



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2025

Candler County Board of Education Metter, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA
Georgia Department
of Audits & Accounts

Candler County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Fred J. Longgear, Superintendent and Members of the
Candler County Board of Education

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

March 27, 2026

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

INTRODUCTION

Our discussion and analysis of the Candler County School District's 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:

- (1) GASB Statement No. 101, *Compensated Absences*, was implemented in fiscal year 2025 and replaced GASB Statement No. 16. This is considered a change in accounting principle that affects the School District's reporting of its compensated absences liability. This change in accounting policy required a beginning balance restatement for the fiscal year 2025. Ending balances for fiscal year 2024 presented inside the Management's Discussion and Analysis section do not show the accounting impact of these restated balances. Additional information may be found in Note 2, Summary of Significant Accounting Policies and Note 15, Restatement of Prior Year Net Position – Change in Accounting Principle.
- (2) On the government-wide financial statements, the assets and deferred outflows of the School District exceeded liabilities and deferred inflows by \$32.5 million.
- (3) The School District had \$35.7 million in expenses relating to governmental activities; \$24.7 million of these expenses are offset by program specific charges for services and grants and contributions. General revenues (primarily property and sales taxes) of \$15.3 million, were adequate to provide for these programs.
- (4) On the government-wide financial statements, the School District reported deferred inflows of resources of \$8.1 million and deferred outflows of resources of \$9.8 million related to defined benefit pension plans and OPEB plan.
- (5) The general fund (the primary operating fund) ended the fiscal year with a fund balance of \$12.1 million, a decrease of \$480 thousand from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of several parts including management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and the fund financial statements. This discussion and analysis of the School District's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2025 and fiscal year 2024.

The government-wide financial statements include the Statement of Net Position and the 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 the 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 fiduciary funds statement provides information about the financial relationships in which the School District acts solely as an agent for the benefit of others. The fund financial statements reflect the School District's most significant funds. In the case of the Candler County Board of Education, the general fund, capital projects fund, and debt service fund are the most significant funds.

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

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

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question about whether the School District is in a better financial position than last year? The Statement of Net Position and the Statement of Activities provides the basis for answering this question. These financial statements include all of the School District's non-fiduciary assets, deferred outflows, liabilities and deferred inflows. They 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 position and any changes in 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, implementation of new accounting pronouncements and other factors.

The Statement of Net Position and the Statement of Activities reflect 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 detail information about only the School District's significant or 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 within the financial statements.

Fiduciary Funds - Custodial funds are used to report resources held by the School District in a purely custodial capacity. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Current and other assets decreased by \$1.9 million primarily in the cash account due to the payments of current year construction project expenses and increased sales tax revenue and increase in grants and contributions revenues.

Depreciable capital assets increased \$1.8 million in the current year primarily due to the completion of construction and renovation projects in the prior fiscal year. Current year capital asset additions accounted for \$3.9 million of that increase, which was offset by \$2.1 million in depreciation.

In fiscal year 2025, the overall net position increased by \$3.2 million. Assets and deferred outflows increased by \$1.9 million while liabilities and deferred inflows decreased by \$1.3 million. General and program revenues increased by \$350 thousand and expenses increased \$876 thousand during fiscal year 2025.

Table 1, Statement of Net Position, provides the perspective of the School District as a whole.

Table 1
Net Position

	Governmental Activities		
	Fiscal Year 2025	Fiscal Year 2024 (1)	Net Change
Assets			
Current and Other Assets	\$ 37,892,940	\$ 39,811,529	\$ (1,918,589)
Capital Assets, Net	57,179,694	50,948,058	6,231,636
Total Assets	95,072,634	90,759,587	4,313,047
Deferred Outflows of Resources			
Related to Defined Benefit Pension Plan	6,547,150	8,343,531	(1,796,381)
Related to OPEB Plan	3,268,355	3,912,764	(644,409)
Total Deferred Outflows of Resources	9,815,505	12,256,295	(2,440,790)
Liabilities			
Current and Other Liabilities	6,635,917	6,116,827	519,090
Long-Term Liabilities	22,532,343	21,941,621	590,722
Net Pension Liability	20,808,363	25,339,242	(4,530,879)
Net OPEB Liability	14,234,596	13,803,709	430,887
Total Liabilities	64,211,219	67,201,399	(2,990,180)
Deferred Inflows of Resources			
Related to Defined Benefits Pension Plan	3,636,739	329,736	3,307,003
Related to OPEB Plan	4,494,838	6,129,726	(1,634,888)
Total Deferred Inflows of Resources	8,131,577	6,459,462	1,672,115
Net Position			
Net Investment in Capital Assets	36,277,511	33,865,230	2,412,281
Restricted for	19,447,446	18,323,825	1,123,621
Unrestricted (Deficit)	(23,179,614)	(22,834,034)	(345,580)
Total Net Position	\$ 32,545,343	\$ 29,355,021	\$ 3,190,322

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement balances.

See Note 15 in the Notes to the Basic Financial Statements for additional information.

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

Table 2 shows the change in net position for the year ending June 30, 2025 and June 30, 2024.

Table 2
Change in Net Position

	Governmental Activities		
	Fiscal Year 2025	Fiscal Year 2024 (1)	Net Change
Revenues			
Program Revenues:			
Charges for Services	\$ 397,349	\$ 391,378	\$ 5,971
Operating Grants and Contributions	21,249,331	21,969,377	(720,046)
Capital Grants and Contributions	3,069,670	3,413,606	(343,936)
Total Program Revenues	<u>24,716,350</u>	<u>25,774,361</u>	<u>(1,058,011)</u>
General Revenues:			
Taxes			
Property Taxes			
For Maintenance and Operations	6,390,061	5,643,987	746,074
Railroad Cars	8,118	7,037	1,081
Sales Taxes			
Special Purpose Local Option Sales Tax			
For Debt Service	2,290,148	2,068,919	221,229
Other Sales Tax	70,256	65,183	5,073
Grants and Contributions Not Restricted to Specific Programs	4,039,737	3,410,151	629,586
Investment Earnings	1,021,281	1,120,064	(98,783)
Miscellaneous	1,489,539	1,585,748	(96,209)
Total General Revenues	<u>15,309,140</u>	<u>13,901,089</u>	<u>1,408,051</u>
Total Revenues	<u>40,025,490</u>	<u>39,675,450</u>	<u>350,040</u>
Program Expenses			
Instruction	21,189,539	20,918,513	271,026
Support Services			
Pupil Services	899,428	880,050	19,378
Improvement of Instructional Services	1,443,797	1,080,783	363,014
Educational Media Services	429,651	409,674	19,977
General Administration	1,153,738	1,297,584	(143,846)
School Administration	1,931,885	1,967,490	(35,605)
Business Administration	348,512	431,147	(82,635)
Maintenance and Operation of Plant	2,448,987	2,191,202	257,785
Student Transportation Services	1,400,657	1,279,594	121,063
Central Support Services	228,488	161,413	67,075
Other Support Services	226,355	299,089	(72,734)
Operations of Non-Instructional Services			-
Enterprise Operations	533,649	466,572	67,077
Community Services	152,416	151,888	528
Food Services	2,161,039	2,113,025	48,014
Interest on Long-Term Debt	1,134,890	1,159,464	(24,574)
Total Expenses	<u>35,683,031</u>	<u>34,807,488</u>	<u>875,543</u>
Increase in Net Position	<u>\$ 4,342,459</u>	<u>\$ 4,867,962</u>	<u>\$ (525,503)</u>

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement balances.

See Note 15 in the Notes to the Basic Financial Statements for additional information.

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

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. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3
Governmental Activities**

	<u>Total Cost of</u> Fiscal Year 2025	<u>Net Cost of</u> Fiscal Year 2025
Instruction	\$ 21,189,539	\$ 4,803,592
Support Services:		
Pupil Services	899,428	694,891
Improvement of Instructional Services	1,443,797	485,528
Educational Media Services	429,651	(13,518)
General Administration	1,153,738	258,106
School Administration	1,931,885	1,040,356
Business Administration	348,512	348,327
Maintenance and Operation of Plant	2,448,987	1,581,529
Student Transportation Services	1,400,657	830,611
Central Support Services	228,488	228,488
Other Support Services	226,355	226,355
Operations of Non-Instructional Services:		
Enterprise Operations	533,649	339,288
Community Services	152,416	30,568
Food Services	2,161,039	(133,996)
Interest on Short-Term and Long-Term Debt	<u>1,134,890</u>	<u>246,556</u>
Total Expenses	<u>\$ 35,683,031</u>	<u>\$ 10,966,681</u>

Although program revenues make up a majority of the funding, the School District is still dependent upon tax revenues for governmental activities. For fiscal year 2025, 30.7% of expenses were supplemented by taxes and other general revenues.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of \$39.8 million and total expenditures of \$42.8 million. The excess of expenditures over revenues was provided for by the cumulative fund balance available for such expenditures to meet the needs of our students. The capital expenditures of construction projects at Metter High School and Metter College and Career Academy were funded by state capital outlay funds and local revenues from the General Fund. ESPLOST revenues and the QSCB IRS Subsidy recorded in the debt service fund were adequate to make the required debt payments.

