

PRELIMINARY OFFICIAL STATEMENT DATED MAY 15, 2025

NEW ISSUE  
(Book-Entry Only)

RATINGS  
Moody's: Aa1 (Intercept Program)  
A2 (Underlying)  
See "MISCELLANEOUS - Rating" herein.

In the opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Code"), and such interest is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In addition, Bond Counsel is further of the opinion that interest on the Bonds is exempt from State of Georgia income taxation, subject to the conditions and limitations described herein. For a more complete description, see "LEGAL MATTERS - Tax Matters" herein.

\$16,500,000\*  
CHARLTON COUNTY SCHOOL DISTRICT (GEORGIA)  
General Obligation Bonds, Series 2025

Dated: Date of Issuance

Due: April 1, as shown below

The General Obligation Bonds, Series 2025 (the "Bonds") are being issued by the Charlton County School District (the "District"), a political subdivision of the State of Georgia, for the purpose of financing the costs of acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School. See "PLAN OF FINANCING" herein.

Interest on the Bonds is payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2025. All Bonds bear interest from the date of issuance. See "INTRODUCTION - Description of the Bonds" herein.

The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which payments of principal, premium, if any, and interest will be made. Purchasers will acquire beneficial interests in the Bonds in book-entry form only. DTC will remit such payments to its participants who will be responsible for remittance to beneficial owners. See "INTRODUCTION - Description of the Bonds" herein.

The Bonds are subject to optional redemption prior to maturity as described herein. See "THE BONDS - Redemption" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS, AND CUSIPS

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>	<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP†</u>
2026	\$765,000				2035	\$ 915,000			
2027	775,000				2036	940,000			
2028	790,000				2037	960,000			
2029	805,000				2038	985,000			
2030	820,000				2039	1,005,000			
2031	840,000				2040	1,030,000			
2032	855,000				2041	1,055,000			
2033	875,000				2042	1,080,000			
2034	895,000				2043	1,110,000			

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed on for the District by its general counsel, The Brooks Law Firm, Folkston, Georgia, and by its disclosure counsel, Butler Snow LLP, Atlanta, Georgia. The Bonds are expected to be available for delivery in book-entry form only through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2025.



Dated: \_\_\_\_\_, 2025

\* Preliminary; subject to change.

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This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

# CHARLTON COUNTY SCHOOL DISTRICT

## ELECTED OFFICIALS

### Board of Education of Charlton County

Curtis Nixon, *Chairman*  
John Canaday  
Wesley Green  
Brian Kern  
Deborah Young

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## APPOINTED OFFICIALS

Dr. Brent Tilley, *School Superintendent*  
Matthew Wainright, *Director of Finance*

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## SPECIAL SERVICES

### Auditors

Georgia Department of Audits and Accounts  
Atlanta, Georgia

### General Counsel

The Brooks Law Firm  
Folkston, Georgia

### Bond Counsel and Disclosure Counsel

Butler Snow LLP  
Atlanta, Georgia

### Underwriter

Raymond James & Associates, Inc.  
Atlanta, Georgia

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**OFFICIAL STATEMENT**  
**of the**  
**CHARLTON COUNTY SCHOOL DISTRICT (GEORGIA)**  
**relating to its**  
**\$16,500,000\***  
**GENERAL OBLIGATION BONDS, SERIES 2025**

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**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Charlton County School District of \$16,500,000\* in aggregate principal amount of its General Obligation Bonds, Series 2025 (the “Bonds”).

*This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.*

**The District**

The Charlton County School District (the “District”), the issuer of the Bonds, is a political subdivision of the State of Georgia. The District is coextensive with the territorial limits of Charlton County. Charlton County is located in the southeast portion of the State of Georgia approximately 125 miles southwest of Savannah, Georgia and approximately 50 miles northwest of Jacksonville, Florida. For more complete information, see “**THE DISTRICT**” herein.

**Security and Sources of Payment for the Bonds**

The Bonds are general obligations of the District and, except to the extent that they may be paid from other revenues of the District, are payable, as to both principal and interest, (1) first from the separate account in which are placed the proceeds received by the District from a one percent sales and use tax for educational purposes (the “Sales Tax”), and (2) second from the general funds of the District, including ad valorem taxes that may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the District subject to taxation for school bond purposes. The District plans to pay the principal and interest on the Bonds coming due from October 1, 2025 to April 1, 2028 from the separate account in which are placed the proceeds received by the District from the Sales Tax, to the extent proceeds of the Sales Tax are available. The Bonds are also payable from any state appropriation to which the District may be entitled, which the State of Georgia Board of Education is required to withhold from the District and transfer to the Paying Agent for the Bonds under certain circumstances. For more complete and detailed information, see “**THE BONDS - Security and Sources of Payment for the Bonds,**” “**THE SALES TAX,**” and “**DISTRICT AD VALOREM TAXATION**” herein.

**Purpose of the Bonds**

The proceeds of the Bonds, net of underwriter’s discount and other issuance costs, will be used to pay a portion of the costs of acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School. For more complete information, see “**PLAN OF FINANCING**” herein.

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\* Throughout this Preliminary Official Statement, the asterisk indicates information that is preliminary and subject to change.

## Description of the Bonds

**Redemption.** The Bonds maturing on or after April 1, 2036\*, are redeemable at the option of the District, not earlier than April 1, 2035\*, at par as described in this Official Statement. For more complete information, see “**THE BONDS - Redemption**” herein.

**Denominations.** The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

**Book-Entry Bonds.** Each of the Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. Purchases of beneficial interests in the Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered bonds of like principal amount and maturity in authorized denominations. For more complete information, see “**THE BONDS - Book-Entry Only System**” herein.

**Payments.** So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of, premium, if any, and interest on the Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds.

For a more complete description of the Bonds, see “**THE BONDS**” herein.

## Tax Exemption

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Code”), and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In addition, Bond Counsel is further of the opinion that, under existing laws, regulations, rulings, and judicial decisions, interest on the Bonds is exempt from State of Georgia income taxation, subject to the conditions and limitations described herein. See Appendix C hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Bonds, see the caption “**LEGAL MATTERS - Tax Matters**” herein.

## Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association, Atlanta, Georgia, will act as bond registrar (the “Bond Registrar”) and as paying agent (the “Paying Agent”) for the Bonds.

## Professionals Involved in the Offering

Certain legal matters pertaining to the District and its authorization and issuance of the Bonds are subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel. A copy of such opinion will be available at the time of delivery of the Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix C. Certain legal matters will be passed on for the District by its general counsel, The Brooks Law Firm, Folkston, Georgia, and by its disclosure counsel, Butler Snow LLP, Atlanta, Georgia. The basic financial statements of the District as of June 30, 2024 and for the year then ended, attached hereto as Appendix A, have been audited by the Georgia Department of Audits and Accounts, Atlanta, Georgia, as stated in its report that appears in Appendix A hereto. See “**MISCELLANEOUS - Independent Auditors**” herein.

## Authority for Issuance

The Bonds are being issued in accordance with the Constitution of the State of Georgia and pursuant to the authority granted by the laws of the State of Georgia and a resolution of the Board of Education of Charlton County authorizing the issuance of the Bonds adopted on \_\_\_\_\_, 2025 (the “Bond Resolution”). The issuance of the

Bonds was approved by a majority vote of voters in the District voting in an election held on May 24, 2022. For more complete information, see “**THE BONDS - Authority for Issuance**” herein.

### **Offering and Delivery of the Bonds**

The Bonds are offered when, as, and if issued by the District and accepted by the underwriter named on the front cover of this Official Statement (the “Underwriter”), subject to prior sale and to withdrawal or modification of the offer without notice. The Bonds are expected to be available for delivery in book-entry form only through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2025.

### **Continuing Disclosure**

The District has covenanted in the Bond Resolution and a Continuing Disclosure Certificate (the “Disclosure Certificate”) for the benefit of the beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than one year after the end of each fiscal year of the District, commencing with fiscal year 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB). The notices of certain events will be filed by the District with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA). The form of the Disclosure Certificate will be in substantially the form attached to this Official Statement as Appendix B. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

### **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the District’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the District, the Bonds, the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Disclosure Certificate, and other documents and information are available, upon request and upon payment to the District of a charge for copying, mailing, and handling, from Dr. Brent Tilley, Superintendent, Charlton County School District, 37 Touchdown Lane, Folkston, Georgia 31537, telephone (912) 496-2596. During the period of the offering of the Bonds, copies of such documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing, and handling, from Raymond James & Associates, Inc., Two Buckhead Plaza, Suite 702, 3050 Peachtree Road, N.W., Atlanta, Georgia 30305, telephone (404) 240-6805.

The Bonds have not been registered under the Securities Act of 1933, and the Bond Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the District or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been

provided by the District. The information set forth herein has been obtained by the District from sources that are believed to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the District or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

In making an investment decision, investors must rely on their own examination of the District and the terms of the offering, including the merits and risks involved. Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Bonds or reviewed or passed upon the adequacy or accuracy of this Official Statement. Any representation to the contrary may be a criminal offense.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality, or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [www.onlinemunis.com](http://www.onlinemunis.com). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITE OR THE FOLLOWING WEBSITE: [www.emma.msrb.org](http://www.emma.msrb.org).

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## PLAN OF FINANCING

### Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Bonds are estimated below.

Estimated Sources of Funds:

Proceeds of Bonds<sup>1</sup>  
Estimated Interest Earnings During Construction<sup>2</sup>  
Sales Tax Collections for Capital Projects and  
Capital Outlay Funds from State of Georgia  
Department of Education<sup>4</sup>

Total Sources of Funds

Estimated Applications of Funds:

Capital Projects<sup>3</sup>  
Costs of Issuance<sup>4</sup>  
Underwriting Discount<sup>5</sup>

Total Applications of Funds

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<sup>1</sup> After adding [net] original issue premium of \$ \_\_\_\_\_.

<sup>2</sup> Based on estimated earnings on the unexpended construction funds at an investment rate of \_\_\_\_% over a period of 24 months.

<sup>3</sup> See “**PLAN OF FINANCING - Capital Projects**” herein.

<sup>4</sup> Includes legal and accounting fees, initial Bond Registrar’s and Paying Agent’s fees, printing costs, validation court costs, and other costs of issuance.

<sup>5</sup> \_\_\_\_\_% of the principal amount of the Bonds. See “**MISCELLANEOUS - Underwriting**” herein.

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## Capital Projects

The District plans to acquire, construct, and equip a new high school to replace the existing Charlton County High School; to acquire instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment; and to acquire any necessary property therefor, both real and personal (collectively the “Capital Projects”).

