FORSYTH COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2025

FORSYTH COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT

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TABLE OF CONTENTS

I. FINANCIAL SECTION

FORSYTH COUNTY BOARD OF EDUCATION
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

II. SINGLE AUDIT SECTION

I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Forsyth County Board of Education
Cumming, 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 **Forsyth 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 Forsyth 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 Forsyth County Board of Education as of June 30, 2025, and the respective changes in financial position and the budgetary comparison statement for the General Fund 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 (Governmental Auditing Standards). 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 Forsyth 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.

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 Forsyth 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.

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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 Forsyth 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 Forsyth 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, the Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, Schedule of Contributions – Teachers Retirement System of Georgia, Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia, Schedule of Proportionate Share of the Net OPEB Liability – School OPEB Fund, and the Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Forsyth County Board of Education's basic financial statements. The accompanying combining nonmajor fund financial statements, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards, 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*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of the Forsyth 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 Forsyth 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 the Forsyth County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 5, 2026

FORSYTH COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- On the district-wide financial statements, the assets and deferred outflows of resources of the School District exceeded liabilities and deferred inflows of resources by $306.0 million.
- The School District had $860.1 million in expenses relating to governmental activities; only $419.1 million of these expenses are offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $478.8 million were adequate to provide for these programs.
- As stated above, general revenues accounted for $478.8 million or 53.3% of all revenues totaling $897.9 million. Program specific revenues in the form of charges for services, grants and contributions accounted for the remaining revenues.
- Net position for the School District increased by $37.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The Governmental Funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fund financial statements reflect the School District's major funds. In the case of the Forsyth County School District, the General Fund and Capital Projects Fund are reported as major funds.

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

District-Wide Statements

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

These two statements report the School District's net assets and any changes in the net position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the results of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

The Statement of Net Position and the Statement of Activities reflects the School District's governmental activities.

Fund Financial Statements

The School District uses many funds to account for a multitude of financial transactions during the fiscal year. However, the fund financial statements presented in this report provide separate columns of detailed information about only the School District's major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using the **modified accrual basis of accounting** which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2025
ASSETS		
Current and other assets	$ 344,485,940	$ 328,917,325
Capital assets	1,206,459,302	1,260,182,434
Total assets	1,550,945,242	1,589,099,759
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	38,763	-
Pension related items	232,046,163	208,016,588
OPEB related items	104,452,548	90,857,847
Total deferred outflows of resources	336,537,474	298,874,435
LIABILITIES		
Current liabilities	70,844,169	100,990,732
Long-term liabilities	1,421,036,405	1,306,494,554
Total liabilities	1,491,880,574	1,407,485,286
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	-	636,148
Pension related items	2,705,818	276,728,573
OPEB related items	124,692,821	152,745,869
Total deferred inflows of resources	127,398,639	430,110,590
NET POSITION		
Net investment in capital assets	738,872,676	836,403,344
Restricted	85,658,224	62,933,341
Unrestricted	(556,327,397)	(593,321,695)
Total net position	$ 268,203,503	$ 306,014,990

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2025
Revenues		
Program revenues:		
Charges for services	$ 16,498,344	$ 15,717,275
Operating grants and contributions	393,290,884	375,961,891
Capital grants and contributions	352,440	27,437,799
General revenues:		
Taxes:		
Property taxes		
For maintenance and operations	307,752,261	328,765,308
For debt service	28,637,858	30,810,397
Sales taxes	60,233,749	63,356,125
Other taxes:		
Intangible taxes	5,283,514	6,068,224
Real estate transfer taxes	2,974,399	3,312,110
Title ad valorem tax	26,007,035	25,213,166
Unrestricted investment earnings	12,378,058	9,814,917
Gain on disposal of capital assets	171,373	-
Other	9,512,589	11,456,994
Total revenues	863,092,504	897,914,206
Expenses		
Instruction	586,148,204	595,013,834
Support services:		
Pupil services	22,889,970	20,017,936
Improvement of instructional services	14,899,644	12,505,350
Instructional staff training	2,710,061	4,312,489
Educational media services	5,788,842	5,607,911
Federal grant administration	229,096	212,607
General administration	2,067,092	2,166,868
School administration	41,937,585	42,163,473
Business administration	4,587,393	4,950,491
Maintenance and operation of plant	54,154,184	55,923,325
Student transportation services	34,889,293	45,174,253
Central support services	27,246,430	28,646,552
Other support services	1,034,807	125,083
School safety and security	-	2,887,878
Food services operations	25,572,598	25,751,703
Community services operations	2,834,306	3,026,052
Interest on long-term debt	23,998,825	11,616,914
Total expenses	850,988,330	860,102,719
Change in net position	12,104,174	37,811,487
Net position, beginning of year	256,099,329	268,203,503
Net position, end of year	$ 268,203,503	$ 306,014,990

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting these services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity.

Table 3
Costs of Services

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2024	2025	2024	2025
Instruction	$ 586,148,204	$ 595,013,834	$ 263,958,228	$ 303,236,989
Support services:				
Pupil services	22,889,970	20,017,936	15,906,228	11,380,346
Improvement of instructional services	14,899,644	12,505,350	9,969,472	8,522,353
Instructional staff training	2,710,061	4,312,489	2,710,061	4,312,489
Educational media services	5,788,842	5,607,911	(2,009,117)	(3,544,225)
Federal grant administration	229,096	212,607	229,096	212,607
General administration	2,067,092	2,166,868	(5,062,548)	(6,796,804)
School administration	41,937,585	42,163,473	29,071,897	27,308,665
Business administration	4,587,393	4,950,491	4,542,103	4,944,210
Maintenance and operation of plant	54,154,184	55,923,325	37,316,071	15,683,273
Student transportation services	34,889,293	45,174,253	30,979,694	30,785,222
Central support services	27,246,430	28,646,552	27,050,715	26,923,168
Other support services	1,034,807	125,083	72,807	124,720
School safety and security	-	2,887,878	-	908,670
Food services operations	25,572,598	25,751,703	2,324,455	2,793,562
Community services operations	2,834,306	3,026,052	(211,325)	2,573,595
Interest on long-term debt	23,998,825	11,616,914	23,998,825	11,616,914
Total expenditures	$ 850,988,330	$ 860,102,719	$ 440,846,662	$ 440,985,754

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of $950.1 million and total expenditures and other financing uses of $986.2 million.

Major Funds:

General Fund
The General Fund is the operating fund of the District. Revenue from state and federal sources accounted for 46.7% of the District's revenues. The other 53.3% is from local sources, primarily ad valorem taxes.

The student population of the district continues to grow. There was an increase in full-time equivalents (FTE) of 938 when comparing state QBE allotment sheets for fiscal years 2024 and 2025.

Capital Projects Fund
The Capital Projects Fund is used to account for school construction and improvement projects. Special Purpose Local Option Sales Tax (SPLOST) and Capital Outlay funds made up the majority of the 2025 revenues. SPLOST funds were transferred to the Debt Services Fund for the payment of bonds which were designated in the SPLOST referendum.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2025, the School District amended its General Fund budget as needed. The School district uses site-based budgeting as a part of the budget process. The budgeting systems are designed to control total site budgets but provide flexibility for the site management.

For the General Fund, the budget basis revenues and other financing sources of $729.9 million were more than the original budgeted amounts of $714.8 million by $15.1 million.

Total budget basis actual total revenues had a $10.7 million favorable variance when compared to the final budgeted revenue total.

The budget basis actual expenditures and other financing uses of $729.9 million were greater than the original budgeted amount of $714.8 million by $15.1 million.

The budget basis actual expenditures had a $0.1 million favorable variance when compared to the final budgeted expenditures.

Table 4
General Fund
Changes in Fund Balances – Budget and Actual

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 336,611,304	$ 340,507,342	$ 341,931,893	$ 1,424,551
Federal sources	47,000	47,000	363,848	316,848
Local sources and other funds	378,030,125	378,487,283	386,435,345	7,948,062
On behalf payments	-	-	1,009,214	1,009,214
Total revenues	714,688,429	719,041,625	729,740,300	10,698,675
EXPENDITURES				
Current:				
Instruction	523,126,601	526,621,272	520,033,408	6,587,864
Support services:				
Pupil services	17,228,266	14,661,909	12,482,207	2,179,702
Improvement of instructional services	15,885,430	13,938,444	11,944,316	1,994,128
Instructional staff training	53,570	760,734	2,465,513	(1,704,779)
Educational media services	5,508,272	5,492,013	5,139,586	352,427
General administration	1,612,330	1,615,330	2,053,805	(438,475)
School administration	38,458,804	38,458,804	40,688,732	(2,229,928)
Business administration	3,815,415	3,865,290	4,535,889	(670,599)
Maintenance and operation of plant	52,712,397	53,046,838	52,160,845	885,993
Student transportation services	36,733,072	37,224,084	42,554,567	(5,330,483)
Central support services	16,927,050	17,316,556	17,328,483	(11,927)
Other support services	149,708	149,708	123,755	25,953
School safety and security	-	2,887,878	2,887,878	-
Food services operations	-	-	247,594	(247,594)
Debt service:				
Principal retirement	1,740,000	1,740,000	3,102,749	(1,362,749)
Interest and fixed charges	640,950	640,950	790,280	(149,330)
Total expenditures	714,591,865	718,419,810	718,539,607	(119,797)
Excess of revenues over expenditures	96,564	621,815	11,200,693	10,578,878
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	100,000	100,000	193,470	93,470
Transfers out	(196,000)	(9,166,487)	(10,439,077)	(1,272,590)
Total of other financing sources (uses)	(96,000)	(9,066,487)	(10,245,607)	(1,179,120)
Net change in fund balances	564	(8,444,672)	955,086	9,399,758
FUND BALANCES, beginning of year	172,681,333	172,681,333	172,681,333	-
FUND BALANCES, end of year	$ 172,681,897	$ 164,236,661	$ 173,636,419	$ 9,399,758

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2025, the School District had $1,260 million invested in capital assets, all in governmental activities. Capital assets increased $53.7 million over the balance at June 30, 2024.