GENERAL FUND BUDGETING HIGHLIGHTS

The School District's budget is prepared in accordance with Georgia law. The most significant budgeted fund is the general fund, which includes local, state and federal funds collected and disbursed for the purpose of operating the School District.

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

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

For the general fund, the final actual revenues of \$33.7 million exceeded final budgeted amount of \$29.5 million by \$4.2 million. This difference between actual revenues and final budget revenues was due to several reasons. Property taxes were better than budgeted due to a constant millage rate, an increase in TAVT tax collections, and a successful effort to collect delinquent taxes by the tax commissioner. State funds were better than budgeted primarily due to increases in the QBE funding formula on the Mid-Term Allotment and an increase in state grants. Charges for Services and Miscellaneous revenues were also higher than budgeted because the School District does not budget for the daycare or afterschool programs, Pre-K program or school activity accounts.

The actual expenditures of \$33.3 million were more than the final budgeted amount of \$31.0 million by \$2.3 million. This difference was primarily due to expenditures for large, one-time state grants such as the CTAE Equipment grants and bus allotments that were all expended but not budgeted for during the fiscal year. Also, the School District did not budget for school activity accounts nor the daycare, afterschool programs and various other special revenue funds.

CAPITAL ASSETS

At fiscal year ended June 30, 2025, the School District had \$36.3 million invested in capital assets, net of related debt in the governmental funds. In fiscal year 2025, renovation projects at Metter High School were completed and removed from the Construction in Progress category and added to the various asset categories. Also, the new Metter College and Career Academy construction was underway and added to the Construction in Progress category during fiscal year 2025. Table 4 reflects a summary of these balances net of accumulated depreciation. The School District's capital assets, net of accumulated depreciation, totaling \$57.2 million are comprised of buildings and building improvements (73.5%), land and land improvements (6.7%), construction in progress (14.6%), and equipment (5.2%). Additional information about the School District's capital assets can be found in the Notes to the Basic Financial Statements.

Table 4
Capital Assets
Net of Depreciation

	Governmental Activities		
	Fiscal Year	Fiscal Year	Net
	2025	2024	Change
Land	\$ 830,480	\$ 830,480	\$ -
Construction in Progress	8,368,560	3,971,138	4,397,422
Building and Improvements	42,027,417	40,986,445	1,040,972
Equipment	2,970,808	2,878,860	91,948
Land Improvements	2,982,429	2,281,135	701,294
Total	\$ 57,179,694	\$ 50,948,058	\$ 6,231,636

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

LONG-TERM LIABILITIES

At June 30, 2025, the School District had \$22.5 million in total long-term liabilities with \$18.8 million due within one year. Table 5 summarizes long-term liabilities at June 30, 2025, and 2024.

Table 5
Long-Term Liabilities at June 30

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024 (1)
General Obligation Bonds	\$ 3,500,000	\$ 4,025,000
Unamortized Bond Premium	218,716	291,621
Qualified School Construction Bonds (Series 2011)	17,625,000	17,625,000
Compensated Absences (1)	<u>1,188,627.00</u>	<u>-</u>
	<u>\$ 22,532,343</u>	<u>\$ 21,941,621</u>

(1) The fiscal year 2024 amount reflects the effect of the restatement of net position.
See Note 15 in the Notes to the Basic Financial Statements for more information.

The Candler County School District had long-term liabilities of \$17.6 million related to General Government QSCB Series 2011 Bonds. These bonds are to be paid back by March 2026 with Special Purpose Local Option Sales Tax funds. The School District maintains an A1 underlying rating from Moody's Investors Service, which is the highest public rating that is GO-related.

During the current fiscal year, the School District had long-term liabilities of \$3.5 million related to Series 2022 General Government bonds, which includes an unamortized bond premium of \$219 thousand. Amortization expense for the current fiscal year amounted to \$72.9 thousand. These bonds are to be paid back by March 2028 with Special Purpose Local Option Sales Tax Funds.

CURRENT ISSUES

The School District is in very sound financial condition despite the increased energy costs, supply chain issues and high inflation of the current economy. Candler County Board of Education's close monitoring of revenues and expenditures over several years has our fund balance sufficient enough to provide for such issues. The general fund has an unassigned fund balance of \$10.5 million which is a decrease of \$551 thousand from the prior fiscal year.

Approximately 78.2% of general fund expenses, the main operating fund for the School District, were related to salaries and employee benefits for the year ended June 30, 2025. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. Significant increases in the employer cost of group health insurance occurred during fiscal year 2025. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that Candler County students receive a quality education from effective personnel.

The School District will continue to be a good steward and look for ways to align resources and costs in a way to ensure the best opportunity for student success.

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Denise Strickland, CPA, Chief Financial Officer for the Candler County Board of Education, 210 S. College Street, Metter, GA 30439. You may also email your questions to Ms. Strickland at dstrickland@metter.org.

Candler County Board of Education

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

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 16,099,840.34
Accounts Receivable, Net	
Interest	187,498.75
Taxes	1,382,226.20
State Government	2,450,058.08
Federal Government	525,921.72
Local	43,040.98
Other	375,093.09
Inventories	111,580.12
Restricted Assets	
Investments held by Trustee	16,717,681.24
Capital Assets, Non-Depreciable	9,199,040.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)	47,980,654.00
Total Assets	<u>95,072,634.52</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	6,547,150.00
Related to OPEB Plan	3,268,355.00
Total Deferred Outflows of Resources	<u>9,815,505.00</u>
 <u>LIABILITIES</u>	
Accounts Payable	1,183,722.72
Salaries and Benefits Payable	3,641,725.57
Interest Payable	392,444.72
Contracts Payable	631,065.89
Retainages Payable	786,957.80
Net Pension Liability	20,808,363.00
Net OPEB Liability	14,234,596.00
Long-Term Liabilities	
Due Within One Year	18,834,647.80
Due in More Than One Year	3,697,695.63
Total Liabilities	<u>64,211,219.13</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	3,636,739.00
Related to OPEB Plan	4,494,838.00
Total Deferred Inflows of Resources	<u>8,131,577.00</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	36,277,511.13
Restricted for	
Continuation of Federal Programs	1,034,645.96
Debt Service	18,412,799.83
Unrestricted (Deficit)	<u>(23,179,613.53)</u>
Total Net Position	<u>\$ 32,545,343.39</u>

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

EXHIBIT "B"

	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 21,189,539.09	\$ -	\$ 14,847,666.00	\$ 1,538,280.97	\$ (4,803,592.12)
Support Services					
Pupil Services	899,428.03	-	204,537.29	-	(694,890.74)
Improvement of Instructional Services	1,443,797.42	-	958,269.40	-	(485,528.02)
Educational Media Services	429,650.59	-	332,179.15	110,988.96	13,517.52
General Administration	1,153,737.72	-	695,851.53	199,780.13	(258,106.06)
School Administration	1,931,885.42	-	802,737.99	88,791.17	(1,040,356.26)
Business Administration	348,512.43	-	185.83	-	(348,326.60)
Maintenance and Operation of Plant	2,448,986.72	7,000.00	816,062.33	44,395.59	(1,581,528.80)
Student Transportation Services	1,400,656.84	20,749.00	461,186.79	88,110.00	(830,611.05)
Central Support Services	228,488.06	-	-	-	(228,488.06)
Other Support Services	226,355.23	-	-	-	(226,355.23)
Operations of Non-Instructional Services					
Enterprise Operations	533,649.26	194,361.51	-	-	(339,287.75)
Community Services	152,415.84	121,847.97	-	-	(30,567.87)
Food Services	2,161,038.75	53,390.95	2,130,654.48	110,988.96	133,995.64
Interest on Long-Term Debt	1,134,890.13	-	-	888,334.17	(246,555.96)
Total Governmental Activities	\$ 35,683,031.53	\$ 397,349.43	\$ 21,249,330.79	\$ 3,069,669.95	(10,966,681.36)
General Revenues					
Taxes					
Property Taxes					
For Maintenance and Operations					
Railroad Cars					
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Debt Services					
Other Sales Tax					
Grants and Contributions not Restricted to Specific Programs					
Investment Earnings					
Miscellaneous					
Total General Revenues					
Change in Net Position					
Net Position - Beginning of Year, as Previously Presented					
Change in Accounting Principle - GASB Statement No. 101					
Net Position - Beginning of Year, as Restated					
Net Position - End of Year					