The District has developed a plan to finance the Capital Projects that relies on a combination of proceeds of the Bonds, investment earnings, Sales Tax collections, and capital outlay funds from the State of Georgia Department of Education. The District expects that these sources of funds will be sufficient to provide funding for the Capital Projects. The expected major categories of sources and expenditures of funds related to the Capital Projects are set forth below:

	Sources of Funds*		Total Expenditures*
	Bond Proceeds and Estimated Investment Earnings	Sales Tax Collections and Capital Outlay Funds From Georgia Department of Education	
Uses of Funds:			
New High School	\$18,884,909	\$18,115,091	\$37,000,000
Buses and Vehicles	---	250,000	250,000
Technology Improvements	---	200,000	200,000
Furniture, Fixtures, and Equipment	---	500,000	500,000
Total	<u>\$18,884,909</u>	<u>\$19,065,091</u>	<u>\$37,950,000</u>

The District has completed or commenced construction on some of the projects included in the Capital Projects and has spent approximately \$1.70 million to date on the Capital Projects. Some of the additions and renovations have already been completed. The expected completion date of the Capital Projects is July 2027.

The State of Georgia Department of Education presently disburses capital outlay funds to the District as the District incurs capital expenditures. The amount of disbursements depends upon the amount and timing of annual appropriations of capital outlay funds to the District by the General Assembly of the State of Georgia. The District expects to receive approximately \$10.7 million in capital outlay funds during fiscal years 2025 through 2028, which will be disbursed as expenditures are incurred in connection with the new high school. No assurance can be given concerning the timing or amounts of future appropriations of capital outlay funds by the General Assembly of the State of Georgia to the District.

The District has selected James W. Buckley & Associates, Inc., Savannah, Georgia (the “Architect”), to serve as the design and inspecting architect for various components of the Capital Projects. After the Architect completes and the District approves a set of plans and specifications for a particular component of the Capital Projects, the District will submit the plans and specifications to the State of Georgia Department of Education for approval. After the plans and specifications are approved by the State of Georgia Department of Education, the District may proceed with the constructing such component of the Capital Projects, subject to the provisions of Georgia law governing the bidding and awarding of construction contracts.

The cost of constructing the Capital Projects described above may be affected by factors beyond the control of the District, including strikes, energy and material shortages and price increases, subcontractor defaults, adverse weather conditions, and other unforeseen contingencies. **There can be no assurance that the District will complete the construction of the Capital Projects described above in accordance with its present construction schedule and construction budget.**

The Capital Projects and the District’s current financing plan for the Capital Projects are subject to change as the District continues to monitor its anticipated capital outlay needs. See “**DISTRICT FINANCIAL INFORMATION - Capital Improvements**” herein.

## **Change of Use of Bond Proceeds**

The notice of the election regarding the issuance of the Bonds stated that the Bonds are being issued for the purposes of providing funds to pay (1) a portion of the costs of acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School, acquiring instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment, adding to, renovating, repairing, improving, and equipping existing school buildings, physical education and athletic facilities, and other buildings and facilities useful or desirable in connection therewith, and acquiring any necessary property therefor, both real and personal.; (2) capitalized interest incident thereto; and (3) expenses incident to accomplishing the foregoing.

Section 36-82-4.2 of the Official Code of Georgia Annotated allows the Board of Education of Charlton County, subsequent to the issuance of the Bonds, to adopt a resolution by a two-thirds' majority vote of the Board of Education declaring that (1) a portion of the proceeds of the Bonds remain after the purpose stated in the election notice has been accomplished, (2) the purpose stated in the election notice is no longer necessary, or (3) circumstances have changed such that expenditure of all or part of the proceeds of the Bonds is no longer practicable or feasible. Such resolution must (a) set forth the reason the proceeds of the Bonds were not expended for the purpose stated in the election notice and (b) state the purpose for which the proceeds of the Bonds will be expended. Upon the adoption of such a resolution, the Board of Education of Charlton County will be authorized to expend such proceeds of the Bonds, including interest earnings thereon, for purposes of a nature substantially similar to the purpose stated in the election notice or to reduce the bonded indebtedness of the District; provided the District, not earlier than ten days prior to expending such Bond proceeds, publishes the resolution described above once in the official Charlton County organ. In addition, the District must send a copy of the resolution described above by registered or certified mail to the Paying Agent for the Bonds.

## **THE BONDS**

### **Description**

The Bonds, as initially issued, will be dated as of the date of issuance and will bear interest at the rates specified on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on each April 1 and October 1, commencing October 1, 2025. Interest on the Bonds is payable by check or draft mailed to the registered owner of record as of the March 15 or September 15 immediately preceding the applicable interest payment date, at such owner's address as it appears on the registration books of the District, maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Subject to the redemption provisions described below, the Bonds will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Bonds are issuable only as fully registered bonds, without coupons, in any authorized denomination. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form and purchasers will not receive certificates representing interests in the Bonds so purchased. If the book-entry system is discontinued, Bonds will be delivered as described in the Bond Resolution, and beneficial owners of the Bonds will become the registered owners of the Bonds. See "**THE BONDS - Book-Entry Only System**" herein.

### **Redemption**

#### *Optional Redemption*

The Bonds maturing on April 1, 2036\* and thereafter are redeemable at the option of the District in whole or in part at any time, not earlier than April 1, 2035\*, in the order of maturities selected by the District (less than all of such Bonds of a single maturity to be selected by lot in a manner determined by the Bond Registrar), from any moneys available therefor at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, all in the manner provided in the Bond Resolution.

#### *Redemption Notices*

Notice of any redemption of the Bonds, identifying the Bonds (or any portion of the respective principal sums thereof) to be redeemed, will be given by first-class mail, postage prepaid, not less than thirty (30) days and not more than sixty (60) days prior to the redemption date to all registered owners of the Bonds to be redeemed (in whole or in part). Failure to give appropriate notice of any redemption by mail or any defect in the notice will not affect the validity of the proceedings for the redemption of any Bond.

## **Security and Sources of Payment for the Bonds**

The Bonds will constitute valid and legally binding general obligations of the District, and the principal of and interest on the Bonds will be payable (1) first from the separate account in which are placed the proceeds received by the District from the Sales Tax, and (2) second from the general funds of the District, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the District subject to taxation for school bond purposes, including real and personal property, privately owned utilities, certain motor vehicles, and mobile homes.

The District plans to pay the principal and interest on the Bonds coming due from October 1, 2025 to April 1, 2030, from the separate account in which are placed the proceeds received by the District from the Sales Tax, to the extent proceeds of the Sales Tax are available. The Sales Tax will expire on the date described hereunder under the caption "**THE SALES TAX - Description.**" The District presently plans to call a referendum to approve the reimposition of the Sales Tax upon its expiration. If approved, the District presently plans to use a portion of the reimposed Sales Tax to pay a portion of the principal of and interest on the Bonds. There can be no assurance, however, that the District will call this referendum or any future referendum for the purpose of paying a portion of the principal of and interest on the Bonds or that the voters of Charlton County will in the future approve any reimposition of the Sales Tax upon its expiration. See "**DISTRICT DEBT STRUCTURE - Proposed Debt**" herein.

Prior to the issuance of the Bonds, the Board of Commissioners of Charlton County, upon the recommendation of the Board of Education of Charlton County, as required by law, will levy an ad valorem tax on all taxable property within the District subject to taxation for school bond purposes in an amount sufficient to pay the principal of and interest on the Bonds as the same become due and payable.

See "**DISTRICT DEBT STRUCTURE**" herein for a discussion of the District's outstanding debt and legal ability to incur future indebtedness. See "**THE SALES TAX**" and "**DISTRICT AD VALOREM TAXATION**" herein for a discussion of the Sales Tax and District ad valorem taxation.

Prior to the issuance of the Bonds, the Board of Education of Charlton County, pursuant to Section 20-2-480 of the Official Code of Georgia Annotated, will notify the State of Georgia Board of Education of the proposed issuance of the Bonds and authorize and direct the State of Georgia Board of Education to withhold from the District sufficient moneys from any state appropriation to which the District may be entitled and to apply so much as shall be necessary to the payment of the principal of and interest on the Bonds then due. Pursuant to Section 20-2-170 of the Official Code of Georgia Annotated, if the State of Georgia Board of Education has received the notification described in the preceding sentence and if at any time the State of Georgia Board of Education is notified by the Paying Agent for the Bonds that the District has failed to effect the punctual payment of the principal of or interest on the Bonds, the State of Georgia Board of Education is authorized to and shall withhold from any state appropriation to which the District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on the Bonds then due. Under the terms of the Bond Resolution, the District is required to deposit with the Paying Agent on each March 15 and September 15 (or, if such day is not a business day, the next succeeding business day) amounts sufficient to pay in full the principal of and interest on the Bonds on the following April 1 and October 1, respectively. Under the terms of the Bond Resolution, if on any March 15 or September 15 (or, if such day is not a business day, the next succeeding business day) the Paying Agent has not received from the District amounts sufficient to pay in full the principal of and interest on the Bonds on the following April 1 or October 1, respectively, then the Paying Agent is required to notify the State of Georgia Board of Education of the amount of any such deficiency. Under the terms of the Bond Resolution, all funds received by the Paying Agent from the State of Georgia Board of Education must be held by the Paying Agent in trust until paid on such April 1 or October 1.

The amounts subject to interception by the State of Georgia Board of Education for the benefit of the owners of the Bonds will depend upon the amount and timing of annual appropriations made by the General Assembly of the State of Georgia to the District. See "**DISTRICT FINANCIAL INFORMATION - Five Year General Fund History**" herein for the amounts paid to the District by the State of Georgia for general operating purposes over the District's past five fiscal years. The State of Georgia has committed to pay to the District during fiscal year 2025 approximately \$14.7 million for general operating purposes. The State of Georgia disburses the amount committed to the District for each fiscal year in 12 approximately equal installments on or before the last day of each month of such fiscal year. The timing of the payment of any amounts subject to interception by the State of Georgia Board of Education to the Paying Agent for the benefit of the owners of the Bonds will depend upon the ability of the State of Georgia Board of Education to promptly liquidate investments of money appropriated but not disbursed by the General Assembly of the State of Georgia to the District. No assurance can be given concerning the timing or amounts of future appropriations by the General Assembly of the State of Georgia to the District or the timing of the payment of any amounts subject to interception by the State of Georgia Board of Education to the Paying Agent.

The realization of value from the pledge of the taxing power of the District to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no school district created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any school district created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated does not constitute a statutory covenant with the owners of any Bonds and may be amended or repealed at any time without the consent of any owners of the Bonds.