Note F reflects a summary of these balances net of accumulated depreciation.

Table 5
Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2025
Land	$ 133,651,754	$ 141,911,134
Land Improvements	21,615,217	22,555,994
Construction in Progress	31,007,275	19,975,882
Buildings	950,160,328	1,000,909,439
Furniture and Equipment	64,441,290	70,945,978
Lease Assets	4,386,096	3,284,267
Subscription Assets	1,197,342	599,740
Total	$ 1,206,459,302	$ 1,260,182,434

Debt

At fiscal year ended June 30, 2025, the School District had $393.8 million in bonds outstanding, approximately $12.4 million in an intergovernmental payable outstanding, $3.4 million in lease liabilities outstanding and $0.0 million in subscription liabilities.

Note G summarizes the School District's debt for general obligation bonds, financed purchases, and lease liabilities.

Table 6
Debt Summary

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2025
General Obligation Bonds	$ 445,168,946	$ 393,847,365
Intergovernmental Payable	14,120,000	12,380,000
Lease Liabilities	4,438,112	3,380,330
Subscription Liabilities	304,967	-
Total General Long-Term Debt	$ 464,032,025	$ 409,607,695

At June 30, 2025, the School District's assigned bond ratings is "AAA" as determined by Standard & Poor's rating services and "Aaa" by Moody's Investor Services, Inc. making it one of only two school districts in the State of Georgia to have a AAA rating from both agencies.

CURRENT ISSUES

Currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations are as follows:

Locally, the value of the ad valorem tax digest has shown remarkable growth in the current year. For fiscal year 2024 the digest showed an increase of 9.71% and for fiscal year 2025 it shows an increase of 6.93%.

Capital Improvements - The School District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues, anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education and collections from the Special Purpose Local Option Sales Tax. The School District regularly monitors anticipated capital outlay needs.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Larry Hammel, Chief Financial Officer at Forsyth County School District, 1120 Dahlonega Highway, Cumming, Georgia 30040. You may also email your questions to Mr. Hammel at f38502@forsyth.k12.ga.us.

FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	245,108,502
Receivables:		
Accounts		1,994,160
Intergovernmental		69,510,273
Taxes, net of allowances		10,547,014
Inventory		1,588,673
Prepaid items		168,703
Capital assets (nondepreciable)		161,887,016
Capital assets (depreciable, net of accumulated depreciation and amortization)		1,098,295,418
Total assets		1,589,099,759
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items		208,016,588
OPEB related items		90,857,847
Total deferred outflows of resources		298,874,435
LIABILITIES		
Accounts payable		19,277,688
Retainage payable		3,156,331
Salaries and benefits payable		71,682,789
Unearned revenue		55,826
Accrued interest payable		6,818,098
Lease liabilities due within one year		1,099,919
Lease liabilities due in more than one year		2,280,411
Intergovernmental payable due within one year		1,830,000
Intergovernmental payable due in more than one year		10,550,000
Bonds payable due within one year		25,990,000
Bonds payable due in more than one year		367,857,365
Net pension liability due in more than one year		575,887,452
Net OPEB liability due in more than one year		320,999,407
Total liabilities		1,407,485,286
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding		636,148
Pension related items		82,012,343
OPEB related items		91,825,427
Total deferred inflows of resources		174,473,918
NET POSITION		
Net investment in capital assets		836,403,344
Restricted for:		
Capital projects		12,237,078
SPLOST programs		29,022,126
School food services		21,143,682
Federal programs		530,455
Unrestricted		(593,321,695)
Total net position	$	306,014,990

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

FORSYTH COUNTY BOARD OF EDUCATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 595,013,834	$ 3,418,667	$ 288,358,178	$ -	$ (303,236,989)
Support services:					
Pupil services	20,017,936	-	8,636,419	1,171	(11,380,346)
Improvement of instructional services	12,505,350	-	3,980,092	2,905	(8,522,353)
Instructional staff training	4,312,489	-	-	-	(4,312,489)
Educational media services	5,607,911	-	9,105,778	46,358	3,544,225
Federal grant administration	212,607	-	-	-	(212,607)
General administration	2,166,868	-	8,961,610	2,062	6,796,804
School administration	42,163,473	-	14,816,310	38,498	(27,308,665)
Business administration	4,950,491	-	6,281	-	(4,944,210)
Maintenance and operation of plant	55,923,325	-	19,878,537	20,361,515	(15,683,273)
Student transportation services	45,174,253	-	10,713,938	3,675,093	(30,785,222)
Central support services	28,646,552	-	392,395	1,330,989	(26,923,168)
Other support services	125,083	-	363	-	(124,720)
School safety and security	2,887,878	-	-	1,979,208	(908,670)
Food services operation	25,751,703	12,298,608	10,659,533	-	(2,793,562)
Community services operation	3,026,052	-	452,457	-	(2,573,595)
Interest on long-term debt	11,616,914	-	-	-	(11,616,914)
Total governmental activities	$ 860,102,719	$ 15,717,275	$ 375,961,891	$ 27,437,799	(440,985,754)

General revenues:	
Property taxes, levied for general purposes	328,765,308
Property taxes, levied for debt service	30,810,397
Sales taxes	63,356,125
Intangible taxes	6,068,224
Real estate transfer taxes	3,312,110
Title ad valorem tax	25,213,166
Unrestricted investment earnings	9,814,917
Other	11,456,994
Total general revenues	478,797,241
Change in net position	37,811,487
Net position, beginning of year	268,203,503
Net position, end of year	$ 306,014,990

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

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

ASSETS	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 182,648,201	$ 24,673,214	$ 37,787,087	$ 245,108,502
Receivables:				
Accounts	1,947,595	-	46,565	1,994,160
Intergovernmental	54,822,777	12,080,568	2,606,928	69,510,273
Taxes, net of allowances	4,915,741	5,339,817	291,456	10,547,014
Due from other funds	1,320,679	-	-	1,320,679
Inventory	976,637	-	612,036	1,588,673
Prepaid items	132,805	-	35,898	168,703
Advances to other funds	354,605	-	-	354,605
Total assets	$ 247,119,040	$ 42,093,599	$ 41,379,970	$ 330,592,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 2,950,778	$ 15,869,936	$ 456,974	$ 19,277,688
Retainage payable	-	3,156,331	-	3,156,331
Salaries and benefits payable	69,901,086	-	1,781,703	71,682,789
Due to other funds	-	-	1,320,679	1,320,679
Advances from other funds	-	-	354,605	354,605
Unearned revenue	-	-	55,826	55,826
Total liabilities	72,851,864	19,026,267	3,969,787	95,847,918
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	630,757	-	182,008	812,765
Unavailable revenue - federal grants	-	-	35,898	35,898
Total deferred inflows of resources	630,757	-	217,906	848,663
FUND BALANCES				
Nonspendable:				
Inventory	976,637	-	612,036	1,588,673
Prepaid items	132,805	-	35,898	168,703
Advances	354,605	-	-	354,605
Restricted:				
Capital projects	-	8,798,303	-	8,798,303
Debt service	-	-	2,403,407	2,403,407
SPLOST programs	-	6,557,084	-	6,557,084
School food services	-	-	20,531,646	20,531,646
Federal programs	-	-	458,659	458,659
Committed:				
School activities	-	-	13,150,631	13,150,631
Assigned:				
Debt service	29,860,090	7,711,945	-	37,572,035
Security relocation	93,000	-	-	93,000
Mashburn Elementary School addition	8,375,000	-	-	8,375,000
Unassigned	133,844,282	-	-	133,844,282
Total fund balances	173,636,419	23,067,332	37,192,277	233,896,028
Total liabilities, deferred inflows of resources, and fund balances	$ 247,119,040	$ 42,093,599	$ 41,379,970	$ 330,592,609

