgia Department of			
Quality Basic Education (1)			
Direct Instructional Cost			
Kindergarten Program	9,970,742	-	9,970,742
Kindergarten Program - Early Intervention Program	6,690,633	-	6,690,633
Primary Grades (1-3) Program	23,398,242	-	23,398,242
Primary Grades - Early Intervention (1-3) Program	17,859,238	-	17,859,238
Upper Elementary Grades (4-5) Program	11,542,407	-	11,542,407
Upper Elementary Grades - Early Intervention (4-5) Program	8,586,036	-	8,586,036
Middle School (6-8) Program	25,826,004	-	25,826,004
High School General Education (9-12) Program	27,003,996	-	27,003,996
Vocational Laboratory (9-12) Program	4,766,288	-	4,766,288
Students with Disabilities	39,744,432	-	39,744,432
Gifted Student - Category VI	7,439,156	-	7,439,156
Remedial Education Program	2,924,402	-	2,924,402
Alternative Education Program	1,958,075	-	1,958,075
English Speakers of Other Languages (ESOL)	1,744,230	-	1,744,230
Media Center Program	4,667,998	-	4,667,998
Twenty Days Additional Instruction	1,464,733	-	1,464,733
Staff and Professional Development	851,306	-	851,306
Principal Staff and Professional Development	18,652	-	18,652
Indirect Cost			
Central Administration	4,198,534	-	4,198,534
School Administration	10,229,933	-	10,229,933
Facility Maintenance and Operations	8,358,291	-	8,358,291
Categorical Grants			
Pupil Transportation			
Pupil Transportation	5,428,201	-	5,428,201
Nursing Services	703,625	-	703,625
Mid-term Hold-Harmless	246,155	-	246,155
Vocational Supervisors	28,884	-	28,884
Education Equalization Funding Grant	23,388,525	-	23,388,525
Food Services	829,429	-	829,429
Career, Technical and Agricultural Education (CTAE)	200,847	-	200,847
Other State Programs			
Bus Purchases - State Allotment	792,990	-	792,990
Custodian Supplement - State Funded	247,000	-	247,000
Dyslexia Services Grant	78,632	-	78,632
GNETS State Grant	1,059,117	-	1,059,117
GRASP-Graduate Ready to Attain Success in Postsecondary	113,709	-	113,709
Health Insurance	4,040,780	-	4,040,780
Hygiene Products in Georgia Schools	24,511	-	24,511
International Baccalaureate Exam Fee Incentive Grant	8,446	-	8,446
Math and Science Supplements	163,402	-	163,402
Paraprofessional to Teacher Reimbursement Grant	6,800	-	6,800
Preschool Disability Services	771,722	-	771,722
Pupil Transportation - State Bonds	176,220	-	176,220
Residential Treatment Centers Grant	357,313	-	357,313
School Security Grant	312,089	-	312,089
State School Security Grant	2,403,324	-	2,403,324
Teachers Retirement	118,321	-	118,321
Office of the State Treasurer			
Public School Employees Retirement	610,376	-	610,376
	<u>268,489,595</u>	<u>-</u>	<u>268,489,595</u>
OTHER			
QBE Contra Account			
Local Fair Share (Current Year)	(32,401,199)	-	(32,401,199)
Total Quality Basic Education Formula Earnings (State and Local Funds)	-	-	-
One Time QBE Adjustment			
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	4,020,410	4,020,410
	<u>(32,401,199)</u>	<u>4,020,410</u>	<u>(28,380,789)</u>
	<u>\$ 236,088,396</u>	<u>\$ 4,020,410</u>	<u>\$ 240,108,806</u>

(1) Payments to the Georgia Department of Community Health by the Georgia Department of Education on behalf of the School System are reported separately in the schedule above; however, the payments are part of the Quality Basic Education revenue allotments for the School System.

See notes to the basic financial statements.