### **Book-Entry Only System**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal and redemption premium of and interest due on the Bonds will be payable directly to DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such

other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE DISTRICT SHALL TREAT CEDE & CO. AS THE ONLY BONDHOLDER FOR ALL PURPOSES, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE DISTRICT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS. THE DISTRICT HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, since transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect

Participants, and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Paying Agent as registered owners for purposes of the Bond Resolution, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

### **Authority for Issuance**

Paragraph I(a) of Section V of Article IX of the Constitution of the State of Georgia provides (1) that no political subdivision may incur any new debt without the assent of a majority of the qualified voters of such political subdivision voting in an election held for that purpose as provided by law and (2) that the debt incurred by any political subdivision may never exceed 10 percent of the assessed value of all taxable property within such political subdivision. Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires a political subdivision, at or before the time of incurring bonded indebtedness, to provide for the assessment and collection of an annual tax sufficient in amount to pay the principal of and interest on the debt within 30 years from its incurrence.

The Bonds were authorized to be issued pursuant to an election in the District held on May 24, 2022, called under a resolution adopted by the Charlton County Board of Education on January 18, 2022 and are being issued pursuant to the authority granted by (i) Part 1 of Article 2 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated and (ii) the Bond Resolution. The resolution calling the election and the notice of the election stipulated an interest rate for the Bonds not exceeding 6.00% per annum. The canvass of the election showed 1,237 “Yes” votes and 605 “No” votes, an approximately 67% approval by those who voted in the election.

### **Disbursement and Investment of Bond Proceeds and Other Moneys**

The proceeds of the sale of the Bonds will be held by and under the control of the District and will be disbursed by the District, as the District desires, to pay the costs of issuing the Bonds and the costs of the Capital Projects described in “**PLAN OF FINANCING - Capital Projects**” herein.

Section 36-82-7 of the Official Code of Georgia Annotated provides that the proceeds of the Bonds may be invested and reinvested by the governing authority of the District in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;
- (2) bonds or obligations of the District or bonds or obligations of the State of Georgia or other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government that are fully guaranteed by such government;
- (4) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations must have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
- (6) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

- (A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in clause (3) and (4) above and repurchase agreements fully collateralized by any such obligations,
  - (B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,
  - (C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and
  - (D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia;
- (7) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement must permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and
  - (8) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds.

The portion of the certificates of deposit described in clause (8) above in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in clause (3) above, obligations of the agencies and instrumentalities of the United States government described in clause (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in clause (5) above.

In addition, Section 36-83-4(a)(1) of the Official Code of Georgia Annotated authorizes the governing authority of the District, or the financial officer of the District to whom investment authority is delegated, to invest and reinvest any money subject to its control and jurisdiction in:

- (1) obligations of the State of Georgia or of other states;
- (2) obligations issued by the United States government;
- (3) obligations fully insured or guaranteed by the United States government or a United States government agency;
- (4) obligations of any corporation of the United States government;
- (5) prime bankers' acceptances;
- (6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated;
- (7) repurchase agreements; and

- (8) obligations of other political subdivisions of the State of Georgia.

Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires the proceeds of the tax assessed and collected to pay the principal of and interest on the Bonds, together with any other moneys collected for this purpose, to be placed in a sinking fund to be used exclusively for paying the principal of and interest on the Bonds and to be held and kept separate and apart from all other revenues collected by the District.

Section 36-80-3 of the Official Code of Georgia Annotated provides that the governing body of the District, or the financial officer of the District to whom investment authority is delegated pursuant to Section 36-80-4 of the Official Code of Georgia Annotated, may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the United States and of its agencies and instrumentalities;
- (2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and
- (3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Section 45-8-14 of the Official Code of Georgia Annotated provides that the Board of Education of Charlton County designate one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations as depositories of moneys belonging to the school funds of the District.

Section 45-8-12 of the Official Code of Georgia Annotated prohibits the District from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, and requires the aggregate of the face value of such surety bond and the market value of such pledged securities to be not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Section 45-8-11 of the Official Code of Georgia Annotated allows the Superintendent or the finance officer of the District, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The District presently deposits its general funds and plans to deposit the proceeds of the sale of the Bonds with Southeastern Bank, Folkston, Georgia. The District may, in its discretion, but subject to the provisions of Georgia law described in the above paragraph, deposit these funds with other financial institutions.

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## Principal and Interest Requirements

Set forth below are the principal and interest payment requirements with respect to the Bonds for the years shown below. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory redemption amount is used.

<u>Year Ending December 31</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2025	\$ ---		
2026	765,000		
2027	775,000		
2028	790,000		
2029	805,000		
2030	820,000		
2031	840,000		
2032	855,000		
2033	875,000		
2034	895,000		
2035	915,000		
2036	940,000		
2037	960,000		
2038	985,000		
2039	1,005,000		
2040	1,030,000		
2041	1,055,000		
2042	1,080,000		
2043	<u>1,110,000</u>		
Total	<u>\$16,500,000</u>		

## THE DISTRICT

### Introduction

The District is a political subdivision of the State of Georgia, separate from and legally and fiscally independent of Charlton County and all other political subdivisions. The boundaries of the District are coextensive with the territorial limits of Charlton County. The District is the only school district in Charlton County and is vested with the power to conduct a system of public education within the territorial limits of Charlton County.

### District Administration and Officials

Under Georgia law, the District is confined to the control and management of the Board of Education of Charlton County (the "Board of Education"). The Board of Education consists of five members. For the purpose of electing Board of Education members, Georgia law divides the District into five education districts and requires one member to be elected to the Board of Education from each education district by the voters of the education district he or she represents. Georgia law requires each member of the Board of Education to have been a resident of Charlton County for at least one year immediately preceding the election to such office, to have been a resident of the education district from which he or she seeks election for at least six months immediately preceding the election to such office, and to remain a resident of that education district during his or her term of office. All members of the Board of Education are elected to office for terms of four years and until their successors are elected and qualified. Each January, the members of Board of Education select one of their number as Chairman to serve as such for a term of one year.

Information concerning the current members of the Board of Education is set forth below:

<u>Name and Office Held</u>	<u>Expiration of Term</u>	<u>Number of Years in Office</u>	<u>Principal Occupation</u>
Curtis Nixon, <i>Chairman</i>	December 31, 2028	17	City Employee
John Canaday	December 31, 2026	10	Business Owner
Wesley Green	December 31, 2028	0	Chief of Police
Brian Kern	December 31, 2026	2	Business Owner
Deborah Young	December 31, 2026	1	Law Enforcement Officer

The School Superintendent of the District is the executive officer of the Board of Education and is employed by the Board of Education under written contract for a term of not less than one year and not more than three years. The School Superintendent acts as the Secretary of the Board of Education, *ex officio*. No person is eligible to be appointed or employed as School Superintendent unless such person is of good moral character, has never been convicted of any crime involving moral turpitude, and possesses acceptable business or management experience as specified by the Professional Standards Commission or the minimum valid certificate or a letter of eligibility for such certificate required by the Professional Standards Commission.

*Dr. Brent Tilley* has been the School Superintendent of the District since December 1, 2020 and is responsible for the day-to-day operations of the District’s school system. Dr. Tilley has been employed by the District for ten years, and, prior to his appointment as School Superintendent, he served as assistant principal and principal. Dr. Tilley’s educational background includes the following: Maryville College (B.A., Business and Organizational Management), Nova Southeastern University (B.S., Educational Leadership), and Liberty University (Ed.D., Educational Leadership). He has served numerous community organizations in the area and currently is the Vice Chairman of the Charlton County Board of Health.

*Matthew Wainright* has been Chief Financial Officer of the District since July 1, 2021 and is responsible for the financial affairs of the District. Mr. Wainright has been employed by the District since 2003 in various capacities within the District’s educational programs and financial management departments. Mr. Wainright started his teaching career in special education and spent 11 years teaching special education at Folkston Elementary School and Bethune Middle School. In 2015 he was promoted to the district special education coordinator until 2021 when he became special education director. Prior to joining the District, Mr. Wainright was employed for 12 years in the restaurant industry as a general manager. Mr. Wainright received a B.A. degree in Business Administration from the Georgia Southern University in 1991.

### **Operations**

The District’s school system serves all of the area within Charlton County. Funds for the general maintenance and operation of the District’s school system are derived from local, state, and federal sources. Local revenues consist primarily of ad valorem property taxes. See “**DISTRICT AD VALOREM TAXATION**” herein. Funds received from the State of Georgia are determined by certain formulas, generally based upon the number of students served and the relative wealth of the school district in relation to other school districts in Georgia, established by the State of Georgia Department of Education. Funds received from the federal government are primarily for programs for disadvantaged and handicapped students and for the school food service program. For its fiscal years ended June 30, 2020 through 2024, approximately 31.0% of the District’s revenues were derived from local sources, 48.8% from state sources, and 20.2% from federal sources. See “**DISTRICT FINANCIAL INFORMATION - Five Year General Fund History**” herein.

The District currently operates as a “Strategic Waivers School System” (“SWSS”) under the terms of an SWSS contract between the District and the State of Georgia Board of Education. The current contract became effective on July 1, 2024 and, unless extended or renewed, expires on June 30, 2030. The District expects its SWSS contract to be extended or renewed prior to its expiration. SWSS contracts are intended to provide school districts in Georgia with greater governance flexibility as a means to increase student achievement. This district flexibility option was enacted into Georgia law in 2008 and was amended in 2015. Under this law, local boards of education can enter into multi-year contracts with the State of Georgia Board of Education based on strategic plans developed in partnership with the State of Georgia Department of Education and the Georgia Governor’s Office of Student Achievement. Such plans must identify specific school-level student achievement goals that are in addition to current federal accountability requirements. The Georgia Governor’s Office of Student Achievement sets College and Career Ready Performance Index (CCRPI) target scores for SWSS schools and monitors which schools have met their annual targets. In exchange for agreeing to greater accountability, the school district receives flexibility in the form of waivers of certain state laws, rules, and guidelines, including waivers of certain academic, financial,

human resources, and facilities requirements. See “**DISTRICT FINANCIAL INFORMATION - Budgetary Process**” herein.

**Schools**

The present teaching facilities of the District’s school system consist of four schools: two elementary schools, one middle schools, and one high school. In addition, the District’s school system has one administrative office building and one maintenance, warehouse, and transportation facility.

Set forth below is information concerning the schools presently comprising the District’s school system.

<u>School Name</u>	<u>Grades</u>	<u>Enrollment<sup>1</sup></u>	<u>Size of Site (acres)</u>	<u>Occupied Year<sup>2</sup></u>	<u>Number of Classrooms</u>	<u>Special Rooms<sup>3</sup></u>
Folkston Elementary	Pk-4	545	57.63 <sup>4</sup>	1998	47	4
St. George Elementary	Pk-5	198	3.93	1942	17	4
Bethune Middle	5-8	453	57.63 <sup>4</sup>	2009	32	5
Charlton County High	9-12	<u>417</u>	<u>32.85</u>	1982	<u>46</u>	<u>6</u>
Totals		<u>1,613</u>	<u>94.41</u>		<u>142</u>	<u>19</u>

<sup>1</sup> Represents enrollment for the 2024-25 school year.