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

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

Total fund balances - governmental funds			$	233,896,028
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.				
Cost	$	1,795,638,720		
Less accumulated depreciation and amortization		(535,456,286)		1,260,182,434
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.				848,663
The net pension liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.				
Net pension liability	$	(575,887,452)		
Pension related deferred outflows of resources		208,016,588		
Pension related deferred inflows of resources		(82,012,343)		(449,883,207)
The net OPEB liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.				
Net OPEB liability	$	(320,999,407)		
OPEB related deferred outflows of resources		90,857,847		
OPEB related deferred inflows of resources		(91,825,427)		(321,966,987)
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in governmental funds				
Bonds payable	$	(351,700,000)		
Premium, net of amortization		(42,147,365)		
Intergovernmental contract payable		(12,380,000)		
Deferred charge on refunding		(636,148)		
Accrued interest		(6,818,098)		
Lease liabilities		(3,380,330)		(417,061,941)
			$	306,014,990

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

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
State funds	$ 341,931,893	$ 19,108,833	$ 806,200	$ 361,846,926
Federal funds	363,848	-	25,109,997	25,473,845
Local and other funds	389,461,397	64,608,806	73,107,275	527,177,478
On behalf payments	1,009,214	-	-	1,009,214
Total revenues	732,766,352	83,717,639	99,023,472	915,507,463
EXPENDITURES				
Current:				
Instruction	520,033,408	-	33,271,722	553,305,130
Support services:				
Pupil services	12,482,207	-	7,002,513	19,484,720
Improvement of instructional services	11,944,316	-	224,650	12,168,966
Instructional staff training	2,465,513	-	1,808,214	4,273,727
Educational media services	5,139,586	-	-	5,139,586
Federal grant administration	-	-	206,348	206,348
General administration	2,053,805	-	55,345	2,109,150
School administration	40,688,732	-	1,736	40,690,468
Business administration	4,535,889	-	-	4,535,889
Maintenance and operation of plant	52,160,845	-	-	52,160,845
Student transportation services	42,554,567	-	472,873	43,027,440
Central support services	17,328,483	-	374,122	17,702,605
Other support services	123,755	-	-	123,755
School safety and security	2,887,878	-	-	2,887,878
Food services operation	247,594	-	24,738,782	24,986,376
Community services operation	3,026,052	-	-	3,026,052
Capital outlay	-	100,036,169	-	100,036,169
Debt service:				
Principal retirement	3,102,749	-	44,970,000	48,072,749
Interest	790,280	-	17,057,460	17,847,740
Total expenditures	721,565,659	100,036,169	130,183,765	951,785,593
Excess (deficiency) of revenues over expenditures	11,200,693	(16,318,530)	(31,160,293)	(36,278,130)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	193,470	-	-	193,470
Transfers in	-	6,816,947	27,553,735	34,370,682
Transfers out	(10,439,077)	(23,931,605)	-	(34,370,682)
Total other financing sources (uses)	(10,245,607)	(17,114,658)	27,553,735	193,470
Net change in fund balances	955,086	(33,433,188)	(3,606,558)	(36,084,660)
FUND BALANCES, beginning of year	172,681,333	56,500,520	40,798,835	269,980,688
FUND BALANCES, end of year	$ 173,636,419	$ 23,067,332	$ 37,192,277	$ 233,896,028

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

FORSYTH COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:				
Net change in fund balances - total governmental funds			$	(36,084,660)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlay exceeded depreciation and amortization expense is as follows:				
Capital outlay	$	108,180,073		
Depreciation and amortization expense		(53,766,937)		54,413,136
The net effect of the disposal of capital assets is to decrease net position.				
Net book value of assets disposed				(690,004)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.				
Property taxes	$	(3,162,748)		
Federal and state grants		(7,021,926)		(10,184,674)
In the governmental funds, current year expenditures related to pensions and OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions and OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions, OPEB, and related items.				(23,945,886)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Principal payments	$	48,072,749		
Amortization of bond premium		6,351,581		
Amortization of deferred charge from refunding		(674,911)		53,749,419
Some expenses 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.				
Change in accrued interest				
Accrued interest payable, June 30, 2024	$	7,372,254		
Accrued interest payable, June 30, 2025		(6,818,098)		554,156
Change in net position - governmental activities			$	37,811,487

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

FORSYTH COUNTY BOARD OF EDUCATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
State sources	$ 336,611,304	$ 340,507,342	$ 341,931,893	$ 1,424,551
Federal sources	47,000	47,000	363,848	316,848
Local sources and other funds	378,030,125	378,487,283	386,435,345	7,948,062
On behalf payments	-	-	1,009,214	1,009,214
Total revenues	714,688,429	719,041,625	729,740,300	10,698,675
EXPENDITURES				
Current:				
Instruction	523,126,601	526,621,272	520,033,408	6,587,864
Support services:				
Pupil services	17,228,266	14,661,909	12,482,207	2,179,702
Improvement of instructional services	15,885,430	13,938,444	11,944,316	1,994,128
Instructional staff training	53,570	760,734	2,465,513	(1,704,779)
Educational media services	5,508,272	5,492,013	5,139,586	352,427
General administration	1,612,330	1,615,330	2,053,805	(438,475)
School administration	38,458,804	38,458,804	40,688,732	(2,229,928)
Business administration	3,815,415	3,865,290	4,535,889	(670,599)
Maintenance and operation of plant	52,712,397	53,046,838	52,160,845	885,993
Student transportation services	36,733,072	37,224,084	42,554,567	(5,330,483)
Central support services	16,927,050	17,316,556	17,328,483	(11,927)
Other support services	149,708	149,708	123,755	25,953
School safety and security	-	2,887,878	2,887,878	-
Food service operations	-	-	247,594	(247,594)
Debt service:				
Principal retirement	1,740,000	1,740,000	3,102,749	(1,362,749)
Interest and fiscal charges	640,950	640,950	790,280	(149,330)
Total expenditures	714,591,865	718,419,810	718,539,607	(119,797)
Excess of revenues over expenditures	96,564	621,815	11,200,693	10,578,878
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	100,000	100,000	193,470	93,470
Transfers out	(196,000)	(9,166,487)	(10,439,077)	(1,272,590)
Total other financing sources (uses)	(96,000)	(9,066,487)	(10,245,607)	(1,179,120)
Net change in fund balances	564	(8,444,672)	955,086	9,399,758
FUND BALANCES, beginning of year	172,681,333	172,681,333	172,681,333	-
FUND BALANCES, end of year	$ 172,681,897	$ 164,236,661	$ 173,636,419	$ 9,399,758

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Forsyth County Board of Education (the "School District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") as applicable to governmental units. The more significant of the School District's accounting policies are summarized below.

Reporting Entity

The School District is governed by an elected five member board (the "Board"). Board members are elected by the public and have the authority to make decisions, the power to approve selection of management personnel, the ability to significantly influence operations, and the primary accountability for fiscal matters. The Board determines the millage rate at which school taxes are levied and may incur bonded indebtedness with voters' approval. The School District has no component units.

Government-Wide and Fund Financial Statements

The School District's financial statements have been prepared in accordance with the Governmental Accounting Standards Board Statement 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide governmental activities financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Property taxes are recognized as revenue in the period for which they were levied, if they are collected within sixty days of year end. All other revenues are also considered to be available when they are collectible within one hundred and eighty days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease payments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the School District the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – (Continued)

Property taxes, sales taxes, grant revenue, state Quality Basic Education (QBE) revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The School District reports the following major governmental funds:

The General Fund is the School District's primary operating fund. The General Fund is used to account for all financial transactions of the School District except those required to be accounted for in another fund.

The Capital Projects Fund accounts for resources which are used exclusively for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities. The major inflows are sales taxes and bond proceeds.

Additionally, the School District reports the following fund types:

The special revenue funds are used to account for revenues and expenditures related to federal programs, school activity funds and school food service operations.

The debt service fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

Inventories

Inventories of the General Fund and School Food Services Fund are stated at cost using the first-in, first-out method. Donated food commodities are recorded at their federally assigned value at the date of donation. The School District utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses/expenditures when used rather than when purchased.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Interfund Receivables and Payables

During the course of its operations, the School District makes transfers between funds to finance operations, provide services, acquire assets and service debt. To the extent that certain transfers between funds had not been received as of year end, balances of interfund amounts receivable or payable have been recorded.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

Capital assets, which include property, plant and equipment, right-to-use lease assets, and right-to-use subscription assets are reported in the governmental activities in the government-wide statement of net position and depreciated or amortized over their estimated useful lives in the government-wide statement of activities. Capital assets are defined by the School District as assets with an initial, individual cost of $10,000 and useful life of more than one year, with the exception for right-to-use lease assets and right-to-use subscription assets for which $100,000 is the School District's capitalization threshold. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land and buildings are capitalized. Items such as furniture and computer equipment purchased in groups costing more than $10,000 are capitalized by type as a group. Donated capital assets are recorded at estimated acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Capital assets and right-to-use leased assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20-40
Buildings	25-50
Right-to-use lease buildings	25-50
Building improvements	10-30
Vehicles	8-15
Equipment	5-20
Right-to-use lease equipment	5-20

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Leases

Lessee

The School District is a lessee for noncancelable building and equipment leases. The School District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The 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 a straight-line basis over the shorter of the useful life of the asset or the lease term.