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

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,362,714.04	\$ 1,557,370.57	\$ 1,179,755.73	\$ 16,099,840.34
Accounts Receivable, Net				
Taxes	968,182.71	-	414,043.49	1,382,226.20
State Government	2,450,058.08	-	-	2,450,058.08
Federal Government	525,921.72	-	-	525,921.72
Local	43,040.98	-	-	43,040.98
Other	68,827.75	-	-	68,827.75
Inventories	111,580.12	-	-	111,580.12
Restricted Assets				
Investments held by Trustee	-	-	16,717,681.24	16,717,681.24
	<u>17,530,325.40</u>	<u>1,557,370.57</u>	<u>18,311,480.46</u>	<u>37,399,176.43</u>
Total Assets	<u>\$ 17,530,325.40</u>	<u>\$ 1,557,370.57</u>	<u>\$ 18,311,480.46</u>	<u>\$ 37,399,176.43</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 964,862.14	\$ 218,860.58	-	\$ 1,183,722.72
Salaries and Benefits Payable	3,641,725.57	-	-	3,641,725.57
Contracts Payable	-	631,065.89	-	631,065.89
Retainages Payable	-	786,957.80	-	786,957.80
Total Liabilities	<u>4,606,587.71</u>	<u>1,636,884.27</u>	<u>-</u>	<u>6,243,471.98</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	863,596.20	-	-	863,596.20
<u>FUND BALANCES</u>				
Nonspendable	111,580.12	-	-	111,580.12
Restricted	923,065.84	-	18,311,480.46	19,234,546.30
Committed	478,292.52	-	-	478,292.52
Unassigned	10,547,203.01	(79,513.70)	-	10,467,689.31
Total Fund Balances	<u>12,060,141.49</u>	<u>(79,513.70)</u>	<u>18,311,480.46</u>	<u>30,292,108.25</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,530,325.40</u>	<u>\$ 1,557,370.57</u>	<u>\$ 18,311,480.46</u>	<u>\$ 37,399,176.43</u>

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

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	30,292,108.25
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 830,480.00	
Construction in progress	8,368,560.00	
Buildings and improvements	57,518,853.00	
Equipment	6,706,956.00	
Land improvements	5,590,165.00	
Accumulated depreciation	<u>(21,835,320.00)</u>	57,179,694.00
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (20,808,363.00)	
Net OPEB liability	<u>(14,234,596.00)</u>	(35,042,959.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$ 2,910,411.00	
Related to OPEB	<u>(1,226,483.00)</u>	1,683,928.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		863,596.20
Accrued interest revenue on repurchase agreement not earned in the current period and therefore not reported as a receivable on the fund level.		
		187,498.75
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (21,125,000.00)	
Accrued interest payable	(392,444.72)	
Compensated absences payable	(1,188,627.85)	
Unamortized bond premiums	<u>(218,715.58)</u>	(22,924,788.15)
Qualified School Construction Bond interest subsidy was not earned in the current period and therefore not reported as a receivable on the governmental fund statements.		
		<u>306,265.34</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>32,545,343.39</u></u>

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

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 5,814,451.26	\$ -	\$ -	\$ 5,814,451.26
Sales Taxes	70,256.24	-	2,290,148.26	2,360,404.50
State Funds	21,061,593.61	2,022,800.78	-	23,084,394.39
Federal Funds	4,712,688.18	-	-	4,712,688.18
Charges for Services	397,349.43	-	-	397,349.43
Investment Earnings	184,361.45	228,778.92	595,361.58	1,008,501.95
Miscellaneous	1,489,538.98	-	888,334.17	2,377,873.15
Total Revenues	<u>33,730,239.15</u>	<u>2,251,579.70</u>	<u>3,773,844.01</u>	<u>39,755,662.86</u>
<u>EXPENDITURES</u>				
Current				
Instruction	20,545,647.91	-	-	20,545,647.91
Support Services				
Pupil Services	913,964.02	-	-	913,964.02
Improvement of Instructional Services	1,442,649.92	-	-	1,442,649.92
Educational Media Services	329,526.27	-	-	329,526.27
General Administration	964,619.72	60.00	-	964,679.72
School Administration	1,855,982.72	-	-	1,855,982.72
Business Administration	378,726.77	-	7,537.50	386,264.27
Maintenance and Operation of Plant	2,279,194.45	218,860.58	-	2,498,055.03
Student Transportation Services	1,249,071.03	-	-	1,249,071.03
Central Support Services	228,558.05	-	-	228,558.05
Other Support Services	234,674.86	-	-	234,674.86
Enterprise Operations	533,649.26	-	-	533,649.26
Community Services	155,631.16	-	-	155,631.16
Food Services Operation	2,141,421.46	-	-	2,141,421.46
Capital Outlay	-	7,577,277.12	-	7,577,277.12
Debt Services				
Principal	-	-	525,000.00	525,000.00
Interest	-	-	1,216,450.00	1,216,450.00
Total Expenditures	<u>33,253,317.60</u>	<u>7,796,197.70</u>	<u>1,748,987.50</u>	<u>42,798,502.80</u>
Revenues over (under) Expenditures	<u>476,921.55</u>	<u>(5,544,618.00)</u>	<u>2,024,856.51</u>	<u>(3,042,839.94)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	957,319.16	107,578.24	1,064,897.40
Transfers Out	(957,319.16)	(107,578.24)	-	(1,064,897.40)
Total Other Financing Sources (Uses)	<u>(957,319.16)</u>	<u>849,740.92</u>	<u>107,578.24</u>	<u>-</u>
Net Change in Fund Balances	(480,397.61)	(4,694,877.08)	2,132,434.75	(3,042,839.94)
Fund Balances - Beginning	<u>12,540,539.10</u>	<u>4,615,363.38</u>	<u>16,179,045.71</u>	<u>33,334,948.19</u>
Fund Balances - Ending	<u>\$ 12,060,141.49</u>	<u>\$ (79,513.70)</u>	<u>\$ 18,311,480.46</u>	<u>\$ 30,292,108.25</u>

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

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ (3,042,839.94)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 8,285,247.00	
Depreciation expense	<u>(2,053,611.00)</u>	6,231,636.00

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

583,728.32

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

Bond principal retirements	\$ 525,000.00	
Amortization of bond premium	<u>72,905.19</u>	597,905.19

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension expense	\$ (572,505.00)	
OPEB expense	<u>559,592.00</u>	(12,913.00)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest on issuance of bonds	\$ 8,654.68	
Increase in interest receivable on repurchase agreement	12,778.56	
Compensated absences	<u>(36,490.60)</u>	<u>(15,057.36)</u>

Change in net position of governmental activities (Exhibit "B") \$ 4,342,459.21

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

EXHIBIT "G"

	PRIVATE PURPOSE TRUSTS	CUSTODIAL FUNDS
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 900.93	\$ 417.18
Investments	91,745.37	-
Total Assets	92,646.30	417.18
<u>NET POSITION</u>		
Held in Trust for Private Purposes	\$ 92,646.30	
Restricted		
Individuals, Organizations, and Other Governments		\$ 417.18

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

EXHIBIT "H"

	PRIVATE PURPOSE TRUSTS	CUSTODIAL FUNDS
<u>ADDITIONS</u>		
Contributions		
Donors	\$ 17,000.00	\$ -
Investment Earnings		
Interest	4,136.67	-
Total Additions	21,136.67	-
<u>DEDUCTIONS</u>		
Scholarships	10,000.00	-
Other Deductions	17,000.00	-
Total Deductions	27,000.00	-
Change in Net Position	(5,863.33)	-
Net Position - Beginning	98,509.63	417.18
Net Position - Ending	\$ 92,646.30	\$ 417.18

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Statements:

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

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

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "I"

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

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

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

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

The School District reports the following fiduciary fund types:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.
- Custodial funds are used to report resources held by the School District in a purely custodial capacity.

Basis of Accounting

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "I"

levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

New Accounting Pronouncements

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

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "I"

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

Investments

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

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

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

Receivables

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

Inventories

Food Inventories

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

Restricted Assets

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

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

EXHIBIT "I"

Capital Assets

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

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

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

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

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
Land	All	N/A
Land Improvements	\$ 5,000.00	15 years
Buildings and Improvements	\$ 5,000.00	10 to 50 years
Equipment	\$ 5,000.00	5 to 15 years
Intangible Assets		
Software	\$ 150,000.00	Determined at purchase
Easements	\$ 100,000.00	Determined at purchase
Land Use Rights	\$ 100,000.00	Determined at purchase
Patents, Trademarks and Copyrights	\$ 100,000.00	Determined at purchase

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sick leave is earned at a rate of 1.25 days per month for each completed contract month for eligible employees. Unused sick leave may be accumulated up to a maximum of 45 days. The School District does not provide for payout of unused sick leave upon resignation or retirement; accordingly, the liability represents the portion of accumulated sick leave that is more likely than not to be used by employees during active employment. Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward retirement service credit. This benefit is administered and funded by TRS; therefore, the related liability is not reported by the School District.