<sup>2</sup> Represents the year during which the school was initially opened and utilized for instructional purposes, but does not reflect the most recent year of subsequent additions, improvements, or renovations, if any, to such facility.

<sup>3</sup> Includes cafeterias, libraries, shops, gymnasiums, auditoriums, and art and music classrooms.

<sup>4</sup> Folkston Elementary School and Bethune Middle School share the same 57.63-acre site.

There are currently 156 certificated personnel serving 1,613 students in the various schools. Specialists are available in the fields of speech, hearing, vision, learning disabilities, emotionally disturbed, psychological testing, physically handicapped, mentally retarded, hospital-home bound, and gifted children. The 2024-25 estimated pupil-teacher ratio for all schools is 13.1 to 1, including non-teaching personnel such as counselors, instructional specialists, and media specialists.

All teachers in the school system hold Bachelor degrees, many have Master degrees, and some have Specialist and Doctoral degrees. Most have a continuing interest in professional and personal growth through formal study and staff development workshops.

All schools in the school system are accredited by the Georgia Accrediting Commission and have met the requirements for Standard Schools as set forth by the Georgia Department of Education. The District’s schools are accredited by Cognia (formerly AdvancED).

**Enrollment**

Set forth below is information concerning enrollment in the District’s school system for the current and the past four school years.

<u>School Year</u>	<u>Pre-Kinder-garten</u>	<u>Kinder-garten</u>	<u>Grades</u>												<u>Total<sup>1</sup></u>
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	
2024-25	87	129	134	121	115	112	118	117	131	132	115	111	110	81	1,613
2023-24	90	138	128	115	123	121	127	131	136	128	133	122	93	96	1,681
2022-23	93	124	130	130	120	118	134	126	130	129	139	102	109	102	1,686
2021-22	91	127	126	117	128	129	123	130	132	141	112	116	101	106	1,679
2020-21	72	116	132	119	138	126	123	143	136	111	124	115	115	86	1,656

<sup>1</sup> Includes special education students.

**Employees, Employee Relations,  
and Labor Organizations**

The District’s school system had approximately 242 full-time employees as of January 1, 2025 in the following categories:

Classroom Teachers	123
Administrators and Supervisors	15
Librarians, Guidance Counselors, Psychologists, Special Ed Services, and Social Workers	18
Aides, Clerical, Attendance Officers, School Nurses, Transportation, Maintenance, Food Services, Custodians, Security, and Other Personnel	<u>86</u>
Total	<u>242</u>

No employees of the District are represented by labor organizations or are covered by collective bargaining agreements, and the District is not aware of any union organizing efforts at the present time. The District’s School Superintendent believes that employee relations are good.

**DISTRICT DEBT STRUCTURE**

**Summary of District Debt By Category**

Set forth below is information concerning debt of the District as of May 1, 2025. The information set forth below should be read in conjunction with the District’s financial statements included as Appendix A hereto.

<u>Category of Debt</u>	<u>Amount Authorized But Unissued</u>	<u>Amount Outstanding (less Sinking Fund Installments Paid)</u>	<u>Amount To Be Outstanding Upon Issuance of Bonds</u>
General Obligation Bonds <sup>1</sup>	\$16,500,000	\$-0-	\$16,500,000*

<sup>1</sup> General obligations of the District to which its full faith and credit and taxing power are pledged. The District expects to use a portion of the proceeds of the one percent sales and use tax for educational purposes described in “**THE SALES TAX**” herein to pay a portion of debt service the Bonds coming due through April 1, 2028.

There has never been a default in payment of the principal of or interest on any general obligation bonds issued by the District.

**Proposed Debt**

The District has no present plans to incur additional debt in the next five years; however, the District may determine to issue additional general obligation bonds as it continues to monitor and assess its future capital needs during this period. The District expects that the issuance of any such bonds will correlate to voter approval of a future reimposition of a one percent sales and use tax for educational purposes.

## Overlapping Debt

In addition to the District's debt obligations, property owners in the District are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the District overlaps such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the District as of May 1, 2025. Although the District has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity that has this information available, and the amounts are based on information supplied by others.

<u>Name of Overlapping Entity</u>	<u>Amount of Authorized but Unissued Debt</u>	<u>Amount of Outstanding Debt (Less Sinking Fund)</u>	<u>Percent of Outstanding Debt Chargeable to Property in the District<sup>1</sup></u>
Charlton County	\$-0-	\$-0-	100%
City of Folkston	-0-	-0-	100
City of Homeland	-0-	-0-	100

<sup>1</sup> The percentage of each overlapping entity's outstanding debt chargeable to property in the District is calculated by dividing the gross assessed valuation of property in the District by the gross assessed valuation of property in the overlapping entity.

## Debt Ratios

Set forth below is the property tax supported debt per capita of the District as of the end of each of the District's past five fiscal years.

<u>Fiscal Year Ended June 30</u>	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
2024 <sup>1</sup>	\$ -0-	\$-0-	\$ -0-
2023	-0-	-0-	-0-
2022	66.15	-0-	66.15
2021	132.49	-0-	132.49
2020	187.62	-0-	187.62

<sup>1</sup> Based upon last available figures.

Set forth below is the property tax supported debt of the District expressed as a percentage of total assessed value of taxable property within the District as of the end of each of the District's past five fiscal years.

<u>Fiscal Year Ended June 30</u>	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
2024	-0-%	-0-%	-0-%
2023	-0-	-0-	-0-
2022	0.24	-0-	0.24
2021	0.47	-0-	0.47
2020	0.70	-0-	0.70

Set forth below is the property tax supported debt of the District expressed as a percentage of total estimated market value of taxable property within the District as of the end of each of the District's past five fiscal years.

<u>Fiscal Year Ended June 30</u>	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
2024	-0-%	-0-%	-0-%
2023	-0-	-0-	-0-
2022	0.09	-0-	0.09
2021	0.19	-0-	0.19
2020	0.28	-0-	0.28

Set forth below is the property tax supported debt per capita of the District expressed as a percentage of per capita income as of the end of each of the District's past five fiscal years.

<u>Fiscal Year Ended June 30</u>	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
2024 <sup>1</sup>	-0-%	-0-%	-0-%
2023	-0-	-0-	-0-
2022	0.15	-0-	0.15
2021	0.31	-0-	0.31
2020	0.45	-0-	0.45

<sup>1</sup> Based upon last available figures.

### Debt History

Set forth below is information concerning long-term and short-term liabilities (excluding interfund payables) of the District outstanding as of the end of each of its past five fiscal years.

<u>Category of Liabilities</u>	<u>Amount Outstanding as of June 30 (Audited)</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Short-Term	\$ 2,850,888	\$ 2,731,492	\$ 2,904,363	\$ 4,382,104	\$ 3,323,102
Long-Term	<u>28,607,252</u>	<u>32,211,785</u>	<u>15,557,034</u>	<u>32,658,004</u>	<u>31,673,892</u>
Total	<u>\$31,458,140</u>	<u>\$34,943,277</u>	<u>\$18,461,397</u>	<u>\$37,040,108</u>	<u>\$34,996,994</u>

### Limitations on District Debt

The Constitution of the State of Georgia provides that the District may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of the District voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the District may not incur long-term obligations payable out of general property taxes in excess of 10 percent of the assessed value of all taxable property within the District.

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not subject to the legal limitations described above. In addition, refunded obligations cease to count against the District's debt limitation upon being refunded.

As computed in the table below, based upon its 2024 assessed value and after the issuance of the Bonds, the District could incur (upon necessary voter approval) approximately \$28,795,538\* of long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin

Assessed Value of Taxable Property as of December 31, 2024	<u>\$452,955,384</u>
Debt Limit (10% of Assessed Value)	\$45,295,538
Amount of Debt Applicable to Debt Limit	<u>16,500,000*</u>
Legal Debt Margin	<u>\$28,795,538*</u>

Section 20-2-506(b)(4) of the Official Code of Georgia Annotated provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year to an amount equal to 7.5 percent of the total local revenue collected for maintenance and operation of the District in the most recently completed fiscal year. Seven and one-half percent of the total local revenue collected for maintenance and operation of the District in fiscal year 2024 was \$517,944 (\$6,905,917 x 7.5%), and the total combined annual payments for lease and installment purchase contracts of the District subject to annual appropriation and intergovernmental contracts of the District in calendar year 2025 is anticipated to be \$-0-.

The District has covenanted in the Bond Resolution that, to the extent allowed by applicable law, so long as any of the Bonds are outstanding, it will not incur any additional debt or obligation of the District payable from any State of Georgia appropriation to which the District may be entitled unless the amount of any appropriation to which the District has been entitled for a period of 12 consecutive months immediately preceding the adoption of the proceedings authorizing the issuance of such additional debt or obligation has been equal to at least 2.0 times the maximum annual debt service requirement for any succeeding year on the Bonds and any other outstanding debt or obligation then outstanding payable from such appropriation and on the additional debt or obligation proposed to be issued.

**THE SALES TAX**

**Description**

Georgia law authorizes the Board of Education of Charlton County to impose, levy, and collect a sales and use tax for educational purposes of the District, at the rate of one percent and for a period of time not to exceed five years, conditioned upon approval by a majority of the qualified voters of Charlton County voting in a referendum thereon.

A sales and use tax for educational purposes of the District (the “Prior Sales Tax”) was authorized to be imposed pursuant to an election in Charlton County held on March 21, 2017, called under a resolution adopted by the Board of Education of Charlton County on January 17, 2017. The Prior Sales Tax began to be imposed on January 1, 2018 and ceased to be imposed on December 31, 2022.

A sales and use tax for educational purposes of the District (the “Sales Tax”) was authorized to be reimposed pursuant to an election in Charlton County held on May 24, 2022, called under a resolution adopted by the Board of Education of Charlton County on January 18, 2022. The canvass of the election showed 1,237 “Yes” votes and 605 “No” votes, an approximately 67% approval by those who voted in the election.