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

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- 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 and purchase option prices that the School District is reasonably certain to exercise.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Subscription-Based Information Technology Arrangements

The School District has entered into noncancelable long-term subscription-based information technology arrangements (SBITAs) for various software programs related to cloud-based infrastructure, student assessment, and GPS technology for its school buses. The School District recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide financial statements.

At the commencement of the subscription term, the School District measures the subscription liability at the present value of minimum payments required to be paid during the subscription term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentive received from the vendor at or before commencement.

The School District's SBITA activities, other than making subscription payments, are accounted for as follows:

- Preliminary project stage activities including evaluating alternatives, determining the needed technology, and vendor selection are expensed as incurred.
- Initial implementation stage activities including all ancillary charges necessary to place the subscription asset into service are capitalized in addition to the subscription asset.
- Operation and additional implementation stage activities such as maintenance and support are expensed as incurred.

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

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the School District generally uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilites are composed of fixed payments due to the ventor over the subscription term.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Compensated Absences

Sick and personal leave does not vest with the employee and unused accumulated sick and personal leave is forfeited upon retirement or termination of employment, and, therefore, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Sick and personal leave liabilities are reported in the financial statements as compensated absence liabilities to the extent that accumulated leave is more likely than not to be used for time off. Using a last-in-first-out flow assumption, the School District does not consider accumulated leave more likely than not to be used for time off or settled in cash and therefore, no compensated absences liability is reported.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bond issuance costs are reported as expenses in the period during which the debt is issued.

In the fund financial statements, the face amount of debt issued, as well as any premium, is reported as other financing sources. Issuance costs, whether or not withheld from actual proceeds, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two items that qualify for reporting in this category. The first item, which arises only under a modified accrual basis of accounting, is for the unavailable revenues from property taxes and federal grants. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and federal grants as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items that qualify for reporting in this category occurs only in the governmental activities. The governmental activities report: (1) a deferred inflow of resources for experience gains or losses from periodic studies by the pension plan actuary, which will be amortized over the remaining service period; (2) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period; (3) a deferred inflow of resources for experience gains or losses related to the OPEB plan which will be amortized over the remaining service period, (4) a deferred inflow of resources for the changes in actuarial assumptions in the net OPEB liability that will be amortized over the remaining service period, and (5) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five-year period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Deferred Outflows/Inflows of Resources – (Continued)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has several items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other items all relate to the reporting of the net pension and net OPEB liability reported in the government-wide statement of net position. Governmental activities report: (1) a deferred outflow of resources for the School District's actual contributions to the pension plan and OPEB plan during the fiscal year ended June 30, 2025 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2026; (2) a deferred outflow of resources for experience gains or losses related to the pension plan and OPEB plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions in the net pension liability and net OPEB liability that will be amortized over the remaining service period; (4) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; and (5) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the school OPEB plan, which will be amortized over the remaining service period.

Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Fund Equity - (Continued)

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board members through the adoption of a resolution. Only the Board Members may modify or rescind the commitment, also through a resolution.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board Members have authorized the Board's Superintendent and Chief Financial Officer to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Board reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the School District has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position balances are reported as unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position balances are available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Pensions

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

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

Other Postemployment Benefits (OPEB)

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

Use of Estimates in the Preparation of Financial Statements

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

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The School District adopts an annual budget for its General Fund, all special revenue funds, and the Debt Service Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the Board of Education has tentatively adopted the budget, the budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

The School District employs encumbrance accounting. However, all appropriations lapse at year end and encumbrances are rebudgeted in the subsequent year.

The following functions had excess of actual expenditures over appropriations in the amount shown for the fiscal year ended June 30, 2025:

General Fund:		
Support services:		
Instructional staff training	$	1,704,779
General administration		438,475
School administration		2,229,928
Business administration		670,599
Student transportation services		5,330,483
Central support services		11,927
Food service operations		247,594
Debt service:		
Principal retirement		1,362,749
Interest and fiscal charges		149,330

These over expenditures were funded with revenues recognized in excess of budgeted amounts and under-expenditures of other functions.

Budgetary/GAAP Basis Reconciliation

In the General Fund, accounting principles used in developing the budget on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The following table includes the items that were not considered in the budget period and are needed to reconcile the General Fund budget to the amounts reported in accordance with GAAP.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – (CONTINUED)

The accounting basis difference between the budget and actual Statement of Revenues, Expenditures, and Changes in Fund Balances in the General Fund is reconciled as follows:

Actual Revenues GAAP Basis	$ 732,766,352
Community Service Activity (not budgeted)	(3,026,052)
Actual Revenues, Budgetary Basis	$ 729,740,300
Expenditures GAAP Basis	$ 721,565,659
Community Service Activity (not budgeted)	(3,026,052)
Actual Expenditures, Budgetary Basis	$ 718,539,607
Excess of Revenues over Expenditures, Budgetary Basis	$ 11,200,693
Excess of Revenues over Expenditures, GAAP Basis	$ 11,200,693

NOTE C - DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2025 are summarized as follows:

Investment	Weighted Average Maturity	Fair Value
Deposits with Financial Institutions	---	$ 114,025,843
Georgia Fund 1 - Cash Equivalents	51 days	131,082,659
Total Cash and Cash Equivalents - Statement of Net Position		$ 245,108,502

Composition

Cash consists of deposits (including certificates of deposit, savings accounts, and interest bearing checking accounts) in authorized financial institutions. Georgia law authorizes the School District to deposit its funds in one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations. The placement of proceeds from bond issues in certificates of deposits is limited to financial institutions located within this state.

The local government investment pool, "Georgia Fund 1" created by OCGA 36-83-8 is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year end and the School District's investment in Georgia Fund 1 is reported at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the financial institution holding all of the School District's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the state. As of June 30, 2025, all of the School District's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

Credit risk. State statutes and the School District's policies authorize the School District to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, obligations of any corporation of the U.S. Government, prime bankers' acceptances, the local government investment pool established by state law, repurchase agreements, and obligations of other political subdivisions of the State of Georgia. The School District does not have a credit rating policy which provides restrictions or limitations on credit ratings for the School District's investments.

Fair value measurements. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the School District does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE D - DUE FROM OTHER GOVERNMENTS

Due from other governments consists of grant reimbursements due from federal, state or other grantors for expenditures made but not yet reimbursed. The Georgia Department of Education is the primary government agency that grants are due from as of June 30, 2025.

NOTE E - TAXES RECEIVABLE

Taxes receivable include property taxes and sales taxes due to the School District. Property taxes were levied on August 16, 2024, based on property values assessed as of January 1, 2024, and were payable on or before November 15, 2024. An interest penalty of 2% per annum is charged on property taxes paid after that date.

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NOTE F - CAPITAL ASSETS

Changes in capital assets associated with the School District's governmental activities during the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated and amortized:					
Land	$ 133,651,754	$ 8,259,380	$ -	$ -	$ 141,911,134
Construction in progress	31,007,275	8,243,285	-	(19,274,678)	19,975,882
Total capital assets, not being depreciated	164,659,029	16,502,665	-	(19,274,678)	161,887,016
Capital assets, being depreciated and amortized					
Land improvements	54,416,966	3,042,054	(369,160)	-	57,089,860
Buildings	1,297,481,895	64,017,060	(4,814,578)	19,274,678	1,375,959,055
Furniture and equipment	202,594,726	24,618,294	(33,313,907)	-	193,899,113
Lease assets - building	318,752	-	-	-	318,752
Lease assets - furniture and equipment	4,985,535	-	-	-	4,985,535
Subscription assets	2,392,575	-	(893,186)	-	1,499,389
Total capital assets, being depreciated and amortized	1,562,190,449	91,677,408	(39,390,831)	19,274,678	1,633,751,704
Less accumulated depreciation and amortization for:					
Land improvements	(32,801,749)	(2,090,928)	358,811	-	(34,533,866)
Buildings	(347,321,567)	(32,166,599)	4,438,550	-	(375,049,616)
Furniture and equipment	(138,153,436)	(17,809,979)	33,010,280	-	(122,953,135)
Lease assets - building	(88,513)	(106,215)	-	-	(194,728)
Lease assets - furniture and equipment	(829,678)	(995,614)	-	-	(1,825,292)
Subscription assets	(1,195,233)	(597,602)	893,186	-	(899,649)
Total accumulated depreciation and amortization:	(520,390,176)	(53,766,937)	38,700,827	-	(535,456,286)
Total capital assets, being depreciated, net	1,041,800,273	37,910,471	(690,004)	19,274,678	1,098,295,418
Governmental activities capital assets, net	$ 1,206,459,302	$ 54,413,136	$ (690,004)	$ -	$ 1,260,182,434

NOTE F - CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions of the School District as follows:

Pupil services	$	8,677
Improvement of instructional services		21,524
Educational media services		343,434
Business administration		312,056
General administration		15,280
School administration		285,438
Maintenance and operations of plant		3,659,145
Student transportation services		2,421,869
Central support services		10,564,183
School nutrition program		918,366
Total depreciation and amortization expense	$	53,766,937

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NOTE G – LONG-TERM DEBT

The following is a summary of long-term debt activity of the School District for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable	$ 396,670,000	$ -	$ (44,970,000)	$ 351,700,000	$ 25,990,000
Bond premiums	48,498,946	-	(6,351,581)	42,147,365	-
Bonds payable, net	445,168,946	-	(51,321,581)	393,847,365	25,990,000
Lease liabilities	4,438,112	-	(1,057,782)	3,380,330	1,099,919
Subscription liabilities	304,967	-	(304,967)	-	-
Intergovernmental payable	14,120,000	-	(1,740,000)	12,380,000	1,830,000
Net pension liability	654,422,828	146,426,844	(224,962,220)	575,887,452	-
Net OPEB liability	302,581,552	47,689,526	(29,271,671)	320,999,407	-
Total governmental activities long-term liabilities	$ 1,421,036,405	$ 194,116,370	$ (308,658,221)	$ 1,306,494,554	$ 28,919,919

Bonds Payable

The School District has issued various general obligation bonds for the purpose of financing construction projects of the School District. The outstanding issues are as follows:

Issuance	Interest Rates	Maturity	Amount Outstanding
Series 2016	5.00%	February 1, 2033	$ 60,765,000
Series 2018	5.00%	February 1, 2038	111,475,000
Series 2020	5.00%	February 1, 2038	123,120,000
Series 2021	0.37 - 2.28%	February 1, 2033	56,340,000
			$ 351,700,000

NOTE G – LONG-TERM DEBT – (CONTINUED)

Bonds Payable – (Continued)

In the fiscal year 2016, the School District issued $100,830,000 of General Obligation Bonds, Series 2016, for the purposes of funding construction projects for the School District. The bonds were issued February 11, 2016 with a premium of $23,180,790 and an interest rate of 5%. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The interest payments are due semiannually beginning August 1, 2016 and principal payments beginning in 2018. The bonds are scheduled to mature on February 1, 2033.

In the fiscal year 2019, the School District issued $147,500,000 of General Obligation Bonds, Series 2018, for the purposes of funding construction projects for the School District. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The bonds were issued July 31, 2018 with a premium of $24,187,575 and an interest rate of 5%. The principal and interest payments are due semiannually beginning Feburary 1, 2019. The bonds are scheduled to mature on Febuary 1, 2038.

In the fiscal year 2020, the School District issued $147,500,000 of General Obligation Bonds, Series 2020, for the purposes of funding construction projects for the School District. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The bonds were issued April 14, 2020 with a premium of $40,513,981 and an interest rate of 5%. The principal and interest payments are due semiannually beginning Feburary 1, 2022. The bonds are scheduled to mature on Febuary 1, 2038.

In the fiscal year 2022, the School District issued $109,285,000 of General Obligation Refunding Bonds, Series 2021, for the purpose of advance refunding a portion of the balance of the Series 2013 General Obligation Refunding Bonds and a portion of the Series 2014 General Obligation Bonds. The bonds were issued on November 16, 2021 with interest rates ranging from .37% to 2.28%. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The refunding was undertaken to reduce total debt service payments by $7,167,185 and resulted in an economic gain and a present value cash flow of $6,460,260. The proceeds from the refunding bonds were placed into trust to pay the principal and interest on the refunded bonds as they become due. At June 30, 2025 there are no remaining amounts considered legally defeased as the refunded bonds have matured.

NOTE G – LONG-TERM DEBT – (CONTINUED)

Bonds Payable – (Continued)

At June 30, 2025, principal and interest payments due by fiscal year for the School District's Bonds are as follows:

Fiscal Year Ending June 30,		Principal		Interest		Total
2026	$	25,990,000	$	15,810,485	$	41,800,485
2027		27,085,000		14,748,690		41,833,690
2028		28,240,000		13,625,578		41,865,578
2029		29,495,000		12,438,080		41,933,080
2030		30,845,000		11,187,629		42,032,629
2031-2035		141,675,000		35,208,084		176,883,084
2036-2038		68,370,000		6,951,000		75,321,000
Total	$	351,700,000	$	109,969,546	$	461,669,546

Intergovernmental Payable from Direct Borrowing

On July 1, 2016, the Forsyth County Public Facilities Authority (the "PFA") issued Revenue Bonds (Forsyth County School District Project), Series 2016 in the aggregate principal amount of $25,320,000. The proceeds from the sale of the Series 2016 Bonds were used for the purpose of: (a) financing the acquisition, construction and equipping of a high school and (b) paying the costs of issuing bonds.

The Series 2016 Bonds are limited obligations of the PFA payable solely from amounts paid to the PFA pursuant to an intergovernmental contract, dated as of July 1, 2016, between the PFA and the School District. Under the contract, the PFA agreed to issue the Series 2016 Bonds and remit payment of the proceeds from the sale of the bonds to the School District. This payment totaled $30,293,992 when the proceeds from the bonds (less the costs of issuance) were combined with the original issue premium of $4,973,992. The School District has agreed to: (a) acquire, construct, equip and operate the high school, (b) pay the PFA amounts sufficient to enable the PFA to pay the debt service on the Series 2016 Bonds, and (c) levy an ad valorem property tax, limited to 20 mills, on all property in the School District subject to such tax in order to make the payments to the PFA. Accordingly, the School District has recorded the outstanding principal balance of the Series 2016 Bonds as an intergovernmental payable to the PFA.

NOTE G – LONG-TERM DEBT – (CONTINUED)

Intergovernmental Payable from Direct Borrowing (Continued)

The bonds bear interest at rates ranging from 2.0% - 5.0% and interest payments are due on February 1 and August 1 of each year, commencing on February 1, 2017. Principal payments are due annually, also commencing on February 1, 2017 until the bonds mature in 2031. The School District's debt service requirements to maturity on the intergovernmental payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 1,830,000	$ 552,950	$ 2,382,950
2027	1,925,000	461,450	2,386,450
2028	2,020,000	365,200	2,385,200
2029	2,115,000	264,200	2,379,200
2030	2,200,000	179,600	2,379,600
2031	2,290,000	91,600	2,381,600
Total	$ 12,380,000	$ 1,915,000	$ 14,295,000

Lease Liabilities

During the fiscal year, the School District had active noncancelable lease agreements as lessee. A description of those agreements and related balances are as follows:

The School District has a noncancelable lease agreement with a third-party related to copiers, terminating on August 1, 2028. Monthly payments are $90,432 through the life of the lease. As the lease does not contain a specified interest rate, the School District has used its incremental borrowing rate of 3.5% for similar assets as the discount rate for the lease. At June 30, 2025, the outstanding balance on the School District's lease liability for these copiers was $3,248,343.

NOTE G – LONG-TERM DEBT – (CONTINUED)

Lease Liabilities (Continued)

The School District has a noncancelable lease agreement with a third-party related to the use of a warehouse building, terminating on August 1, 2026. Monthly payments range from $8,958 to $9,689 through the life of the lease. As the lease does not contain a specified interest rate, the School District has used its incremental borrowing rate of 3.5% for similar assets as the discount rate for the lease. At June 30, 2025, the outstanding balance on the School District's lease liability for these copiers was $131,987.

Debt service to maturity on the School District's outstanding leases is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 1,099,919	$ 100,789	$ 1,200,708
2027	1,041,634	62,927	1,104,561
2028	1,058,701	26,481	1,085,182
2029	180,076	788	180,864
Total	$ 3,380,330	$ 190,985	$ 3,571,315

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NOTE H - INTERFUND TRANSACTIONS

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances as of the year ended June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,320,679

This advance from the General Fund to the School Activity Fund is the result of the General Fund advancing funds for start-up operating costs for school activities at the new schools. The balance is expected to be repaid in equal annual installments over the next three years. Interfund advances as of June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 354,605

Transfers are used to: (1) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (2) move SPLOST proceeds from the Capital Projects Fund to Debt Service Fund to fund debt service as allowed in the referendum. Capital Projects Fund. Interfund transfers for the year ended June 30, 2025 are as follows:

Transfer In	Transfer Out	Amount
Capital Projects Fund	General Fund	$ 6,816,947
Nonmajor Governmental Funds	General Fund	3,622,130
Nonmajor Governmental Funds	Capital Projects Fund	23,931,605
		$ 34,370,682

NOTE I - RISK MANAGEMENT

The School District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School District is self-insured for workers' compensation and unemployment claims. The School District purchases commercial insurance for all other risks of loss. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no significant reduction in insurance coverage since last fiscal year.