Long-Term Liabilities and Bond Discounts/Premiums

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

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

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "I"

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

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

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

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

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

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

Use of Estimates

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

Property Taxes

The Candler County Board of Commissioners adopted the property tax levy for the 2024 tax digest year (calendar year) on October 21, 2024 (levy date) based on property values as of January 1, 2024. Taxes were due on December 20, 2024 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2024 tax digest are reported as revenue in the governmental funds for fiscal year 2025. The Candler County Tax Commissioner bills and collects the property taxes for the School District, withholds 0.1% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2025, for maintenance and operations amounted to \$4,893,545.33.

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

School Operations	<u>14.00</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$912,787.49 during fiscal year ended June 30, 2025.

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$2,290,148.26 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

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

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

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

NOTE 4: DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

Collateralization of Deposits

O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

CANDLER COUNTY BOARD OF EDUCATION
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EXHIBIT "I"

- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and
- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2025, the School District had deposits with a carrying amount of \$8,447,332.01, and a bank balance of \$8,581,569.03. The bank balances insured by Federal depository insurance were \$500,000.00 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$186,530.85.

At June 30, 2025, \$7,895,038.18 of the School District's bank balances was exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

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

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

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

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

Cash and cash equivalents		
Statement of Net Position	\$	16,099,840.34
Statement of Fiduciary Net Position		1,318.11
 Total cash and cash equivalents		 16,101,158.45
 Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		7,653,826.44
 Total carrying value of deposits - June 30, 2025	\$	 8,447,332.01

Categorization of Cash Equivalents

The School District reported cash equivalents of \$7,653,826.44 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AA+ rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2025 was 51 days.

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

Categorization of Investments

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

Investment Type	Cost-Based	Fair Value	Investment Maturity Less Than 1 Year
Debt Securities			
Repurchase Agreements	\$ 16,268,009.65	\$ -	\$ 16,268,009.65
Money Market Treasury Funds	-	449,671.59	449,671.59
Mutual Funds			
Money Market Funds	-	91,745.37	91,745.37
Total Investments	\$ 16,268,009.65	\$ 541,416.96	\$ 16,809,426.61

CANDLER COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

Fair Value of Investments

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

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

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

Debt Securities – Money Market Treasury Funds of \$449,671.59 and Mutual Funds – Money Market Funds of \$91,745.37 are valued using observable inputs other than quoted market prices. (Level 2 inputs).

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

At June 30, 2025, \$16,268,009.65 of the School District's applicable investments were held by the investment's counterparty, not in the School District's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk.

The investments subject to credit quality risk are reflected below:

Rated Debt Investments	Cost-Based	Fair Value	Quality Ratings		
			BBB	AAA	Unrated
Debt Securities					
Repurchase Agreements	\$ 16,268,009.65	\$ -	\$ 16,268,009.65	\$ -	\$ -
Money Market Treasury Funds	-	449,671.59	-	449,671.59	-
Mutual Funds					
Money Market Funds	-	91,745.37	-	-	91,745.37
Totals by Quality Ratings	\$ 16,268,009.65	541,416.96	\$ 16,268,009.65	\$ 449,671.59	\$ 91,745.37

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk. More than 5% of the School District's investments are in repurchase agreements. This investment is 96.78% of the School District's total investments.

NOTE 5: RESTRICTED ASSETS

The restricted assets represent the investment balance, totaling \$16,717,681.24, for the QSCB Bond Sinking Fund.

NOTE 6: CAPITAL ASSETS

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

	Balances July 1, 2024	Increases	Decreases	Balances June 30, 2025
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 830,480.00	\$ -	\$ -	\$ 830,480.00
Construction in Progress	3,971,138.00	7,573,545.00	3,176,123.00	8,368,560.00
Total Capital Assets				
Not Being Depreciated	4,801,618.00	7,573,545.00	3,176,123.00	9,199,040.00
Capital Assets,				
Being Depreciated:				
Buildings and Improvements	55,197,959.00	2,320,894.00	-	57,518,853.00
Equipment	6,194,463.00	630,780.00	118,287.00	6,706,956.00
Land Improvements	4,654,014.00	936,151.00	-	5,590,165.00
Less Accumulated				
Depreciation:				
Buildings and Improvements	14,211,514.00	1,279,922.00	-	15,491,436.00
Equipment	3,315,603.00	538,832.00	118,287.00	3,736,148.00
Land Improvements	2,372,879.00	234,857.00	-	2,607,736.00
Total Capital Assets,				
Being Depreciated, Net	46,146,440.00	1,834,214.00	-	47,980,654.00
Governmental Activities				
Capital Assets - Net	\$ 50,948,058.00	\$ 9,407,759.00	\$ 3,176,123.00	\$ 57,179,694.00

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

Current year depreciation expense by function is as follows:

Instruction		\$	1,232,166.60
Support Services			
Educational Media Services	\$		102,680.55
General Administration			184,824.99
School Administration			82,144.44
Maintenance and Operation of Plant			41,072.22
Student Transportation Services			308,041.65
			718,763.85
Food Services			102,680.55
			2,053,611.00
		\$	2,053,611.00

NOTE 7: INTERFUND TRANSFERS

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

Transfers to	Transfers From		Total
	General Fund	Capital Projects Fund	
Capital Projects Fund	\$ 957,319.16	\$ -	\$ 957,319.16
Debt Service Fund	-	107,578.24	107,578.24
	\$ 957,319.16	\$ 107,578.24	\$ 1,064,897.40
Total	\$ 957,319.16	\$ 107,578.24	\$ 1,064,897.40

Transfers are used to move property tax revenues collected by the general fund to the capital projects fund as required match or supplemental funding source for capital construction projects. Transfers are used to move revenue from the capital projects fund to the debt service fund to return excess ESPLOST revenue moved in a prior year back to the debt service fund.

NOTE 8: LONG-TERM LIABILITIES

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

	Governmental Activities				
	Balance July 1, 2024 (Restated)	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General Obligation (G.O.) Bonds	\$ 4,025,000.00	\$ -	\$ 525,000.00	\$ 3,500,000.00	\$ 570,000.00
Unamortized Bond Premiums	291,620.77	-	72,905.19	218,715.58	72,905.19
Qualified School Construction Bonds	17,625,000.00	-	-	17,625,000.00	17,625,000.00
Compensated Absences (1)	1,152,137.25	36,490.60	-	1,188,627.85	566,742.61
	\$ 23,093,758.02	\$ 36,490.60	\$ 597,905.19	\$ 22,532,343.43	\$ 18,834,647.80

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

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

EXHIBIT "I"

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2022	5.00%	7/20/2022	3/1/2028	\$ 4,500,000.00	\$ 3,500,000.00

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

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2026	\$ 570,000.00	\$ 175,000.00	\$ 72,905.19
2027	1,450,000.00	146,500.00	72,905.19
2028	1,480,000.00	74,000.00	72,905.20
Total Principal and Interest	\$ 3,500,000.00	\$ 395,500.00	\$ 218,715.58

Qualified School Construction Bonds (QSCB)

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by School Districts in connection with the construction, rehabilitation or repair of a public-school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows School Districts to borrow without incurring interest costs.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the School District may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. To qualify for this subsidy the School District is required to periodically file appropriate documents with the Internal Revenue Service. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. The interest subsidy earned by the School District in fiscal year 2025 was \$888,334.17, which funded all but \$126,865.83 of interest expense due on the QSCB.

**CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

The School District’s outstanding Qualified School Construction Bonds of \$17,625,000.00 contain a provision that in an event the entity is unable to make the principal and interest payments using proceeds from the Educational Special Purpose Local Option Sales Tax (ESPLOST) and subsidy payments, the debt will be satisfied by a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

Debt currently outstanding under Qualified School Construction Bonds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government-QSCB Series 2011	5.76%	3/10/2011	3/1/2026	\$ 17,625,000.00	\$ 17,625,000.00

The following is a schedule of total Qualified School Construction Bond payments:

Fiscal Year Ended June 30:	Principal	Interest
2026	\$ 17,625,000.00	\$ 1,015,200.00

Compensated Absences

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

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

NOTE 9: RISK MANAGEMENT

Insurance

Commercial Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District has elected to self-insure for losses related to natural disasters. The School District has not experienced any losses related to these risks in the past three years.