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

	ORIGINAL ESTIMATED COST (1) (7)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	ESTIMATED COMPLETION DATE
SPL0ST 2017 (4)						
(a)(e) Acquiring, Constructing, Equipping New Elementary School and	\$ -	\$ -	\$ -	\$ 94,323,199	\$ 94,323,199	Various
(b) Acquiring, Constructing, Equipping Additions to Facilities	-	-	469,376	92,626,482	93,095,858	Various
(c) Textbooks and Technology	-	-	-	23,300,132	23,300,132	Various
(d) School Buses and Vehicles	-	-	-	6,708,318	6,708,318	Various
(f) Interest on General Obligation Debt	-	-	-	23,299,188	23,299,188	October 2022
(g) Expenses for the Imposition of the SPL0ST	-	-	-	5,15,657	5,15,657	June 2022
Total SPL0ST 2017	\$ 225,000,000	\$ 243,000,000	\$ 469,376	\$ 240,772,976	\$ 241,242,352	
SPL0ST 2021 (5)						
(a) Acquiring, Constructing, Equipping New School Buildings and Facilities	\$ -	\$ -	\$ 14,430,579	\$ 73,326,495	\$ 87,757,074	Various
(b) (f) (e) Adding to Existing Schools, Replacing Furniture, Roofs, Heating, Ventilation and Air Conditioning	-	-	25,918,823	37,317,506	63,236,329	Various
(c) Acquiring Technology and Computers	-	-	9,983,479	3,601,510	13,584,989	Various
(d) School Buses and Vehicles	-	-	4,269,426	3,587,445	7,856,871	Various
(h) Interest on General Obligation Debt	-	-	5,520,000	10,848,521	16,368,521	October 2025
(i) Expenses for the Imposition of the SPL0ST	-	-	79,483	3,439,104	3,518,587	June 2025
Total SPL0ST 2021	\$ 230,000,000	\$ 230,000,000	\$ 60,201,790	\$ 132,120,581	\$ 192,322,371	
SPL0ST 2025 (6)						
(a) Acquiring, Constructing, Equipping New School Buildings and Facilities	\$ -	\$ -	\$ 1,326,052	\$ -	\$ 1,326,052	Various
(h) Expenses for the Imposition of the SPL0ST	-	-	125,230	-	125,230	September 2025
Total SPL0ST 2025	\$ 256,000,000	\$ 256,000,000	\$ 1,451,282	\$ -	\$ 1,451,282	
GRAND TOTAL	\$ 711,000,000	\$ 729,000,000	\$ 62,122,448	\$ 372,893,557	\$ 435,016,005	

See notes to the basic financial statements.