The resolution calling the election and the notice of the election authorized the issuance of \$18,000,000 in aggregate principal amount of Charlton County School District General Obligation Bonds (the “Authorized Bonds”) for the purpose of providing funds to pay a portion of the cost of the capital outlay projects described in clause (2) below (the “Authorized Projects”), to pay capitalized interest incident thereto, and to pay expenses incident to accomplishing the foregoing; and, in order to raise funds to pay a portion of the debt service on the Authorized Bonds and a portion of the cost of the Authorized Projects, as further described in clauses (1) and (2) below, the reimposition of a one percent sales and use tax for educational purposes of the District (i.e., the Sales Tax), upon the termination of the one percent sales and use tax for educational purposes then in effect (i.e., the Prior Sales Tax), for a maximum period of time of 20 calendar quarters and for the raising of not more than \$9,000,000, for the purposes of providing funds to pay a portion of (1) debt service in the maximum amount of \$6,500,000 on the Authorized

Bonds; and (2) the cost of the following Authorized Projects: (a) acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School, (b) acquiring instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment, (c) adding to, renovating, repairing, improving, and equipping existing school buildings, physical education and athletic facilities, and other buildings and facilities useful or desirable in connection therewith, and (d) acquiring any necessary property therefor, both real and personal, the maximum cost of the Authorized Projects not to exceed the balance of the proceeds of the Sales Tax.

The Sales Tax began to be reimposed on January 1, 2023, and will cease to be reimposed on the earlier of (1) December 31, 2027, or (2) the end of the calendar quarter during which the Revenue Commissioner of the State of Georgia (the "Revenue Commissioner") determines that the Sales Tax has raised revenues sufficient to provide to the District net proceeds equal to or greater than the amounts described in the preceding paragraph as the maximum cost of capital outlay projects to be funded and the maximum amount of debt to be retired.

### **Sales Subject to Taxation**

The Sales Tax is reimposed on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on services within Charlton County, subject to numerous exemptions, including sales to certain governmental entities and to certain non-profit organizations, professional, insurance, and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, sales of prescription drugs, certain medical devices and equipment, and lottery tickets. Most online retail sales of tangible personal property delivered electronically or physically to a location within Charlton County for use or consumption within Charlton County are subject to the one percent sales and use tax for educational purposes.

### **Sales Tax Collections**

The Sales Tax is generally reimposed on the purchaser of tangible personal property or services and is generally collected by the seller of tangible personal property or services from the purchaser at the time of sale. Sellers of tangible personal property or services are generally required to file tax returns with the Revenue Commissioner on or before the 20th day of each month, showing taxable sales during the preceding calendar month, and to remit the Sales Tax shown due on the return with the return. Sellers of tangible personal property or services are allowed the following deductions from Sales Tax timely remitted to the Revenue Commissioner: (1) 3 percent of the first \$3,000 of Sales Tax reported due on each monthly return (other than Sales Tax on motor fuel), (2) 0.50 percent of Sales Tax in excess of \$3,000 reported due on each monthly return (other than Sales Tax on motor fuel), and (3) 3 percent of Sales Tax on motor fuel reported due on each monthly return. When any seller fails to make any return or to pay the full amount of the Sales Tax, there will be imposed a penalty to be added to the Sales Tax in the amount of 5 percent or \$5.00, whichever is greater, if the failure is for not more than 30 days and an additional 5 percent or \$5.00, whichever is greater, for each additional 30 days or fraction of 30 days during which the failure continues. The penalty for any single violation will not exceed 25 percent or \$25.00 in the aggregate, whichever is greater.

### **Permitted Uses**

Georgia law provides that the Sales Tax shall be exclusively administered and collected by the Revenue Commissioner for the use and benefit of the District. The proceeds of the Sales Tax collected by the Revenue Commissioner must be disbursed to the District as soon as practicable after collection, after deducting one percent of the amount collected for the state treasury in order to defray the costs of administration.

Georgia law provides that the proceeds received from the Sales Tax shall be used by the District exclusively for the purpose or purposes specified in the resolution calling for reimposition of the Sales Tax. Such proceeds are required by Georgia law to be kept in a separate account from other funds of the District and may not in any manner be commingled with other funds of the District prior to expenditure. Georgia law provides that no part of the net proceeds from the Sales Tax received in any year may be used for capital outlay projects until all debt service requirements on the Bonds for that year have first been satisfied from the account in which the proceeds of the Sales Tax are placed.

## Historical Sales Tax Data

Set forth below are the net proceeds of the Prior Sales Tax and the Sales Tax received by the District for calendar years 2020 through 2024 and for the four months ended April 30, 2025.

<u>Year Ended December 31</u>	<u>Historical Sales Tax Collections<sup>1</sup></u>
2020	\$1,230,554
2021	1,289,354
2022	1,501,410
2023	1,576,644
2024	1,588,214
2025 <sup>2</sup>	558,424

<sup>1</sup> Net of deductions allowed to dealers and net of commission allowed to the Revenue Commissioner.

<sup>2</sup> Four months ended April 30, 2025.

Source: State of Georgia Department of Revenue.

## DISTRICT AD VALOREM TAXATION

### Introduction

An important source of revenue to fund the operations of the District is ad valorem property taxes. Ad valorem property taxes accounted for an annual average of approximately 23.5% of District general fund revenues for the years ended June 30, 2020 through 2024 and are budgeted to account for approximately 24.0% of general fund revenues for the year ending June 30, 2025. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

### Property Subject to Taxation

Ad valorem property taxes are levied, based upon assessed value, against real and personal property within the District. There are, however, certain classes of property that are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

In addition, Charlton County allows exemptions from ad valorem taxation for school purposes for (1) homesteads, or owner-occupied residences, of all persons, up to \$2,000 of assessed value (this exemption, however, is inapplicable to taxes levied to pay bonded indebtedness); (2) homesteads, or owner-occupied residences, of disabled veterans and certain un-remarried surviving spouses of disabled veterans or of members of the armed forces of the United States killed in the line of duty, in the amount not to exceed the greater of \$32,500 or an amount determined under federal law (currently \$117,014) of the assessed value of that homestead; (3) homesteads, or owner-occupied residences, of un-remarried surviving spouses of peace officers or firefighters who were killed in the line of duty, for the full value of that homestead; (4) homesteads, or owner-occupied residences, of persons 62 years of age or older, in the amount of \$20,000 of the assessed value of that homestead; and (5) the inventory of companies that manufacture or warehouse goods in Charlton County, known as the "freoport exemption."

In its 2024 legislative session, the Georgia General Assembly enacted House Bill 581, generally known as the "Save Our Homes Act" ("HB 581"), which provides for a new homestead exemption from ad valorem taxation, including from taxes levied by the District, unless the District opts out of the exemption for homesteads in the District. For more information, see "**CITY AD VALOREM TAXATION - State of Georgia Tax Reform -- Save Our Homes Act**" herein.

### Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires

certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property (otherwise known as conservation use property) and certain single-family real property located in transitional developing areas to be valued at their "current uses" (as opposed to fair market value).

The chief appraiser of Charlton County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within Charlton County to the Charlton County Board of Tax Assessors. The Tax Commissioner of Charlton County is required to present the tax returns of Charlton County to the Charlton County Board of Tax Assessors by April 11 of each year. The Charlton County Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Charlton County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to Charlton County which bills these taxes to the utilities.

### **Annual Tax Levy**

Neither the District nor the Board of Education of Charlton County has the power to levy ad valorem property taxes. The Board of Commissioners of Charlton County annually levies the ad valorem property taxes for the District. The Board of Education is required by Georgia law to annually certify to the Board of Commissioners of Charlton County the rate of levy needed to produce the necessary amount of property tax revenues to support and maintain the District's school system. The Board of Education determines a rate of levy for each fiscal year by computing a rate that, when levied upon the assessed value of taxable property within the territorial limits of the District, will produce the necessary amount of property tax revenues. Under Georgia law, the Board of Commissioners of Charlton County is required to annually levy the ad valorem property tax certified to it by the Board of Education of Charlton County, upon the assessed value of all taxable property within the District.

Under Georgia law, the annual rate of levy for the support and maintenance of the District's school system may not exceed 20 mills. This 20-mill limitation may be increased or removed by action of the Board of Education of Charlton County, but only after such action has been approved by a majority of the qualified voters of the District. **Under Georgia law, there is no limitation on the annual rate of levy for the payment of principal of and interest on bonded indebtedness of the District.** Ad valorem property taxes received for the payment of debt service on general obligation bonds of the District are required by law to be held and accounted for separately from other funds of the District. See "**THE BONDS - Disbursement and Investment of Bond Proceeds and Other Moneys**" herein.

### **Property Tax Collections**

Charlton County bills and collects the property taxes of the District on behalf of the District. Under Georgia law, the tax collector of Charlton County is required to pay over to the Board of Education once a week all taxes collected for school purposes, after deducting a commission for collecting the taxes. Charlton County charges the District a collection fee of 2.50% of taxes collected for the District. Real and personal property taxes, except motor vehicle taxes, are levied on January 1 of each year on the assessed value listed as of January 1. Taxes levied by Charlton County on January 1 are normally billed in the month of October and are normally payable on or before December 20; however, during the past five years, tax bills have been mailed later than October due to late delivery of the tax digest by the Charlton County Board of Tax Assessors and have generally been due by January 15 of the following calendar year. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year; however, only motor vehicles titled prior to March 1, 2013 are subject to ad valorem tax. For more information, see "**LEGAL MATTERS - State of Georgia Tax Reform Legislation**" herein.

Under Georgia law, taxes paid after the due date bear interest until paid at an annual rate equal to the bank prime loan rate, determined for each calendar year based on the first weekly posting of statistical release H.15 by the Board of Governors of the Federal Reserve System on or after January 1 of each calendar year, plus 3%, to accrue monthly. In addition, under Georgia law, a penalty of 5% applies for each period of 120 days that the taxes remain unpaid, subject to a maximum aggregate penalty not to exceed 20% of the principal amount of the tax originally due and certain other limited exceptions.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien normally becomes enforceable 90 days after the due date each year. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of the realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

At any time after the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the Sheriff may issue an execution for nonpayment of taxes. The Sheriff may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Sheriff at the Charlton County Courthouse on the first Tuesday of the month after the required notices are given.

## **State of Georgia Tax Reform**

### *Motor Vehicle Tax Reform*

Prior to March 1, 2013, all motor vehicles within the District were subject to ad valorem property taxation. Tax reform legislation enacted in 2012 implemented a number of changes to Georgia's tax laws that impact local governments in Georgia, including the elimination of the ad valorem tax (and the state and local sales tax) on motor vehicles and the replacement of such taxes with one time state and local title fees whenever any motor vehicle changes ownership on or after March 1, 2013. For most motor vehicle purchases, the title fee currently equals 7.0% of the "fair market value" of the vehicle (less any trade-in value) payable by the purchaser upon acquiring the vehicle. The revenues from these fees are allocated among state and local governments (including the District) by formula. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax in the District has decreased, and the District expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service. For more information, see "**DISTRICT AD VALOREM TAXATION - Historical Property Tax Data**" herein.