CANDLER COUNTY BOARD OF EDUCATION
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Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the general fund to each user program on the basis of the percentage of that fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not incurred or paid any unemployment compensation claims during the past two fiscal years.

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000.00
Finance Director	\$ 10,000.00
Curriculum Director	\$ 10,000.00
Each Principal (3)	\$ 10,000.00
Each School Bookkeeper (2)	\$ 10,000.00

NOTE 10: FUND BALANCE CLASSIFICATION DETAILS

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

Nonspendable				
Inventories		\$		111,580.12
Restricted				
Continuation of Federal Programs	\$		923,065.84	
Debt Service			18,311,480.46	19,234,546.30
Committed				
School Activity Accounts				478,292.52
Unassigned				10,467,689.31
Fund Balance, June 30, 2025		\$		30,292,108.25

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

CANDLER COUNTY BOARD OF EDUCATION
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 JUNE 30, 2025

EXHIBIT "I"

NOTE 11: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

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

Project	Unearned Executed Contracts (1)	Payments through June 30, 2025 (2)	Funding Available From State (1)
Metter High School Roof	\$ 1,642.90	\$ 2,320,893.85	\$ 79,513.70
Metter College and Career Academy	1,671,319.24	8,348,136.38	-
	<u>\$ 1,672,962.14</u>	<u>\$ 10,669,030.23</u>	<u>\$ 79,513.70</u>

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

(2) Payments include contracts and retainages payable at year-end.

NOTE 12: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

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

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

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$554,874.00 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund.

During fiscal year 2025, the State of Georgia, through the State Health Benefit Plan (SHBP) administered by the Department of Community Health, made an on-behalf contribution in the amount of \$324,229.00 for the School District's employees.

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

At June 30, 2025, the School District reported a liability of \$14,234,596.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.124905%, which was a decrease of 0.001117% from its proportion measured as of June 30, 2023.

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For the year ended June 30, 2025, the School District recognized OPEB expense of (\$4,718.00). At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 698,040.00	\$ 2,570,252.00
Changes of assumptions	1,659,816.00	1,409,048.00
Net difference between projected and actual earnings on OPEB plan investments	-	92,664.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	355,625.00	422,874.00
School District contributions subsequent to the measurement date	554,874.00	-
Total	\$ 3,268,355.00	\$ 4,494,838.00

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

Year Ended June 30:	OPEB
2026	\$ (708,407.00)
2027	\$ (917,999.00)
2028	\$ (350,012.00)
2029	\$ 153,021.00
2030	\$ 41,198.00
Thereafter	\$ 842.00

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Actuarial Assumptions: The total OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

OPEB:

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

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

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

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

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The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

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

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

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

* Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.98% was used as the discount rate, as compared with last year's rate of 3.68%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.93% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2123.

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the Net OPEB liability	\$ 16,104,593.00	\$ 14,234,596.00	\$ 12,657,600.00

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 12,299,504.00	\$ 14,234,596.00	\$ 16,612,602.00

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

NOTE 14: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

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Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll, of which 20.64% of payroll was required from the School District and 0.14% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$2,715,876.00 and \$18,542.00 from the School District and the State, respectively.

Employees' Retirement System

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

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

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

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

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2025 was 29.20% of annual

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covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$32,547.00 for the current fiscal year.

Public School Employees Retirement System (PSERS)

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

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

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

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$34,701.00.

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

At June 30, 2025, the School District reported a liability of \$20,808,363.00 for its proportionate share of the net pension liability for TRS (\$20,646,071.00) and ERS (\$162,292.00).

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

School District's proportionate share of the net pension liability	\$	20,646,071.00
State of Georgia's proportionate share of the net pension liability associated with the School District		<u>133,465.00</u>
Total	\$	<u>20,779,536.00</u>

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

At June 30, 2024, the School District's TRS proportion was 0.082142%, which was a decrease of 0.002931% from its proportion measured as of June 30, 2023. At June 30, 2024, the School District's ERS proportion was 0.003605%, which was a decrease of 0.000117% from its proportion measured as of June 30, 2023.

At June 30, 2025, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$215,664.00.

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

For the year ended June 30, 2025, the School District recognized pension expense of \$3,325,647.00 for TRS, (\$3,265.00) for ERS and \$49,881.00 for PSERS and revenue of \$912.00 for TRS and \$49,881.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

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

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,336,247.00	\$ 61,707.00	\$ 8,699.00	\$ -
Changes of assumptions	1,436,247.00	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,878,508.00	-	18,279.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	17,534.00	673,188.00	-	5,057.00
School District contributions subsequent to the measurement date	<u>2,715,876.00</u>	<u>-</u>	<u>32,547.00</u>	<u>-</u>
Total	<u>\$ 6,505,904.00</u>	<u>\$ 3,613,403.00</u>	<u>\$ 41,246.00</u>	<u>\$ 23,336.00</u>

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

Year Ended June 30:	TRS	ERS
2026	\$ 176,962.00	\$ (7,568.00)
2027	\$ 2,439,766.00	\$ 11,172.00
2028	\$ (1,431,240.00)	\$ (11,124.00)
2029	\$ (1,008,863.00)	\$ (7,117.00)

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

Teachers Retirement System:

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

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

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

Employees' Retirement System:

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

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Mortality rates are as follows:

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

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

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

Public School Employees Retirement System:

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

Mortality rates are as follows:

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

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

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.

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

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

* Rates shown are net of inflation

Discount Rate: The discount rate used to measure the total TRS pension liability was 6.90%. The discount rate used to measure the total ERS and PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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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% and 7.00%, 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% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 35,536,022.00	\$ 20,646,071.00	\$ 8,491,314.00
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 244,513.00	\$ 162,292.00	\$ 93,145.00

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

NOTE 15: RESTATEMENT OF PRIOR YEAR NET POSITION

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

The change was applied retrospectively, resulting in a restatement of beginning net position for governmental activities as of July 1, 2024. The effect of this restatement was a decrease in beginning net position and an increase in the compensated absences liability of \$1,152,137.25:

Net Position, July 1, 2024, as previously reported	\$ 29,355,021.43
Change in Accounting Principle - GASB Statement No. 101	(1,152,137.25)
Net Position, July 1, 2024, as restated	\$ 28,202,884.18

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

EXHIBIT "I"

NOTE 16: DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

The fund reporting a deficit fund balance at the fiscal year end is as follows:

<u>Fund Type/Fund Name</u>	<u>Deficit Balance</u>
Capital Projects	\$ 79,513.70

The deficit in the capital projects fund was due to the recording of contracts payables on the Metter High School Roof state capital outlay project at June 30, 2025. State capital outlay funding will be available in fiscal year 2026 to adequately fund the deficit.

NOTE 17: RELATED PARTY TRANSACTIONS

The School District made various purchases from Growers Supply, Inc. The company is locally co-owned and operated by the Board Chairman. Current year payments to Growers Supply, Inc. totaled \$1,196.31. In addition, the School District contracted with Strickland's Electrical LLC for maintenance services totaling \$91,275.84. This company is locally owned and operated by the family of the CFO. The School District also made various purchases totaling \$12,454.91 from Trapnell-Tomlinson Ace Hardware. This company is locally owned and operated by the family of the Payroll Clerk at the Candler County Board of Education.

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

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.082142%	\$ 20,646,071.00	\$ 133,465.00	\$ 20,779,536.00	\$ 12,890,758.88	160.16%	80.86%
2024	0.085073%	\$ 25,117,203.00	\$ 294,652.00	\$ 25,411,855.00	\$ 12,545,657.37	200.21%	76.29%
2023	0.086294%	\$ 28,021,330.00	\$ 358,490.00	\$ 28,379,820.00	\$ 11,817,836.40	237.11%	72.85%
2022	0.086545%	\$ 7,654,328.00	\$ 94,104.00	\$ 7,748,432.00	\$ 11,402,636.84	67.13%	92.03%
2021	0.085959%	\$ 20,822,634.00	\$ 263,798.00	\$ 21,086,432.00	\$ 11,230,238.73	185.42%	77.01%
2020	0.083653%	\$ 17,987,657.00	\$ 178,257.00	\$ 18,165,914.00	\$ 10,310,315.89	174.46%	78.56%
2019	0.083620%	\$ 15,521,663.00	\$ 170,215.00	\$ 15,691,878.00	\$ 10,066,833.33	154.19%	80.27%
2018	0.085733%	\$ 15,933,742.00	\$ 155,931.00	\$ 16,089,673.00	\$ 9,932,846.93	160.41%	79.33%
2017	0.089003%	\$ 18,362,311.00	\$ 170,207.00	\$ 18,532,518.00	\$ 9,853,285.62	186.36%	76.06%
2016	0.090740%	\$ 13,814,264.00	\$ 154,067.00	\$ 13,968,331.00	\$ 9,685,537.74	142.63%	81.44%