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

- 1 The School System's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.
- 2 The School System's current estimate of total cost for the projects. Includes all costs from project inception to completion. The current estimated cost may increase over the original cost estimate as a result of increased tax collections and investment earnings.
- 3 The voters of Richmond 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 The purpose of the SPLOST issued in 2017 was for (a) acquiring, constructing, installing and equipping new school buildings and facilities and other buildings and facilities useful or desirable in connection therewith; (b) Acquiring, constructing, installing and equipping additions to existing schools, including without limitation new classroom space and athletic facilities for physical and general educational purposes, adding to, renovating, removing, repairing, improving and equipping existing school buildings and other buildings and facilities useful or desirable in connection therewith; acquiring, constructing and equipping safety structures and facilities useful or desirable in connection with any of the foregoing, acquiring the necessary property and rights in property therefor, both real and personal; (c) Acquiring text books and technology hardware and software and equipment in connection with the foregoing; (d) acquiring, constructing, installing and equipping school buses and other vehicles for the safety, security and maintenance of the school facilities and equipment and buildings and facilities for the repair and maintenance thereof; (e) Demolishing existing buildings and facilities located on school property that are no longer useful for public school purposes; (f) To pay capitalized interest on the general obligation debt to be incurred and, (g) To pay or reimburse the expenses of the Board necessary to accomplish the foregoing, including the expenses of the Board incurred in connection with calling the election and imposing the SPLOST.
- 5 The purpose of the SPLOST issued in 2021 was for (a) Acquiring, constructing, installing and equipping new school buildings and facilities and other buildings and facilities useful or desirable in connection therewith; (b) Adding to, renovating, removing, repairing, improving and equipping existing schools, including without limitation new classroom space, athletic facilities for physical and general educational purposes as well as interscholastic athletics, and new and existing theaters and auditoriums; (c) Acquiring technology hardware and software, including without limitation computers or computing devices for student use; (d) Acquiring school buses and other vehicles for the safety, security and maintenance of the school facilities and equipment and buildings and facilities for the repair and maintenance thereof; (e) Replacing roofs and heating, ventilation and air conditioning equipment throughout the School System; (f) Replacing furniture, fixtures and equipment at schools throughout the School System; (g) Acquiring the necessary property and rights in property therefor, both real and personal; (h) To pay capitalized interest on the general obligation debt to be incurred and, (i) To pay or reimburse the expenses of the Board necessary to accomplish the foregoing, including the expenses of the Board incurred in connection with calling the election and imposing the SPLOST.
- 6 The purpose of the SPLOST issued in 2025 was for (a) Acquiring, constructing, installing and equipping new and replacement school buildings and facilities and other buildings and facilities useful or desirable in connection therewith; (b) Adding to, renovating, removing, repairing, improving and equipping existing schools, including without limitation new classroom space, athletic facilities for physical and general educational purposes as well as interscholastic athletics and new and existing theaters and auditoriums; (c) Acquiring technology hardware and software, including without limitation computers or computing devices for student use; (d) Acquiring school buses and other vehicles for the safety, security and maintenance of the school facilities and equipment and buildings and facilities for the repair and maintenance thereof; (e) Replacing roofs and heating, ventilation and air conditioning equipment throughout the School System; (f) Replacing furniture, fixtures and equipment at schools throughout the School System; (g) Acquiring the necessary property and rights in property therefor, both real and personal (collectively, the "Project"); (h) To pay or reimburse the expenses of the Board necessary to accomplish the foregoing, including the expenses of the Board incurred in connection with imposing the SPLOST.
- 7 The original estimated cost for the 2017, 2021, and 2025 SPLOSTs include estimated proceeds from the imposition of a 1% sales tax, state capital outlay funding, and other local funds.

Michelle Bennett, CPA
Rick L. Evans, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA
Abram J. Serotta, CPA

Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA



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 Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richmond County Board of Education as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Richmond County Board of Education’s basic financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Richmond County Board of Education’s internal control over financial reporting (internal control) to determine the 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 Richmond County Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Richmond County Board of Education’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Richmond County Board of Education'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 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 on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia

January 20, 2026

Michelle Bennett, CPA
Rick L. Evans, CPA
Jay Sanders, CPA
Wanda F. Scott, CPA
Abram J. Serotta, CPA

Joel R. Stewart, CPA
Andrea Usry, CPA
David Ussery, CPA
Paul Wade, CPA



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

To the Superintendent and Members of the
Richmond County Board of Education
Augusta, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Richmond County Board of Education's 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 Richmond County Board of Education's major federal programs for the year ended June 30, 2025. The Richmond County Board of Education'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 Richmond County Board of Education 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; 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 Richmond County Board of Education 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 Richmond County Board of Education'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 Richmond County Board of Education'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 Richmond County Board of Education'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 generally accepted auditing standards, *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 Richmond County Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Richmond County Board of Education'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 Richmond County Board of Education'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 Richmond County Board of Education'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.

Serotta Maddocks Evans & Co.
SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
January 20, 2026

RICHMOND COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Prior Year Findings and Questioned Costs - Financial Statement Audit

No matters were reported.

Prior Year Findings and Questioned Costs - Major Federal Award Programs Audit

No matters were reported.

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

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Richmond County Board of Education were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Richmond County Board of Education, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for Richmond County Board of Education expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) reported in this Schedule.
7. The programs tested as major programs included:
 - Title I Grants to Local Educational Agencies (Assistance Listing No. 84.010)
 - Clean School Bus Program (Assistance Listing No. 66.045)
8. The threshold used for distinguishing between Type A and Type B programs was \$2,411,856.
9. The Richmond County Board of Education was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

NONE

C. Findings and Questioned Costs - Major Federal Award Programs Audit

NONE