Workers' Compensation Claims

The School District is self-insured for workers' compensation claims. The School District accounts for workers' compensation claims in the General Fund. Workers' compensation claims expenditures and liability are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and related claims administration expenses. Changes in the workers' compensation claims liability during the last two fiscal years are as follows:

	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability	Due Within One Year
2025	$ 386,404	$ 1,769,814	$ 1,567,451	$ 588,767	$ 353,260
2024	$ 379,855	$ 1,616,486	$ 1,609,937	$ 386,404	$ 231,843

Unemployment Claims

The School District is self insured with regard to unemployment compensation claims. These claims are accounted for in the School District's General Fund. Unemployment compensation expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported and claims administration expenses.

NOTE I - RISK MANAGEMENT – (CONTINUED)

Unemployment Claims (Continued)

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

	Beginning of Year Liability	Current Year Claims Accrual	Claims Paid	End of Year Liability
2025	$ -	$ 667	$ 667	$ -
2024	$ -	$ 2,230	$ 2,230	$ -

NOTE J - RETIREMENT PLANS

General Information About the Teachers Retirement System of Georgia (TRS)

Plan description: All teachers of the School District as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) 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. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll. District contributions to TRS were $80,888,085 for the year ended June 30, 2025.

NOTE J - RETIREMENT PLANS – (CONTINUED)

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

At June 30, 2025, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	$	575,887,452
State of Georgia's proportionate share of the net pension liability associated with the School District		969,191
Total	$	576,856,643

The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard rollforward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 2.291213%, which was an increase of 0.074656% from its proportion measured as of June 30, 2023.

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NOTE J - RETIREMENT PLANS – (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

For the year ended June 30, 2025, the School District recognized pension expense of $272,635 and revenue of $272,635 for support provided by the State of Georgia for certain support personnel. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 80,291,138
Experience differences	65,165,672	1,721,205
Assumption changes	40,061,699	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	21,901,132	-
School District contributions subsequent to the measurement date	80,888,085	-
Total	$ 208,016,588	$ 82,012,343

School District contributions subsequent to the measurement date of $80,888,085 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30:	
2026	$ 18,239,570
2027	81,186,426
2028	(29,444,417)
2029	(24,865,419)
Total	$ 45,116,160

NOTE J - RETIREMENT PLANS – (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and 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 table on the following page.

NOTE J - RETIREMENT PLANS – (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

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

* Rates shown are net of the 2.50% assumed rate of inflation

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	$ 991,217,580	$ 575,887,452	$ 236,850,936

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

NOTE J - RETIREMENT PLANS – (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS)

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

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

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

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

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

NOTE J - RETIREMENT PLANS – (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) – (Continued)

Pension liabilities and pension expense

At June 30, 2025, the School District did not have a liability for a proportionate share of the net pension liability because of the related State of Georgia support. The amount of the state's proportionate share of the net pension liability associated with the School District is as follows:

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 3,857,542

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

For the year ended June 30, 2025, the School District recognized pension expense of $892,218 and revenue of $892,218 for support provided by the State of Georgia.

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

Inflation	2.50%
Salary increase	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Postretirement benefit increase	1.50% semiannually

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 postretirement mortality assumptions as follows:

NOTE J - RETIREMENT PLANS – (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) – (Continued)

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

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

The long-term expected rate of return on 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 asset 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%	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
Alternatives	5.00	10.60
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount rate: The discount rate used to measure the total 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE J - RETIREMENT PLANS – (CONTINUED)

Deferred Compensation Plan

Beginning January 1, 1996, the School District established a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The Plan is available to all employees who are not eligible to participate in the Teachers Retirement System of Georgia and permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Contributions to the Plan are invested exclusively in annuity contracts issued by the Variable Annuity Life Insurance Company (VALIC) and any other life insurance companies approved by the School District for use in the Plan and approved for sale in Georgia in the employees' name. The assets are held by VALIC and not recorded in these financial statements.

The School District will match eligible participants' contributions up to 4% of their salary. Employee annual contributions are limited to maximums established by Internal Revenue Service guidelines. For the years ended June 30, 2025, 2024, and 2023, the School District contributed $452,142, $359,984, and $372,620, respectively, to the Plan on behalf of its employees. For the years ended June 30, 2025, 2024, and 2023, employees contributed $763,464, $621,074, and $602,568, respectively, to the Plan.

NOTE K - CONTINGENCIES AND COMMITMENTS

Grant Programs

The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectibility of any related receivable at year end may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The School District is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of School District operations. While the ultimate results of these legal actions connot be determined, the School District does not expect that these matters will have a material adverse effect on the financial condition of the School District.

Commitments

The School District has outstanding construction commitments of $17,929,503 as of June 30, 2025. This amount is not reflected in the basic financial statements.

NOTE L – ON BEHALF PAYMENTS FOR FRINGE BENEFITS

The School District has recognized revenue and expenditures in the amount of $8,417,797 for retirement contributions and health insurance premiums paid on the School District's behalf as follows:

> Paid by the Office of Treasury and Fiscal Services to the Public School Employees Retirement System (PSERS) for Public School Employees Retirement in the amount of $849,722.
>
> Paid by the Georgia Department of Education to the Teachers Retirement System (TRS) for Teachers Retirement in the amount of $159,492.
>
> Paid by the State Treasurer of the State of Georgia to the State Health Benefit Plan for the School OPEB Fund in the amount of $7,408,583.

NOTE M - POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

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

Benefits: 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 noncertified 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.

NOTE M - POSTEMPLOYMENT BENEFITS – (CONTINUED)

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were \$20,087,321 for the year ended June 30, 2025. Of this amount, \$7,408,583 was paid on behalf of the Board by the State of Georgia, for a net contribution of \$12,678,738. 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 \$7,408,583 for the Board'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 District reported a liability of \$320,999,407 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 rollforward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30 2024, the School District's proportion was 2.816689%, which was an increase of 0.054248% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of \$11,823,900. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ 2,089,625
Changes in proportion and differences between School District contributions and proportionate share of contributions	25,007,926	-
Changes in plan assumptions	37,429,926	31,774,946
Experience differences	15,741,257	57,960,856
Board contributions subsequent to the measurement date	12,678,738	-
Total	$ 90,857,847	$ 91,825,427

NOTE M - POSTEMPLOYMENT BENEFITS – (CONTINUED)

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

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending 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 Ending June 30:	
2026	$ (6,695,942)
2027	(13,168,081)
2028	(2,951,937)
2029	6,246,806
2030	2,749,378
2031	173,458
Total	$ (13,646,318)

NOTE M - POSTEMPLOYMENT BENEFITS – (CONTINUED)

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:

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

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

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

NOTE M - POSTEMPLOYMENT BENEFITS – (CONTINUED)

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 period ended July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare 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 Board 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%	

* Rates shown are net of inflation

NOTE M - POSTEMPLOYMENT BENEFITS – (CONTINUED)

Discount rate:

In order to measure the total OPEB liability for the School OPEB, 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 2128.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate:

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the net OPEB liability	$ 363,169,058	$ 320,999,407	$ 285,437,104

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 277,361,809	$ 320,999,407	$ 374,624,988

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

NOTE N – SUBSEQUENT EVENT

Bond Issuances

In November of 2025, the School District issued $49,650,000 Forsyth County School District (Georgia) General Obligation Refunding Bonds, Series 2025, for the purpose of refunding all of the School District's General Obligation Bonds, Series 2016.

Also in November of 2025, the Forsyth County Public Facilities Authority (the "PFA") issued Refunding Revenue Bonds (Forsyth County School District Project), Series 2025, in the amount of $10,030,000. These bonds are special limited obligations of the PFA payable solely from and secured by a pledge of and lien on payments to be made by the School District to the PFA pursuant to an intergovernmental agreement. The proceeds of these bonds were used to refund the PFA's Revenue Bonds, Series 2016, reported as an intergovernmental payable of the School District.