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

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2025	\$ 2,715,876.00	\$ 2,715,876.00	\$ -	\$ 13,157,163.72	20.64%
2024	\$ 2,559,030.00	\$ 2,559,030.00	\$ -	\$ 12,890,758.88	19.85%
2023	\$ 2,477,568.00	\$ 2,477,568.00	\$ -	\$ 12,545,657.37	19.75%
2022	\$ 2,311,555.00	\$ 2,311,555.00	\$ -	\$ 11,817,836.40	19.56%
2021	\$ 2,146,948.00	\$ 2,146,948.00	\$ -	\$ 11,402,636.84	18.83%
2020	\$ 2,344,390.00	\$ 2,344,390.00	\$ -	\$ 11,230,238.73	20.88%
2019	\$ 2,133,713.59	\$ 2,133,713.59	\$ -	\$ 10,310,315.89	20.69%
2018	\$ 1,674,347.00	\$ 1,674,347.00	\$ -	\$ 10,066,833.33	16.63%
2017	\$ 1,403,217.00	\$ 1,403,217.00	\$ -	\$ 9,932,846.93	14.13%
2016	\$ 1,393,144.94	\$ 1,393,144.94	\$ -	\$ 9,853,285.62	14.14%

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

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2025	0.003605%	\$ 162,292.00	\$ 104,172.12	155.79%	78.75%
2024	0.003722%	\$ 222,039.00	\$ 102,172.08	217.32%	71.20%
2023	0.004092%	\$ 273,283.00	\$ 100,172.04	272.81%	67.44%
2022	0.004113%	\$ 96,199.00	\$ 98,600.04	97.56%	87.62%
2021	0.003911%	\$ 164,847.00	\$ 98,600.04	167.19%	76.21%
2020	0.003482%	\$ 143,686.00	\$ 87,782.90	163.68%	76.74%
2019	0.003417%	\$ 140,474.00	\$ 87,148.62	161.19%	76.68%
2018	0.003914%	\$ 158,961.00	\$ 96,468.00	164.78%	76.33%
2017	0.003097%	\$ 146,501.00	\$ 72,000.00	203.47%	72.34%
2016	0.001299%	\$ 52,628.00	\$ 29,700.00	177.20%	76.20%

CANDLER COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2025	\$ 32,547.00	\$ 32,547.00	\$ -	\$ 111,463.78	29.20%
2024	\$ 30,575.00	\$ 30,575.00	\$ -	\$ 104,172.12	29.35%
2023	\$ 31,684.00	\$ 31,684.00	\$ -	\$ 102,172.08	31.01%
2022	\$ 24,672.00	\$ 24,672.00	\$ -	\$ 100,172.04	24.63%
2021	\$ 24,315.00	\$ 24,315.00	\$ -	\$ 98,600.04	24.66%
2020	\$ 24,315.00	\$ 24,315.00	\$ -	\$ 98,600.04	24.66%
2019	\$ 21,752.62	\$ 21,752.62	\$ -	\$ 87,782.90	24.78%
2018	\$ 21,622.00	\$ 21,622.00	\$ -	\$ 87,148.62	24.81%
2017	\$ 23,818.00	\$ 23,818.00	\$ -	\$ 96,468.00	24.69%
2016	\$ 17,798.40	\$ 17,798.40	\$ -	\$ 72,000.00	24.72%

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

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.00%	\$ -	\$ 215,664.00	\$ 215,664.00	\$ 814,077.08	N/A	90.02%
2024	0.00%	\$ -	\$ 227,174.00	\$ 227,174.00	\$ 630,011.88	N/A	85.67%
2023	0.00%	\$ -	\$ 290,860.00	\$ 290,860.00	\$ 558,715.46	N/A	81.21%
2022	0.00%	\$ -	\$ 27,368.00	\$ 27,368.00	\$ 530,959.86	N/A	98.00%
2021	0.00%	\$ -	\$ 208,300.00	\$ 208,300.00	\$ 612,976.17	N/A	84.45%
2020	0.00%	\$ -	\$ 190,880.00	\$ 190,880.00	\$ 500,069.33	N/A	85.02%
2019	0.00%	\$ -	\$ 203,450.00	\$ 203,450.00	\$ 512,528.36	N/A	85.26%
2018	0.00%	\$ -	\$ 204,214.00	\$ 204,214.00	\$ 522,258.76	N/A	85.69%
2017	0.00%	\$ -	\$ 270,345.00	\$ 270,345.00	\$ 532,169.89	N/A	81.00%
2016	0.00%	\$ -	\$ 166,447.00	\$ 166,447.00	\$ 519,486.35	N/A	87.00%

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

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.124905%	\$ 14,234,596.00	\$ -	\$ 14,234,596.00	\$ 12,056,964.47	118.06%	6.88%
2024	0.126022%	\$ 13,803,709.00	\$ -	\$ 13,803,709.00	\$ 11,338,225.26	121.74%	6.05%
2023	0.122950%	\$ 12,175,962.00	\$ -	\$ 12,175,962.00	\$ 11,004,586.85	110.64%	6.17%
2022	0.123956%	\$ 13,425,460.00	\$ -	\$ 13,425,460.00	\$ 10,400,237.73	129.09%	6.14%
2021	0.128053%	\$ 18,808,003.00	\$ -	\$ 18,808,003.00	\$ 10,245,741.99	183.57%	3.99%
2020	0.125940%	\$ 15,455,540.00	\$ -	\$ 15,455,540.00	\$ 9,405,243.30	164.33%	4.63%
2019	0.125569%	\$ 15,959,434.00	\$ -	\$ 15,959,434.00	\$ 9,182,487.78	173.80%	2.93%
2018	0.127062%	\$ 17,852,160.00	\$ -	\$ 17,852,160.00	\$ 9,152,244.51	195.06%	1.61%

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

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2025	\$ 554,874.00	\$ 554,874.00	\$ -	\$ 12,829,404.78	4.33%
2024	\$ 510,837.00	\$ 510,837.00	\$ -	\$ 12,056,964.47	4.24%
2023	\$ 484,483.00	\$ 484,483.00	\$ -	\$ 11,338,225.26	4.27%
2022	\$ 444,556.00	\$ 444,556.00	\$ -	\$ 11,004,586.85	4.04%
2021	\$ 461,094.00	\$ 461,094.00	\$ -	\$ 10,400,237.73	4.43%
2020	\$ 433,045.00	\$ 433,045.00	\$ -	\$ 10,245,741.99	4.23%
2019	\$ 678,273.00	\$ 678,273.00	\$ -	\$ 9,405,243.30	7.21%
2018	\$ 650,812.00	\$ 650,812.00	\$ -	\$ 9,182,487.78	7.09%
2017	\$ 662,509.00	\$ 662,509.00	\$ -	\$ 9,152,244.51	7.24%

Teachers Retirement System

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

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

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

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

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

Employees' Retirement System

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

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

A new funding policy was initially adopted the Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

Public School Employees Retirement System

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

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

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

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

CANDLER COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE "8"

School OPEB Fund

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

Changes in assumptions: June 30, 2023 valuation: Medicare health care trend rates were updated.

June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

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

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

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

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

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

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

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

CANDLER COUNTY BOARD OF EDUCATION
GENERAL FUND

SCHEDULE "9"