### *Save Our Homes Act*

In its 2024 legislative session, the Georgia General Assembly enacted House Bill 581, generally known as the "Save Our Homes Act" ("HB 581"). Georgia Governor Brian Kemp signed HB 581 into law on April 18, 2024, and a constitutional amendment required to implement HB 581 was ratified by Georgia voters at the November 5, 2024 election. HB 581, among other things, provides for a new homestead exemption from ad valorem taxation, including from taxes levied by the District, for each Georgia resident. HB 581 applies to all taxable years beginning on or after January 1, 2025 and will be granted to each person's homestead in an amount generally equal to the amount by which the current year assessed value of that homestead exceeds its previous year assessed value, as adjusted by the current inflation rate as determined by the State of Georgia Revenue Commissioner. In effect, the new exemption limits increases in a home's value, as assessed for property tax purposes, to the rate of inflation each year. Considering that approximately 38.3% of the land use in the District is for residential purposes, no assurance can be given that the new homestead exemption will not have an adverse effect on the District's ad valorem tax revenues in future years.

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## Historical Property Tax Data

Set forth below is information concerning the assessed (40% of fair market value) and estimated actual (fair market) value of taxable property within the District for calendar years 2019 through 2024.

Calendar Year	Assessed Values				Gross Tax Digest	Bond Exemptions <sup>2</sup>	General Obligation Bond Tax Digest <sup>3</sup>	Maintenance & Support Exemptions	Maintenance & Support Tax Digest <sup>4</sup>	Estimated Actual Value
	Real & Personal Property	Public Utilities	Motor Vehicles <sup>1</sup>	Mobile Homes						
2019	\$299,578,689	\$36,893,118	\$4,870,918	\$6,045,757	\$347,388,482	\$ ---	\$347,388,482	\$57,507,726	\$289,880,756	\$ 868,471,205
2020	301,483,957	39,115,719	3,925,300	6,481,058	351,006,034	---	351,006,034	61,224,388	289,781,646	877,515,085
2021	300,268,655	39,115,719	3,942,760	6,454,194	349,781,328	---	349,781,328	61,208,199	288,573,129	874,453,320
2022	392,049,846	35,598,905	3,579,970	7,460,969	438,689,690	---	438,689,690	65,843,189	372,846,501	1,096,724,225
2023	420,680,093	40,777,497	3,819,070	7,437,998	472,714,658	---	472,714,658	71,153,406	401,561,252	1,181,786,645
2024	450,487,875	47,120,543	3,730,750	7,818,663	509,157,831	56,202,447	452,955,384	78,923,576	430,234,255	1,272,894,578

<sup>1</sup> As of March 1, 2013, only motor vehicles titled prior to March 1, 2013 are subject to ad valorem tax. Motor vehicles titled after that date are subject instead to a one-time state and local title fee. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax has decreased in each year shown (other than 2021 and 2023), and the District expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service. For more information, see **“DISTRICT AD VALOREM TAXATION - State of Georgia Tax Reform Legislation”** herein.

<sup>2</sup> Bond exemptions were not reported for 2019 through 2023.

<sup>3</sup> Total assessed value, after deducting exemptions, for purposes of levying tax for District’s general obligation bonds.

<sup>4</sup> Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the District’s school system.

Source: State of Georgia Department of Revenue, Property Tax Division.

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Set forth below is information concerning the rate of levy of property taxes per \$1,000 of assessed value, or millage rates, of the District and all overlapping governments that levied property taxes for calendar years 2019 through 2024.

Calendar Year	District				Charlton County	County-Wide Total	Folkston	Homeland
	Support and Maintenance	Legal Limit <sup>1</sup>	Debt Service	Total				
2019	17.200	20.00	-0-	17.200	18.430	35.630	7.330	3.080
2020	17.190	20.00	-0-	17.190	18.420	35.610	7.400	3.080
2021	17.190	20.00	-0-	17.190	18.420	35.610	8.114	3.070
2022	14.443	20.00	-0-	14.443	13.900	28.343	6.673	2.650
2023	13.590	20.00	-0-	13.590	13.079	26.669	6.363	2.389
2024	13.000	20.00	-0-	13.000	12.240	25.240	6.020	2.221

<sup>1</sup> See “**DISTRICT AD VALOREM TAXATION - Annual Tax Levy**” herein.

Source: Charlton County Tax Commissioner.

Set forth below is information concerning property tax levies and collections of the District for the past five fiscal years.

Fiscal Year	Tax Levy <sup>1</sup>	Tax Collections <sup>1</sup>			Percentage of Collection of Current Year's Levy to Tax Levy	Percentage of Total Tax Collections to Tax Levy	Delinquent Taxes Outstanding as of Year End
		Current Year's Levy	Prior Years	Total			
2020	\$4,985,949	\$4,932,217	\$200,692	\$5,132,909	98.92%	102.95%	\$214,740
2021	4,981,346	4,651,483	335,871	4,987,354	93.38	100.12	220,188
2022	4,960,572	4,887,354	270,401	5,157,755	98.52	103.98	134,932
2023	5,385,022	5,320,502	97,147	5,417,649	98.80	100.61	287,903
2024	5,457,217	5,362,529	65,159	5,427,688	98.26	99.46	415,031

<sup>1</sup> Amounts shown represent the total value of the District's maintenance and support tax digest in the preceding calendar year multiplied by the millage rate levied by the District for that calendar year.

<sup>2</sup> Amounts shown are net of collection fee of 2.50% paid to Charlton County.

Source: Charlton County Tax Commissioner.

Set forth below is the estimated value of total tax title executions (or fi fas) owned by the District as of the end of its past five fiscal years. The amounts set forth below are cumulative amounts from all preceding years.

Estimated Value as of June 30				
2020	2021	2022	2023	2024
\$214,740	\$220,188	\$134,932	\$287,903	\$415,031

Source: Charlton County Tax Commissioner.

Delinquent property taxes of the District are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

## Ten Largest Taxpayers

Set forth below are the ten largest taxpayers of the District for calendar year 2024. A determination of the largest taxpayers within the District can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the District. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District.

<u>Taxpayer</u>	<u>Product/Service</u>	<u>Taxes Levied</u>	<u>Net Assessed Valuation</u>	<u>Percent of Net Tax Digest<sup>1</sup></u>
The GEO Group, Inc. <sup>2</sup>	Correctional Facilities	\$ 409,503	\$ 31,500,224	7.32%
CSX Transportation Inc.	Rail Transportation	306,664	23,589,555	5.48
Rayonier Forest Resources	Timber	162,576	13,598,517	3.16
Weyerhaeuser Company	Timber	104,170	8,013,112	1.86
Toledo MNFG Company	Timber	103,063	7,927,947	1.84
Georgia Power Company	Electric Utility	99,527	7,655,893	1.78
The Chemours Company FC LLC	Mining	76,155	5,858,099	1.36
Okefenokee Electric Member Coop	Electric Utility	58,385	4,491,134	1.04
Twin Pines Minerals, LLC	Mining	50,718	3,901,358	0.91
UFP Ashburn, LLC	Building Materials	<u>34,015</u>	<u>3,442,960</u>	<u>0.80</u>
Total		<u>\$1,404,776</u>	<u>\$109,978,700</u>	<u>25.55%</u>

<sup>1</sup> Represents percentage of net assessed valuation of taxpayer's property (after exemptions) as compared to the total value of the District's maintenance and support tax digest for calendar year 2024 (\$430,234,255).

<sup>2</sup> The GEO Group, Inc. is the largest employer in Charlton County and owns and operates the Folkston ICE Processing Center. For more information, see "**CHARLTON COUNTY – Economic Information**" herein.

Source: Charlton County Tax Commissioner.

## DISTRICT FINANCIAL INFORMATION

### Accounting System and Policies

The accounting practices and policies of the District conform to generally accepted accounting principles as applied to governments, except as provided below. The District's accounting system is organized and operated on a fund basis. The District's funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The District's primary fund is the General Fund, which contains all District revenues except those which are specifically allocated for other purposes. The District may appropriate money from the General Fund for all ordinary District expenses. The District also maintains several other funds to account for specific activities or to attain certain objectives.

The funds of the District are Governmental Funds, which includes the General Fund and the Capital Projects Fund. The General Fund is the principal operating fund of the District and is used to account for all activities of the District not otherwise accounted for in a specified fund. The District's General Fund is used to account for most of the instructional and administrative aspects of the District's operations. The District has one Capital Projects Fund, which accounts for school construction and improvement projects.

Note 2 of the financial statements of the District included as Appendix A contains a detailed discussion of the District's significant accounting policies.

## Five Year General Fund History

Set forth below is an historical, comparative summary of the revenues, expenditures, and changes in fund balance of the District's General Fund for the past five fiscal years. Information in the following table has been extracted from audited financial statements of the District for the years ended June 30, 2020 to 2024. See **"DISTRICT FINANCIAL INFORMATION - Accounting System and Policies"** herein. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the District for the fiscal years shown. For more complete information, reference is made to the audited financial statements for fiscal years 2020 to 2024, copies of which are available from the District upon request.

### District General Fund

	Years Ended June 30 (Audited)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues</b>					
Property Taxes	\$ 5,347,903	\$ 5,476,290	\$ 6,035,435	\$ 6,059,545	\$ 6,010,336
Sales Taxes	35,506	54,804	100,855	49,195	107,670
State Funds	11,823,607	11,873,489	12,775,508	13,105,367	14,260,059
Federal Funds	2,158,752	5,717,748	4,951,313	6,631,144	6,905,569
Charges for Services	131,736	140,495	174,875	203,705	116,741
Investment Earnings	222	1,645	381	586	70,501
Miscellaneous	<u>288,412</u>	<u>513,798</u>	<u>687,841</u>	<u>740,769</u>	<u>600,671</u>
Total Revenues	<u>19,786,138</u>	<u>23,778,269</u>	<u>24,726,208</u>	<u>26,790,311</u>	<u>28,071,547</u>
<b>Expenditures</b>					
Current:					
Instruction	11,551,017	11,951,346	13,440,133	14,666,865	14,819,735
Support Services:					
Pupil Services	877,991	902,729	945,206	949,144	1,020,334
Improvement of Instructional Services	620,863	632,741	927,623	1,048,703	1,261,506
Educational Media Services	517,073	479,425	459,907	413,603	521,817
General Administration	641,542	723,686	631,180	762,760	628,327
School Administration	1,348,461	1,354,051	1,524,278	1,542,227	1,628,091
Business Administration	152,034	70,730	134,819	236,312	163,879
Maintenance and Operation of Plant	1,601,303	1,596,111	1,760,251	1,895,194	2,132,956
Student Transportation Services	1,022,427	1,140,381	1,249,252	1,080,941	3,132,927
Central Support Services	105,321	150,642	150,182	157,069	168,726
Other Support Services	30,695	34,100	33,523	43,657	41,700
Food Service Operations	846,390	832,858	1,070,049	1,201,296	1,360,746
Capital Outlay <sup>2</sup>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,991,773</u>	<u>800,639</u>
Total Expenditures	<u>19,315,117</u>	<u>19,868,800</u>	<u>22,326,403</u>	<u>25,989,544</u>	<u>27,681,384</u>
<b>Revenues Over (Under) Expenditures</b>	<u>471,021</u>	<u>3,909,469</u>	<u>2,399,805</u>	<u>800,767</u>	<u>390,163</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	150,000	---	---	---	---
Extraordinary Item – Settlement of Lawsuit	---	(647,110)	---	---	---
Operating Transfers Out	<u>(17,209)</u>	<u>(3,000,000)</u>	<u>---</u>	<u>(2,550,086)</u>	<u>---</u>
Total Other Financing Sources (Uses)	<u>132,791</u>	<u>(3,647,110)</u>	<u>---</u>	<u>(2,550,086)</u>	<u>---</u>
<b>Net Change in Fund Balances</b>	603,812	262,359	2,399,805	(1,749,318)	390,163
<b>Fund Balances - Beginning</b>	<u>4,837,133</u>	<u>5,521,828<sup>1</sup></u>	<u>5,784,187</u>	<u>8,183,992</u>	<u>6,434,673</u>
<b>Fund Balances - End</b>	<u>\$ 5,440,945</u>	<u>\$ 5,784,187</u>	<u>\$ 8,183,992</u>	<u>\$ 6,434,673</u>	<u>\$ 6,824,836</u>

<sup>1</sup> Restated.