FORSYTH COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	2.291213%	2.216557%	2.147706%	2.139087%	2.125203%
School District's proportionate share of the net pension liability	$ 575,887,452	$ 654,422,828	$ 697,401,653	$ 189,187,977	$ 514,807,347
State of Georgia's proportionate share of the net pension liability associated with the School District	969,191	881,595	1,027,412	257,105	288,022
Total	$ 576,856,643	$ 655,304,423	$ 698,429,065	$ 189,445,082	$ 515,095,369
School District's covered payroll	$ 357,254,294	$ 324,239,384	$ 292,677,915	$ 278,313,741	$ 273,998,325
School District's proportionate share of the net pension liability as a percentage of its covered payroll	161.20%	201.83%	238.28%	67.98%	187.89%
Plan fiduciary net position as a percentage of the total pension liability	80.86%	76.29%	72.85%	92.03%	77.01%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	2.072363%	1.984461%	1.915556%	1.840065%	1.791631%
School District's proportionate share of the net pension liability	$ 445,614,082	$ 368,358,469	$ 356,011,983	$ 379,625,926	$ 272,758,029
State of Georgia's proportionate share of the net pension liability associated with the School District	336,947	384,793	430,622	482,768	360,504
Total	$ 445,951,029	$ 368,743,262	$ 356,442,605	$ 380,108,694	$ 273,118,533
School District's covered payroll	$ 252,913,388	$ 236,362,475	$ 219,950,252	$ 202,223,069	$ 189,117,141
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.19%	155.84%	161.86%	187.73%	144.23%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

FORSYTH COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021
Contractually required contributions	$ 80,888,085	$ 71,379,408	$ 64,713,789	$ 57,979,495	$ 53,046,599
Contributions in relation to the contractually required contributions	80,888,085	71,379,408	64,713,789	57,979,495	53,046,599
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 389,259,312	$ 357,254,294	$ 324,239,384	$ 292,677,915	$ 278,313,741
Contributions as a percentage of covered payroll	20.78%	19.98%	19.98%	19.81%	19.06%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 57,923,246	$ 52,858,898	$ 39,732,532	$ 31,386,901	$ 28,857,232
Contributions in relation to the contractually required contributions	57,923,246	52,858,898	39,732,532	31,386,901	28,857,232
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 273,998,325	$ 252,913,388	$ 236,362,475	$ 219,950,252	$ 202,223,069
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%

FORSYTH COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	3,857,542	5,503,292	7,122,342	692,549	5,268,470
Total	$ 3,857,542	$ 5,503,292	$ 7,122,342	$ 692,549	$ 5,268,470
School District's covered payroll	$ 22,155,515	$ 20,167,714	$ 20,947,052	$ 19,406,952	$ 18,464,094
School District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.02%	85.67%	81.21%	98.00%	84.45%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	4,667,012	4,213,692	3,647,269	4,671,562	2,968,319
Total	$ 4,667,012	$ 4,213,692	$ 3,647,269	$ 4,671,562	$ 2,968,319
School District's covered payroll	$ 17,815,433	$ 16,412,436	$ 14,561,899	$ 13,666,269	$ 12,941,258
School District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%

FORSYTH COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021
Board's proportion of the net OPEB liability	2.816689%	2.762441%	2.659908%	2.612700%	2.574639%
Board's proportionate share of the net OPEB liability	$ 320,999,407	$ 302,581,552	$ 263,415,529	$ 282,977,024	$ 378,154,509
Total	$ 320,999,407	$ 302,581,552	$ 263,415,529	$ 282,977,024	$ 378,154,509
Board's covered payroll	$ 323,565,492	$ 293,534,009	$ 266,109,346	$ 254,917,972	$ 235,055,916
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	99.21%	103.08%	98.99%	111.01%	160.88%
Plan fiduciary net position as a percentage of the total OPEB liability	6.88%	6.05%	6.17%	6.14%	4.63%

	2020	2019	2018
Board's proportion of the net OPEB liability	2.490421%	2.380281%	2.298586%
Board's proportionate share of the net OPEB liability	$ 305,628,089	$ 302,526,410	$ 322,950,408
Total	$ 305,628,089	$ 302,526,410	$ 322,950,408
Board's covered payroll	$ 230,064,148	$ 198,472,527	$ 181,013,656
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	132.84%	152.43%	178.41%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

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

FORSYTH COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 12,678,738	$ 11,519,665	$ 10,620,034	$ 9,617,563	$ 9,718,804
Contributions in relation to the contractually required contributions	12,678,738	11,519,665	10,620,034	9,617,563	9,718,804
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 364,792,326	$ 323,565,492	$ 293,534,009	$ 266,109,346	$ 254,917,972
Contributions as a percentage of covered payroll	3.48%	3.56%	3.62%	3.61%	3.81%

	2020	2019	2018
Contractually required contributions	$ 8,706,827	$ 13,412,642	$ 12,336,767
Contributions in relation to the contractually required contributions	8,706,827	13,412,642	12,336,767
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 235,055,916	$ 230,064,148	$ 198,472,527
Contributions as a percentage of covered payroll	3.70%	5.83%	6.22%

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

FORSYTH COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Teachers Retirement System of Georgia:

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

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

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

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

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

Public Schools Employees Retirement System of Georgia:

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 assumption utilized by the System based on the experience study prepared for the five-year period ended 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 of assumptions: June 30, 2023 valuation: Medicare healthcare 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 Systems 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 Systems 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 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.

FORSYTH COUNTY BOARD OF EDUCATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

SCHOOL ACTIVITY

The School Activity Fund is used to account for funds collected primarily through the fund raising efforts of the individual schools. Each school's principal is responsible, under the authority of the School District, for collecting, controlling, disbursing, and accounting for his or her school's funds. All resources of the fund, including any earnings on invested resources, have been committed by the Board of Education to be used to support the schools' activities.

FEDERAL PROGRAMS

The Federal Programs Fund is used to account for federal and state funded grants. These grants are awarded to the School District for the purpose of accomplishing specific educational tasks as defined in the grant agreements. This fund also contains several locally funded programs whose expenditures are limted to specified purposes.

SCHOOL FOOD SERVICES

To account for the monies and commodities received from the federal and state governments and the School Food Service's cafeteria sales which are restricted for the purpose of maintaining the School District's breakfast, lunch, and snack programs.

DEBT SERVICE FUND

DEBT SERVICE

To account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

FORSYTH COUNTY BOARD OF EDUCATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds				
ASSETS	**School Activity Fund**	**Federal Programs Fund**	**School Food Services Fund**	**Debt Service Fund**	**Nonmajor Governmental Funds**
Cash and cash equivalents	$ 13,603,595	$ -	$ 21,889,533	$ 2,293,959	$ 37,787,087
Receivables:					
Accounts	-	26,204	20,361	-	46,565
Intergovernmental	-	2,606,928	-	-	2,606,928
Taxes, net of allowance	-	-	-	291,456	291,456
Inventory	-	-	612,036	-	612,036
Prepaid items	-	35,898	-	-	35,898
Total assets	$ 13,603,595	$ 2,669,030	$ 22,521,930	$ 2,585,415	$ 41,379,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 98,359	$ 50,161	$ 308,454	$ -	$ 456,974
Salaries and benefits payable	-	767,735	1,013,968	-	1,781,703
Due to other funds	-	1,320,679	-	-	1,320,679
Advances from other funds	354,605	-	-	-	354,605
Unearned revenue	-	-	55,826		55,826
Total liabilities	452,964	2,138,575	1,378,248	-	3,969,787
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	182,008	182,008
Unavailable revenue - federal grants	-	35,898	-	-	35,898
Total deferred inflows of resources	-	35,898	-	182,008	217,906
FUND BALANCES					
Nonspendable:					
Inventory	-	-	612,036	-	612,036
Prepaid items	-	35,898	-	-	35,898
Restricted:					
Debt service	-	-	-	2,403,407	2,403,407
School food services	-	-	20,531,646	-	20,531,646
Federal programs	-	458,659	-	-	458,659
Committed:					
School activities	13,150,631	-	-	-	13,150,631
Total fund balances	13,150,631	494,557	21,143,682	2,403,407	37,192,277
Total liabilities, deferred inflows of resources, and fund balances	$ 13,603,595	$ 2,669,030	$ 22,521,930	$ 2,585,415	$ 41,379,970

FORSYTH COUNTY BOARD OF EDUCATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	School Activity Fund	Federal Programs Fund	School Food Services Fund	Debt Service Fund	Nonmajor Governmental Funds
REVENUES					
State funds	$ -	$ 42,250	$ 763,950	$ -	$ 806,200
Federal funds	-	14,927,334	10,182,663	-	25,109,997
Local and other funds	28,693,641	99,200	12,298,608	32,015,826	73,107,275
Total revenues	28,693,641	15,068,784	23,245,221	32,015,826	99,023,472
EXPENDITURES					
Current:					
Instruction	27,919,285	5,352,437	-	-	33,271,722
Support services:					
Pupil services	-	7,002,513	-	-	7,002,513
Improvement of instructional services	-	224,650	-	-	224,650
Instructional staff training	-	1,808,214	-	-	1,808,214
Federal grant administration	-	206,348	-	-	206,348
General administration	-	55,345	-	-	55,345
School administration	-	1,736	-	-	1,736
Student transportation services	-	472,873	-	-	472,873
Central support services	-	374,122	-	-	374,122
Food services operation	-	-	24,738,782	-	24,738,782
Debt service:					
Principal retirement	-	-	-	44,970,000	44,970,000
Interest	-	-	-	17,057,460	17,057,460
Total expenditures	27,919,285	15,498,238	24,738,782	62,027,460	130,183,765
Excess (deficiency) of revenues over expenditures	774,356	(429,454)	(1,493,561)	(30,011,634)	(31,160,293)
OTHER FINANCING SOURCES					
Transfers in	-	482,220	-	27,071,515	27,553,735
Total other financing sources	-	482,220	-	27,071,515	27,553,735
Net change in fund balances	774,356	52,766	(1,493,561)	(2,940,119)	(3,606,558)
FUND BALANCES, beginning of year	12,376,275	441,791	22,637,243	5,343,526	40,798,835
FUND BALANCES, end of year	$ 13,150,631	$ 494,557	$ 21,143,682	$ 2,403,407	$ 37,192,277