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
<u>REVENUES</u>				
Property Taxes	\$ 4,500,000.00	\$ 4,500,000.00	\$ 5,814,451.26	\$ 1,314,451.26
Sales Taxes	35,000.00	35,000.00	70,256.24	35,256.24
State Funds	19,706,762.00	20,261,908.00	21,061,593.61	799,685.61
Federal Funds	4,181,616.00	4,372,977.00	4,712,688.18	339,711.18
Charges for Services	22,398.00	22,398.00	397,349.43	374,951.43
Investment Earnings	50,480.00	50,480.00	184,361.45	133,881.45
Miscellaneous	265,100.00	265,100.00	1,489,538.98	1,224,438.98
Total Revenues	<u>28,761,356.00</u>	<u>29,507,863.00</u>	<u>33,730,239.15</u>	<u>4,222,376.15</u>
<u>EXPENDITURES</u>				
Current				
Instruction	19,606,468.00	19,679,974.00	20,545,647.91	(865,673.91)
Support Services				
Pupil Services	1,064,284.00	963,416.00	913,964.02	49,451.98
Improvement of Instructional Services	756,405.00	1,012,888.00	1,442,649.92	(429,761.92)
Educational Media Services	338,862.00	338,862.00	329,526.27	9,335.73
General Administration	1,025,980.00	1,132,385.00	964,619.72	167,765.28
School Administration	1,775,584.00	1,775,584.00	1,855,982.72	(80,398.72)
Business Administration	403,660.00	403,660.00	378,726.77	24,933.23
Maintenance and Operation of Plant	2,146,456.00	1,866,456.00	2,279,194.45	(412,738.45)
Student Transportation Services	1,042,933.00	1,069,220.00	1,249,071.03	(179,851.03)
Central Support Services	240,652.00	244,302.00	228,558.05	15,743.95
Other Support Services	89,000.00	89,000.00	234,674.86	(145,674.86)
Enterprise Operation	-	-	533,649.26	(533,649.26)
Community Services	-	-	155,631.16	(155,631.16)
Food Services Operation	2,113,834.00	2,113,834.00	2,141,421.46	(27,587.46)
Capital Outlay	-	280,000.00	-	280,000.00
Total Expenditures	<u>30,604,118.00</u>	<u>30,969,581.00</u>	<u>33,253,317.60</u>	<u>(2,283,736.60)</u>
Excess of Revenues over (under) Expenditures	<u>(1,842,762.00)</u>	<u>(1,461,718.00)</u>	<u>476,921.55</u>	<u>1,938,639.55</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Sources	-	200,697.00	-	(200,697.00)
Other Uses	(850,000.00)	(1,050,697.00)	(957,319.16)	93,377.84
Total Other Financing Sources (Uses)	<u>(850,000.00)</u>	<u>(850,000.00)</u>	<u>(957,319.16)</u>	<u>(107,319.16)</u>
Net Change in Fund Balances	(2,692,762.00)	(2,311,718.00)	(480,397.61)	1,831,320.39
Fund Balances - Beginning	12,530,738.72	12,530,738.72	12,540,539.10	9,800.38
Adjustments	7,349.61	11,066.27	-	(11,066.27)
Fund Balances - Ending	<u>\$ 9,845,326.33</u>	<u>\$ 10,230,086.99</u>	<u>\$ 12,060,141.49</u>	<u>\$ 1,830,054.50</u>

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

SCHEDULE "9"

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the following funds.
 The actual revenues and expenditures of these funds are as follows:

		Revenues		Expenditures
Principal Accounts	\$	958,209.60	\$	902,104.00
Afterschool Program		25,266.00		27,564.53
Daycare Program		126,729.35		126,729.35
Various Other Funds		232,700.34		286,184.33
	\$	1,342,905.29	\$	1,342,582.21

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

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

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U.S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	255GA324N1199	\$ 564,952.68
National School Lunch Program	10.555	255GA324N1199	1,442,474.08
Total Child Nutrition Cluster			<u>2,007,426.76</u>
Other Programs			
Pass-Through From Bright From the Start:			
Food Services			
Child and Adult Care Food Program	10.558	245GA368N2020	20,845.23
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	255GA904N2533	6,162.75
Child Nutrition Discretionary Grants Limited Availability	10.579	258GA000L4303	70,705.00
Total Other Programs			<u>97,712.98</u>
Total U.S. Department of Agriculture			<u>2,105,139.74</u>
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund	84.425U	S425U210012	413,054.17
COVID-19 - American Rescue Plan Elementary and Secondary School			
Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	349.95
Total Education Stabilization Fund			<u>413,404.12</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A230073	148,042.00
Grants to States	84.027A	H027A240073	437,903.53
Preschool Grants	84.173A	H173A240081	14,243.00
Total Special Education Cluster			<u>600,188.53</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A240010	47,749.00
English Language Acquisition State Grants	84.365A	S365A240010	3,418.54
Migrant Education State Grant Program	84.011A	S011A230011	17,103.85
Migrant Education State Grant Program	84.011A	S011A240011	65,267.32
Rural and Low-Income School Program	84.358B	S358B230010	3,136.00
Rural and Low-Income School Program	84.358B	S358B240010	58,169.09
Student Support and Academic Enrichment Program	84.424A	S424A240011	99,800.00
Title I Grants to Local Educational Agencies	84.010A	S010A230010	139,840.34
Title I Grants to Local Educational Agencies	84.010A	S010A240010	1,085,480.44
Total Other Programs			<u>1,519,964.58</u>
Total U.S. Department of Education			<u>2,533,557.23</u>

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

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Labor, U.S. Department of Pass-Through From Georgia Department of Education Apprenticeship Building America	17.285	24A60AP000085-01-00	2,196.53
Defense, U.S. Department of Direct Department of the Army R.O.T.C. Program	12. UNKNOWN		63,602.70
Total Expenditures of Federal Awards			\$ 4,704,496.20

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Transfers Between Programs

Funds totaling \$75,174.00 and \$125,523.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and the Supporting Effective Instruction State Grants program (ALN 84.367A), respectively, and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2025.

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

SCHEDULE "11"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 886,332.42	\$ -	\$ 886,332.42
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	773,933.00	-	773,933.00
Kindergarten Program - Early Intervention Program	159,667.00	-	159,667.00
Primary Grades (1-3) Program	1,811,002.00	-	1,811,002.00
Primary Grades - Early Intervention (1-3) Program	349,206.00	-	349,206.00
Upper Elementary Grades (4-5) Program	992,129.00	-	992,129.00
Upper Elementary Grades - Early Intervention (4-5) Program	147,814.00	-	147,814.00
Middle School (6-8) Program	1,814,562.00	-	1,814,562.00
High School General Education (9-12) Program	1,812,827.00	-	1,812,827.00
Vocational Laboratory (9-12) Program	600,184.00	-	600,184.00
Students with Disabilities	2,585,252.00	-	2,585,252.00
Gifted Student - Category VI	377,020.00	-	377,020.00
Remedial Education Program	195,126.00	-	195,126.00
Alternative Education Program	143,614.00	-	143,614.00
English Speakers of Other Languages (ESOL)	156,008.00	-	156,008.00
Media Center Program	302,754.00	-	302,754.00
20 Days Additional Instruction	98,180.00	-	98,180.00
Staff and Professional Development	54,139.00	-	54,139.00
Principal Staff and Professional Development	1,416.00	-	1,416.00
Indirect Cost			
Central Administration	542,303.00	-	542,303.00
School Administration	731,499.00	-	731,499.00
Facility Maintenance and Operations	556,886.00	-	556,886.00
Mid-Term Adjustment Hold-Harmless	82,968.00	-	82,968.00
Charter System Adjustment	247,771.00	-	247,771.00
Categorical Grants			
Pupil Transportation			
Regular	388,431.00	-	388,431.00
Nursing Services	48,737.00	-	48,737.00
Sparsity	33,636.00	-	33,636.00
Education Equalization Funding Grant	4,039,737.00	-	4,039,737.00
Other State Programs			
Agriculture Construction Related Equipment - State Bonds	108,000.00	-	108,000.00
Career, Technical and Agricultural Education (CTAE)	75,188.26	-	75,188.26
Custodian Supplement	6,000.00	-	6,000.00
Dyslexia Services Grant - State Funds	6,009.00	-	6,009.00
Food Services	60,655.24	-	60,655.24
Georgia Outdoor Learning Demonstration (GOLD) Grant	1,613.53	-	1,613.53
Hygiene Products	1,663.00	-	1,663.00
Math and Science Supplements	19,136.00	-	19,136.00
One Time QBE Adjustment	447.00	-	447.00
Preschool Disability Services	99,449.00	-	99,449.00
Pupil Transportation - State Bonds	88,110.00	-	88,110.00
School Security Grant	188,496.00	-	188,496.00
Teachers Retirement	18,542.00	-	18,542.00
Vocational Construction Related Equipment - State Bonds	84,000.00	-	84,000.00
Vocational Supervisors	7,221.00	-	7,221.00
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	1,930,242.78	1,930,242.78
Office of the State Treasurer			
Public School Employees Retirement	34,701.00	-	34,701.00
Technical College System of Georgia			

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

SCHEDULE "11"

AGENCY/FUNDING	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	
Vocational-Technology School	-	92,558.00	92,558.00
Community Health, Georgia Department of Other Post-Employment Benefits (OPEB)	324,229.00	-	324,229.00
CONTRACT			
GA Foundation for Early Care Early Literacy Alignment Mini Grant	5,000.00	-	5,000.00
	<u>\$ 21,061,593.45</u>	<u>\$ 2,022,800.78</u>	<u>\$ 23,084,394.23</u>

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

SCHEDULE "12"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
<u>2023 ESPLOST</u>			
To be used for:			
(a) Retiring general obligation debt of the Candler County School District previously incurred with respect to capital outlay projects in the estimated amount of \$3,000,000.00 and;	\$ 3,000,000.00	\$ 3,045,600.00	3/1/2026
(b) (i) acquiring, constructing, and equipping new College and Career Academy	4,500,000.00	4,774,305.06	1/31/2028
(ii) renovations and improvements to Metter High School and the Board of Education Central Office Facility;	1,000,000.00	1,000,000.00	1/31/2028
(iii) acquiring, constructing and equipping athletic improvements;	400,000.00	400,000.00	1/31/2028
(iv) acquisition of new buses; and	400,000.00	400,000.00	1/31/2028
(v) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefor; instructional and administrative technology improvements, and safety and security upgrades.	<u>500,000.00</u>	<u>500,000.00</u>	1/31/2028
Total	\$ <u>9,800,000.00</u>	\$ <u>10,119,905.06</u>	