## **Management Comments Concerning Material Trends in Revenues and Expenditures**

For a narrative overview and analysis of the financial activities of the District for fiscal year 2024, see “**Management’s Discussion and Analysis**” included in Appendix A to this Official Statement. The Management’s Discussion and Analysis is not a required part of the basic financial statements of the District but is supplementary information required by the Governmental Accounting Standards Board that has not been audited by the District’s auditor.

### **Budgetary Process**

The District adopts a non-appropriated operating budget for its Governmental Funds each year. The operating budget contains proposed expenditures and the means for financing them. The District is not legally required to stay within the budget, but under Georgia law it must meet certain minimum expenditure requirements for allotted state funds. The District, however, currently has a waiver from these minimum expenditure requirements pursuant to its Strategic Waivers School System contract with the State of Georgia Board of Education. See “**THE DISTRICT - Operations**” herein. The District uses a modified accrual basis of accounting in its adopted Governmental Funds budget, which is consistent with the basis of accounting used in the District’s basic financial statements.

The administration of the District generally begins budget preparations in January of each year. After various budget meetings, a proposed budget is adopted by the Board of Education in May and is advertised in the legal organ of Charlton County, inviting public comment at the June meeting of the Board of Education. After consideration of any public comment, the final budget is adopted by the Board of Education at the June meeting and, as required by Georgia law, is submitted to the State of Georgia Department of Education by August 31 each year for acceptance or rejection.

The budget is developed on a zero base each year, under which each program must substantiate its request rather than ask for an increment over the previous year’s allocation. Initial budget preparation as well as control of individual budgeted expenditures is vested with the Superintendent, with assistance from program directors and supervisors who have the responsibility of performing the various functions of the specific programs. The Board of Education’s business office serves as a resource function to aid in finding the best economic use of available revenues and to assure compliance with the Board of Education’s policies relating to budgetary control. The business office furnishes the Board of Education a monthly “budget” versus “actual” financial report and a summary financial statement to keep the Board of Education apprised of the District’s financial condition.

Georgia law requires the budget of the District to reflect all anticipated revenues from each source, to designate all of such anticipated revenues among the several funds or accounts of the District, and to not leave any anticipated revenues undesignated. Except as otherwise described below, Georgia law requires all amounts allocated to each fund or account and any existing balance in each fund or account to be intended for expenditure within the budget year for the purposes of that fund or account. Georgia law allows no fund or account in the nature of a “surplus” or “unobligated surplus” fund or account. The District is permitted, however, under Georgia law to establish a single reserve fund or reserve account intended to cover unanticipated deficiencies in revenue or unanticipated expenditures, provided that the budget for any year must not allocate to such reserve fund or reserve account any amounts which, when combined with the existing balance in such fund or account, exceed 15 percent of that year’s total budget. The District is permitted under Georgia law to also establish one or more capital accumulation funds or accounts, and the District may allocate amounts to such capital accumulation funds or accounts for expenditure in future budget years only if the purpose for which such amounts will be expended and the anticipated date of expenditure of such amounts are clearly and specifically identified. The stated purpose of the provisions of Georgia law described above is to prohibit local school systems from accumulating surplus funds through taxation without accounting to the taxpayers for how such funds will be expended. The District currently has a waiver from these provisions of Georgia law pursuant to its SWSS contract with the State of Georgia Board of Education. See “**THE DISTRICT - Operations**” herein.

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## Budgets

Set forth below is a summary of the District's adopted budget, as amended, for its General Fund for the year ending June 30, 2025. This budget is based upon certain assumptions and estimates of the District regarding future events, transactions, and circumstances. Realization of the results projected in this budget will depend upon implementation by management of the District of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth below.

### General Fund Budget for Year Ending June 30, 2025

<b>Estimated Revenues</b>	
Local Revenues	\$ 6,081,000
State Revenues	14,670,781
Federal Revenues	3,300,000
Other Sources	<u>495,000</u>
Total Estimated Revenues	<u>24,546,781</u>
<b>Estimated Expenditures</b>	
Current:	
Instruction	14,075,554
Support Services:	
Pupil Services	931,438
Improvement of Instructional Services	814,471
Educational Media Services	618,445
General Administration	755,947
School Administration	1,642,550
Business Administration	168,490
Maintenance and Operation of Plant	2,044,798
Student Transportation Services	1,346,778
Central Support Services	171,034
Other Support Services	26,734
Food Services Operation	<u>1,641,978</u>
Total Estimated Expenditures	<u>24,238,217</u>
<b>Revenues Over Expenditures</b>	<u>\$ 308,564</u>

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The District has not conformed to its General Fund budget in many instances for the fiscal years ended June 30, 2020 through 2024. Set forth below is a summary of unfavorable variances between final budgeted and actual amounts for the General Fund for fiscal years 2020 through 2024.

General Fund Unfavorable Variances

	Years Ended June 30 (Audited)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues</b>					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ (94,664)
Sales Taxes	---	---	---	(20,804)	---
Federal Funds	(90,633)	(179,625)	(3,946,129)	(1,921,576)	(3,747,013)
Charges for Services	(50,208)	(41,450)	(7,069)	---	(65,204)
Investment Earnings	(39,778)	(38,355)	(39,619)	---	---
Miscellaneous	---	---	---	---	---
<b>Expenditures</b>					
Current					
Support Services:					
General Administration	(72,026)	(61,000)	(3,638)	(181,216)	---
Business Administration	---	---	(15,151)	(57,750)	(18,726)
Maintenance and Operation of Plant	---	---	(149,971)	---	---
Student Transportation Services	---	---	(25,087)	---	(267,232)
Central Support Services	---	(57,303)	(43,006)	(3,840)	(4,749)
Other Support Services	(3,961)	(4,397)	(3,160)	(10,727)	(11,739)
Food Services Operations	---	---	(92,353)	(157,172)	(166,605)
<b>Net Cumulative Variance</b>					
Favorable (Unfavorable)	\$1,282,752	\$5,251,486	\$5,485,006	\$ 4,868,573	\$ 2,371,551

The District expects to conform to its adopted budget for its General Fund for fiscal year 2025.

**Capital Improvements**

The District plans capital improvements as future capital needs arise due to increased student population and facility repair and maintenance needs. Specific capital expenditure plans are formalized in conjunction with individual general obligation bond issues and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. The District regularly monitors anticipated capital outlay needs.

The following table summarizes capital outlays for the District's general fixed assets during fiscal years 2020 through 2024.

	Years Ended June 30 (Audited)				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Capital Outlays	\$426,139	\$215,406	\$565,350	\$2,339,321	\$5,018,385

The District anticipates that the moneys to be spent on the Capital Projects discussed herein under the heading **“PLAN OF FINANCING - Capital Projects”** by the end of fiscal year 2028. The District expects the amounts and timing of significant additional capital expenditures to correlate with its future sales and use tax collections, general obligation bond issues, and anticipated annual receipts of capital outlay funds from the State of Georgia Department of Education. See **“DISTRICT DEBT STRUCTURE - Proposed Debt”** herein.

## Employee Benefits

Substantially all of the teachers and the administrative and clerical personnel of the Board of Education are covered by the Teachers Retirement System of Georgia (the “TRS”), a cost-sharing, multiple-employer retirement system administered by the State of Georgia for the benefit of education personnel. The TRS was created in 1934 by an act of the Georgia General Assembly. The TRS’s Board of Trustees (whose members are appointed by the Georgia Governor, by the Board of Trustees, and by the Georgia Board of Regents) is responsible for the administration of the TRS. Substantially all teachers in State of Georgia public school systems and the University System of Georgia, as well as certain other designated employees in educational-related work, are eligible for membership in the TRS.

The TRS provides service retirement (pension), disability retirement, and survivor’s benefits to members. A member of the TRS is eligible for normal retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service. Members become fully vested after ten years of service. If a member is terminated with less than ten years of service, no vesting occurs and the member’s contributions are refunded, with interest. 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 are based on the employee’s creditable service and compensation up to the time of death.

Pursuant to Georgia law, the TRS is funded by contribution requirements of active employees and participating employers (including the District), actuarially determined, established and amended by the Board of Trustees of the TRS. 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% of their annual pay during fiscal year 2023. Set forth below are District’s contractually required contribution rates of annual payroll and contribution amounts to TRS (excluding contribution rates and amounts required from the State of Georgia) for the District’s fiscal years ended June 30, 2020 through 2024.

<u>Fiscal Year</u>	<u>Contribution Rate</u>	<u>Contribution Amount</u>
2020	20.88%	\$2,048,912
2021	18.94	1,777,784
2022	19.70	1,980,680
2023	19.90	2,136,954
2024	19.75	2,196,414

The District’s proportionate share of the net pension liability for the TRS at June 30, 2020 was \$15,752,021, at June 30, 2021 was \$18,163,817, at June 30, 2022 was \$6,345,809, at June 30, 2023 was \$23,981,821, and at June 30, 2024 was \$21,655,775.

At June 30, 2024, the District reported a liability of \$21,655,775 for its proportionate share of the net pension liability for the TRS. The net pension liability was measured as of June 30, 2023. The total pension liability was based on an actuarial valuation as of June 30, 2022 (the most recent information then available). An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The District’s proportion of the net pension liability was based on contributions to the TRS during the fiscal year 2023. At June 30, 2023, the District’s TRS proportionate share of the net pension liability associated with the District was 0.073349%, which was an increase of 0.000505% from its proportion measured as of June 30, 2022.