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	SPLOST IV				
	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
The cost of acquiring land for future schools, instructional and administrative technology improvements for existing schools, and school buses, adding to, renovating, repairing, improving, and equipping existing school buildings and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property therefore, both real and personal, all at a maximum cost of $53,624,925.	$ 53,624,925	$ 53,624,925	$ 50,082,220	$ 1,289,819	$ 51,372,039
The cost of retiring a portion of the School District's General Obligation Bonds, Series 2005, and General Obligation Bonds, Series 2007, by paying or making provision for the payment of the principal and interest on such bonds coming due on December 1, 2012 through August 1, 2017, in the maximum amount of $141,375,075.	141,375,075	141,375,075	121,752,412	-	121,752,412
	$ 195,000,000	$ 195,000,000	$ 171,834,632	$ 1,289,819	$ 173,124,451

	SPLOST V				
	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
The cost of acquiring land for future schools, instructional and administrative technology improvements for existing schools, and school buses, adding to, renovating, repairing, improving, and equipping existing school buildings and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property therefore, both real and personal, all at a maximum cost of $35,528,375.	$ 35,528,375	$ 37,103,511	$ 35,815,456	$ 3,976,144	$ 39,791,600
The cost of retiring a portion of the School District's General Obligation Bonds, Series 2004, Series 2013, Series 2014 and Series 2016, by paying or making provision for the payment of the principal and interest on such bonds coming due on February 1, 2018 through August 1, 2022, in the maximum amount of $159,471,625.	159,471,625	171,849,495	167,873,350	1,288,055	169,161,405
	$ 195,000,000	$ 208,953,006	$ 203,688,806	$ 5,264,199	$ 208,953,005

(Continued)

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	SPLOST VI				
	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
The cost of acquiring, constructing, and installing one new elementary school to replace an existing elementary school, acquire land for future school and other facilities, instructional and administrative technology improvements (including, without limitation, necessary software and student and staff laptops devices), school buses, other vehicles, and related transportation equipment, and safety and security equipment, add to, renovate, repair, improve, and equip existing school buildings and other buildings and facilities useful or desirable in connection therewith, and acquire any necessary property therefore, both real and personal, all at a maximum cost of $250,000,000.	$ 250,000,000	$ 250,000,000	$ 108,048,113	$ 86,047,351	$ 194,095,464
The cost of retiring a portion of the Series 2013 Bonds, the Series 2016 Bonds, the Series 2018 Bonds, and the Series 2020 Bonds (or any general obligation bonds issued to refund such bonds) by paying or making provision for the payment of the principal of and the interest on the prior bonds coming due on August 1, 2023 through August 1, 2026, in the maximum amount of $50,000,000.	50,000,000	50,000,000	11,803,250	22,643,550	34,446,800
	$ 300,000,000	$ 300,000,000	$ 119,851,363	$ 108,690,901	$ 228,542,264

Total SPLOST expenditures and transfers - SPLOST IV	$ 1,289,819
Total SPLOST expenditures and transfers - SPLOST V	5,264,199
Total SPLOST expenditures and transfers - SPLOST VI	108,690,901
Non-SPLOST monies expended in Capital Projects Fund	8,722,855
Total expenditures and transfers out of Capital Projects Fund	$ 123,967,774

II. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Forsyth County Board of Education
Cumming, 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 Forsyth County Board of Education (the "School District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District' basic financial statements, and have issued our report thereon dated March 5, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 5, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Forsyth County Board of Education
Cumming, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Forsyth County Board of Education's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 School District'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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 5, 2026

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of:			
Pass-Through from Georgia Department of Education			
Child Nutrition Cluster			
Food and Nutrition Program			
Food Services			
School Breakfast Program - Cash Assistance	10.553	255GA324N1199	$ 1,840,912
National School Lunch Program:			
Cash Assistance	10.555	255GA324N1199	6,598,376
Non-Cash Assistance (Commodities) (1)	10.555	255GA324N1199	1,644,854
Afterschool Snack Program	10.555	255GA324N1199	30,013
Total Child Nutrition Cluster			10,114,155
Commercial Warehouse Grant	10.560	255GA904N2533	11,565
School Lunch Equipment Assistance Grant	10.579	202321I500345	56,943
Total U.S. Department of Agriculture			10,182,663
Education, U.S. Department of:			
Pass-Through from Georgia Department of Education			
Special Education Cluster (IDEA)			
Part B - Special Education			
Capacity Building	84.027	H027A240073	75,000
Flow Through	84.027	H027A230073	109,121
Flow Through	84.027	H027A240073	7,633,144
GNETS Program	84.027	H027A240073	1,271,096
High Cost Fund Pool	84.027	H027A230073	86,239
High Cost Fund Pool	84.027	H027A240073	206,315
Parent Mentor	84.027	H027A240073	18,400
Preschool	84.173	H173A240081	204,401
Total Special Education Cluster (IDEA)			9,603,716
Title I, Part A			
Improving Academic Achievement	84.010	S010A230010	36,241
Improving Academic Achievement	84.010	S010A240010	1,981,231
Total Title I, Part A			2,017,472
Title I - C			
Migrant Education	84.011	S011A240011	18,609
Title II			
Improving Teacher Quality	84.367	S367A230001	100,878
Improving Teacher Quality	84.367	S367A240001	1,226,120
Total Title II			1,326,998
Title III			
Limited English Proficient	84.365	S365A230010	2,640
Limited English Proficient	84.365	S365A240010	688,182
Immigrant	84.365	S365A230010	6,295
Immigrant	84.365	S365A240010	5,095
Total Title III			702,212

(Continued)

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Education, U.S. Department of (Continued):			
Pass-Through from Georgia Department of Education (Continued)			
Title IV			
Student Support and Academic Enrichment	84.424	S424A230011	$ 4,833
Student Support and Academic Enrichment	84.424	S424A240011	179,482
Total Title IV			184,315
Education of Homeless Children and Youth	84.196	S196A230011	22,743
Education of Homeless Children and Youth	84.196	S196A240011	87,343
Total Education of Homeless Children and Youth			110,086
Vocational Education - Basic Grants to States			
CTE Perkins Plus	84.048	V048A240010	25,000
CTE Perkins Carryover	84.048	V048A240010	9,764
Program Improvement	84.048	V048A240010	236,735
Total Vocational Education - Basic Grants to States			271,499
Spark! Igniting Learning, Birth and Beyond	84.215K	S215K240257	361,930
Education Stabilization Fund (ESSER)			
COVID-19 - ESSER III - Opportunity Grants	84.425U	S425U240012	45,820
COVID-19 - ESSER - Homeless Children and Youth	84.425W	S425W230011	10,147
Total Education Stabilization Fund (ESSER)			55,967
Total U.S. Department of Education			14,652,804
Defense, U.S. Department of:			
R.O.T.C Program	12.357	Unknown	282,366
Pass-Through from Office of the State Treasurer			
Payments to States in Lieu of Real Estate Taxes	12.112	Unknown	498,616
Total U.S. Department of Defense			780,982
Total Expenditures of Federal Awards			$ 25,616,449

See accompanying notes to the Schedule of Expenditures of Federal Awards.

FORSYTH COUNTY BOARD OF EDUCATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Notes to the Schedule of Expenditures of Federal Awards

(1) The amount shown for the Food Distribution Program represents the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the system during the current fiscal year.

The Forsyth County Board of Education did not provide Federal Assistance to any Subrecipient.

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Forsyth County Board of Education and is presented on the accrual basis of accounting.

The School District did not utilize the 10% de minimis indirect cost rate.

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 of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	____ yes _X_ no
Significant deficiencies identified?	____ yes _X_ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	____ yes _X_ no

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster (IDEA)
84.367	Title II, Part A Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	$768,493
Auditee qualified as low-risk auditee?	____ yes _X_ no

FORSYTH COUNTY BOARD OF EDUCATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

FORSYTH COUNTY BOARD OF EDUCATION

STATUS OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2024-001 Internal Controls - Financial Reporting

Description: The policies and procedures of the School District were insufficient to provide adequate internal controls over the review and reconciliation process applied to the School District's financial statements.

Condition: Adjustments totaling $11,376,000 for bond premiums, net of accumulated amortization, and $1,281,200 of federal expenditures reported on the SEFA were required to accurately report balances as of and for the year ended June 30, 2024.

Status: Resolved in current year.

2024-002 Allowable Costs – Assistance Listing 10.553 and 10.555 – Child Nutrition Cluster

Description: Insufficient internal controls to ensure compliance with both timekeeping policies and employee termination policies resulted in an instance of noncompliance in which an individual was paid $2,165 for a period of time when the employee was not working for the School District and another individual was paid $1,128 for time during which no work was performed.

Condition: Known questioned costs, based on the results of audit procedures, amounted to $3,293 due to deficiencies in internal control surrounding the employee termination process.

Status: Resolved in current year.