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

SCHEDULE "12"

<u>PROJECT</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3)</u>	<u>TOTAL COMPLETION COST</u>	<u>EXCESS PROCEEDS NOT EXPENDED</u>
<u>2023 ESPLOST</u>				
To be used for:				
(a) Retiring general obligation debt of the Candler County School District previously incurred with respect to capital outlay projects in the estimated amount of \$3,000,000.00 and;				
	\$ 1,015,200.00	\$ 1,015,200.00	\$ -	\$ -
(b) (i) acquiring, constructing, and equipping new College and Career Academy				
	4,774,305.06	-	-	-
(ii) renovations and improvements to Metter High School and the Board of Education Central Office Facility;				
	-	-	-	-
(iii) acquiring, constructing and equipping athletic improvements;				
	-	-	-	-
(iv) acquisition of new buses; and				
	-	-	-	-
(v) adding to, remodeling, renovating, improving, and equipping existing educational buildings, properties, and facilities and acquiring property, both real and personal, and equipment necessary therefor; instructional and administrative technology improvements, and safety and security upgrades.				
	-	-	-	-
Total	<u>\$ 5,789,505.06</u>	<u>\$ 1,015,200.00</u>	<u>\$ -</u>	<u>\$ -</u>

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Candler County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

Prior Years	\$ 363,124.99
Current Year	<u>201,250.00</u>
Total	<u>\$ 564,374.99</u>

Section II

Compliance and Internal Control Reports



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Fred J. Longgear, Superintendent and Members of the
Candler County Board of Education

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

Report on Internal Control over Financial Reporting

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

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

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

deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2025-001 and FS 2025-002 that we consider to be significant deficiencies.

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*.

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

March 27, 2026



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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Fred J. Longgear, Superintendent and Members of the
Candler County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

March 27, 2026

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

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

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Governmental Activities, Each Major Fund, and Fiduciary Activities	Unmodified
Internal control over financial reporting:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted:	No

Federal Awards

Internal control over major programs:	
▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	
All major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
<u>Assistance Listing Number</u> <u>Assistance Listing Program or Cluster Title</u>	
10.553, 10.555 Child Nutrition Cluster	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes

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

II FINANCIAL STATEMENT FINDINGS

FS 2025-001 Internal Controls over Capital Assets

Internal Control Impact: Significant Deficiency

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls resulting in an inability to document custody, verify physical existence, or monitor the authorized use of a capital asset.

Criteria:

The School District management is responsible for designing and maintaining effective internal controls over capital assets. *Chapter IV-7 Implementing a Capital Assets Management System* of the Financial Management for Georgia Local units of Administration provides that School Districts must establish fixed asset policies, define system requirements, implement a fixed asset system and maintain fixed asset records. Effective internal controls require that capital assets remain under the custody of School District personnel, that authorized use be documented and that asset locations be periodically verified.

Condition:

A review of the School District's capital assets identified the following deficiencies related to a livestock trailer recorded as a capital asset of the School District:

- The School District was unable to provide documentation demonstrating custody or control of the trailer.
- The trailer was not available for physical inspection by the auditors.
- The trailer was reported to be in custody of a Board Member, who is not a School District employee.
- No procedures existed to document authorized use or to monitor and verify the location of the trailer.

Cause:

The deficiency was caused by the School District's failure to establish and enforce written procedures to document usage and custody of certain capital assets. While responsibility for the trailer had been assigned, no controls were implemented to ensure the asset remained under the School District custody or that its location could be verified on demand.

Effect:

Failure to maintain adequate internal controls over capital assets increases the risk that capital assets may be lost, misused, or not available for School District purposes. Additionally, the inability to verify the location of the asset limits the School District's ability to ensure that capital assets are properly safeguarded and accounted for, which may increase the risk of misstatement in the capital asset records. The School District may also be exposed to potential liability if the asset is used or transported while not under the custody or supervision of School District personnel. The asset being held by a Board Member who is not a School District employee raises additional concern regarding conflicts of interest and appropriateness of asset use.

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

Recommendation:

Management should implement procedures to ensure capital assets remain under the custody and control of School District personnel. Such procedures should include maintaining documentation of asset location, establishing a log or other documentation to record authorized use of certain equipment, and periodically verifying the physical existence and location of capital assets.

Views of Responsible Officials:

We concur with this finding.

FS 2025-002 Internal Controls Over Private Purpose Trust Disbursements

Internal Control Impact: Significant Deficiency

Description:

The accounting procedures of the School District were not sufficient to provide adequate internal controls over Private Purpose Trust disbursements. As a result, disbursements were made that did not comply with the governing donor agreements and donor-imposed restrictions.

Criteria:

Disbursements from the Private Purpose Trust Fund must be made in accordance with the governing agreements, including authorized award amounts and donor-imposed restrictions.

Condition:

During testing, we noted that disbursements for student scholarships and Teacher of the Year Awards exceeded the amounts authorized by the respective trust agreements. Specifically, \$10,000.00 was disbursed for the student scholarship award compared to the authorized amount of \$4,000.00, and \$12,000.00 was disbursed for the Teacher of the Year Award compared to the authorized amount of \$10,000.00.

Cause:

The School District relied on informal communications with the donor to determine disbursement amounts rather than obtaining formal amendments to the governing agreements. Additionally, controls were not in place to ensure disbursements were reviewed for compliance with donor restrictions prior to payment.

Effect:

Disbursements in excess of authorized amounts resulted in noncompliance with donor-imposed restrictions. Additionally, the lack of controls increases the risk of misuse or misallocation of restricted resources.

Recommendation:

Management should implement procedures to ensure all Private Purpose Trust disbursements are reviewed for compliance with governing agreements prior to payment. Any changes to award amounts should be formally documented through written amendments to the governing agreement and approved by the appropriate parties. Additionally, management should establish monitoring controls to ensure ongoing compliance with donor-imposed restrictions.

Views of Responsible Officials:

We concur with this finding.

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

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section V

Management's Corrective Action



Candler County Board Of Education

210 South College Street, Metter, Georgia 30439

Phone: (912) 685-5713 www.metter.org Fax: (912) 685-3755

CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2025-001 Internal Controls over Capital Assets

Internal Control Impact: Significant Deficiency

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls resulting in an inability to document custody, verify physical existence, or monitor the authorized use of a capital asset.

Corrective Action Plans:

The School District has established written protocol procedures regarding use of the livestock trailer. Protocol includes, but is not limited to, storing it in a secure location at the Central Office and maintaining a log denoting the check in/out information. The log will be maintained by the Central Office Administrative Assistant with provided oversight by the Assistant Superintendent.

Estimated Completion Date: June 30, 2026

Contact Person: Denise Strickland, CFO

Telephone: 912-685-5713

Email: dstrickland@metter.org

FS 2025-002 Internal Controls Over Private Purpose Trust Disbursements

Internal Control Impact: Significant Deficiency

Description:

The accounting procedures of the School District were not sufficient to provide adequate internal controls over Private Purpose Trust disbursements. As a result, disbursements were made that did not comply with the governing donor agreements and donor-imposed restrictions.

Corrective Action Plans:

The School District will revise and update all Private Purpose Trust donor agreements and implement review procedures to ensure that all disbursements are awarded in accordance with such agreements.

Estimated Completion Date: June 30, 2026

Superintendent
Dr. Fred. J. Longgear

District 1
Cheryl Hendricks
725 Mclean Street
Metter, GA 30439

District 2
Brenda Brown
20928 Rosemary Ch. Rd
Metter, GA 30439

District 3
Craig Lanier
P. O. Box 944
Metter, GA 30439

District 4
Chris West
419 South Leroy Street
Metter, GA 30439

District 5
Jason Douglas
28028 Canoochee Road
Metter, GA 30439



Candler County Board Of Education

210 South College Street, Metter, Georgia 30439

Phone: (912) 685-5713

www.metter.org

Fax: (912) 685-3755

Contact Person: Denise Strickland, CFO

Telephone: 912-685-5713

Email: dstrickland@metter.org

Signature: _____

Fred J Longgear

Title: _____

Superintendent

Superintendent

Dr. Fred. J. Longgear

District 1

Cheryl Hendricks
725 Mclean Street
Metter, GA 30439

District 2

Brenda Brown
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