Substantially all bus drivers, lunchroom personnel, and maintenance and custodial personnel are covered by the Public School Employees’ Retirement System of Georgia (the “PSERS”), a cost-sharing, multiple-employer retirement system administered by the State of Georgia for public school employees not eligible to participate in the TRS. The District makes no contribution to this plan. Contributions to PSERS are paid by annual appropriation of the Georgia General Assembly. 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. At June 30, 2023 and 2024, the District did not have a liability for a proportionate share of the net pension liability of the PSERS because of a Special Funding Situation with the State of Georgia. The amount of the State of Georgia’s proportionate share of the net pension liability of the PSERS associated with employees of the District, which represents 100% of such net pension liability, was \$ 261,029 at June 30, 2023 and \$ 210,137 June 30, 2024.

The TRS and the PSERS each issue a separate, stand-alone comprehensive annual financial report, a copy of which can be obtained from the Georgia Department of Audits and Accounts. See these reports for more information on each plan, the net pension liability of each plan, and the actuarial method and assumptions used to calculate such net pension liability.

In addition, the District allows its employees to contribute to a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). This plan is available to all employees who are not eligible to participate in the TRS and permits them to defer a portion of their salary until future years. Participation in this plan is optional. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The District will match eligible participants' contributions during the year up to 4% of their salaries. Contributions to the plan are invested exclusively in annuity contracts issued by the third-party administrator of the plan. The assets held by the administrator are not recorded in the District's financial statements.

Reference is made to Note 12 of the basic financial statements of the District included as Appendix A for a description of the District's retirement plans.

In addition to pension benefits, the District provides certain health care benefits for retired employees of the District through contributions to the Georgia School Personnel Post-Employment Health Benefit Fund (the "School OPEB Fund"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of local school systems in Georgia. Pursuant to Georgia law, the School OPEB Fund is administered by the Georgia Department of Community Health. Georgia law assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Georgia Board of Community Health. The District is statutorily required to contribute to the School OPEB Fund in accordance with the employer contribution rate established to fund both the active and retired employee health insurance plans based on projected pay-as-you-go financing requirements. The District's contributions to the School OPEB Fund, which equaled the required contributions, were \$301,435 for fiscal year 2020, \$313,800 for fiscal year 2021, \$309,168 for fiscal year 2022, \$348,278 for fiscal year 2023, and \$210,137 for fiscal year 2024. Active employees are not required to contribute to the School OPEB Fund.

At June 30, 2023, the District reported a liability of \$8,467,815 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability was based on an actuarial valuation as of June 30, 2021 (the most recent information then available). An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the District's proportionate share of the net OPEB liability was 0.085506%, which was an increase of 0.001147% from its proportion measured as of June 30, 2021.

At June 30, 2024, the District reported a liability of \$9,923,025 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability was based on an actuarial valuation as of June 30, 2022 (the most recent information then available). An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The District's proportion of the net OPEB liability was based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the District's proportionate share of the net OPEB liability was 0.090593%, which was an increase of 0.005087% from its proportion measured as of June 30, 2022.

The District's proportionate share of the net OPEB liability at June 30, 2020 was \$11,093,038, at June 30, 2021 was \$13,091,856, at June 30, 2022 was \$9,136,778, at June 30, 2023 was \$8,467,815, and at June 30, 2024 was \$9,923,025.

Additional information about the School OPEB Fund is disclosed in the State of Georgia Comprehensive Annual Financial Report, a copy of which can be obtained from the Georgia Department of Audits and Accounts. Reference is made to Note 11 of the basic financial statements of the District included as Appendix A for a description of the District's other post-employment benefits.

All of the District's 12-month employees earn two weeks of annual leave (vacation time) per year. The District's professional personnel earn 1.25 days of sick leave each month, subject to a maximum accumulation of 120 days. Sick leave vests with District employees, but are paid to employees only upon retirement after five years of service at the District at a maximum rate of \$65 per day. The District's administrative staff and certain other full-time employees earn one day of vacation leave for each 23 days worked. Annual leave may be accumulated to a maximum of 25 days, and an amount based on unused annual leave, up to the maximum accumulation, is paid to employees at their current rate of pay upon retirement.

## Risk Management

### *Insurance Coverage and Governmental Immunity*

Under Georgia law, the defense of sovereign immunity is available to the District, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which automobile liability insurance protection has been provided, but only to the extent of the liability insurance provided. The District, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the District in the exercise of its delegated powers.

The District carries liability insurance for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. The District also carries property and casualty damage insurance on buildings and other physical assets.

Present insurance coverage is summarized below:

<u>Type</u>	<u>Amount in Force</u>	
Property (Total Insured Value)	\$112,234,900	
Crime/Employee Dishonesty	250,000	
Superintendent Bond	50,000	

  

<u>Type</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
General and Professional Liability	\$1,000,000	\$3,000,000
Automobile Liability	250,000	500,000
School Leaders Liability	1,000,000	3,000,000
Student Voc. Practices Liability	1,000,000	3,000,000
Crime	250,000	1,000,000
Crisis Management	300,000	300,000
Law Enforcement Liability	1,000,000	3,000,000

The District is self-insured for losses related to unemployment claims. Estimated claims are budgeted by the District based upon experience. Reference is made to Note 7 of the District's financial statements included as Appendix A for a discussion of the District's risk management program. The District requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the District's facilities.

### *Cybersecurity*

Cybersecurity is a significant concern for governmental entities, including the District. The District relies on computer systems and technologies to conduct many of its operations, including its internal and external communications, interactive educational programs for students, customer facing interactions, dissemination of information, online services, life safety services, accounting, and other administrative functions. Despite security measures, policies, and training, the District, like other public and private entities, is vulnerable to cyberattacks by third parties. The District mitigates this risk by implementing National Institute of Standards and Technology (NIST) cyber security best-practices, such as multi-factor authentication for all employees, redundant backup systems with independent electrical and internet connectivity, catastrophic failure plans, internal quarterly assessments of systems, and regular threat assessments.

The District maintains cybersecurity protocols and annual mandatory training for all employees. The District's information technology department provides additional periodic training for employees. Employees in more sensitive areas, such as finance, also attend seminars put on by third party vendors in order to remain current on issues related to cyber threats and bolstering District protections. In addition, the District's auditors obtain information on cybersecurity controls as part of their procedures to gain an understanding of the District's internal controls.

## CHARLTON COUNTY

### Introduction

Charlton County was created by an Act of the General Assembly of the State of Georgia in 1854. Charlton County is located in the southeast portion of the State of Georgia approximately 125 miles southwest of Savannah, Georgia and approximately 50 miles northwest of Jacksonville, Florida. Charlton County is bordered on the north by Brantley County, on the north and west by Ware County, on the south by Baker County, Florida, on the south and east by Nassau County, Florida, and on the east by Camden County. The terrain is predominately flat, and the elevation ranges from 20 feet to 190 feet above sea level. Average rainfall is 51.8 inches per year, and average temperatures range from a high of 90 degrees in the summer to a low of 40 degrees in the winter.

Charlton County presently has a land area of approximately 781 square miles. The only incorporated municipalities in Charlton County are Folkston, the county seat, with a current estimated population of 13,021, and Homeland, with a current estimated population of 899.

Charlton County is governed by, and generally acts through, the Board of Commissioners of Charlton County. The present members of the Board of Commissioners are Alpha Benefield, who serves as Chairwoman, James E. Everett, Jesse Crews, Drew Jones, and Lucas Gowen.

### Demographic Information

Set forth below is selected demographic data for Charlton County.

Year	Population <sup>1</sup>	Per Capita Personal Income <sup>2</sup>		Median Household Income <sup>3</sup>		Median Age <sup>3</sup>
		County	State	County	State	
2023	12,711	\$32,717	\$59,882	\$48,534	\$74,664	38.0
2022	12,547	31,582	57,290	45,770	71,355	39.4
2021	12,416	31,040	56,088	45,494	65,030	40.6
2020	13,032	28,970	51,463	42,743	61,224	40.5
2019	13,040	26,602	48,530	41,961	58,700	41.2
2010	12,171	20,698	34,741	40,850	49,347	36.8
2000	10,282	15,553	28,760	n/a	n/a	n/a
1990	8,496	11,251	17,831	n/a	n/a	n/a

Sources:

- <sup>1</sup> U.S. Department of Commerce, Bureau of the Census. All population figures for years other than 2010, 2000, and 1990 are ACS 1-Year Estimates by the U.S. Department of Commerce, Bureau of the Census.
- <sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis.
- <sup>3</sup> U.S. Department of Commerce, Bureau of the Census - ACS 5-Year Estimates.

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## Economic Information

The following information is provided to give prospective investors an overview of the general economic conditions in Charlton County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the District.

### Summary of Building Permits

Year	Commercial/Industrial/Other		Residential			
			Single Family		Multi-Family	
	Permits	Value	Permits	Value	Permits	Value
2024	2	n/a	39	n/a	2	\$1,198,242
2023	5	\$2,243,675	28	\$8,167,473	12	8,177,174
2022	-0-	-0-	33	8,413,412	12	6,443,528
2021	-0-	-0-	33	8,886,852	-0-	-0-
2020	5	n/a	27	n/a	-0-	-0-

Source: Charlton County Permitting Office. Includes only unincorporated areas of Charlton County.

Set forth below are the percentages of land use for various purposes within Charlton County, computed based upon the assessed values shown on Charlton County's consolidation and evaluation tax digest sheets for the various categories for ad valorem property tax purposes.

Year	Category of Land Use (%)				
	Residential	Agricultural	Commercial	Industrial	Other <sup>1</sup>
2024	38.30%	11.81%	15.72%	3.21%	30.96%
2023	35.38	11.13	20.27	2.27	30.95
2022	31.87	11.09	21.26	4.30	31.48
2021	29.12	13.08	17.59	3.47	36.74
2020	28.61	12.87	16.72	4.55	37.26

<sup>1</sup> Includes preferential, conservation use, utility, and miscellaneous.

Source: State of Georgia Department of Revenue, Property Tax Division.

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Following is a table showing the percentage of the industry mix in Charlton County for the third quarter of 2024 by percentage of average monthly employment for each major sector of the local economy.

Charlton County Industry Mix

<u>Industry</u>	<u>Percentage of Average Monthly Employment</u>
Goods-Producing:	
Agriculture, Forestry, Fishing, and Hunting	4.8%
Construction	3.5
Manufacturing	18.8
Service-Producing:	
Wholesale Trade	2.6
Retail Trade	10.8
Transportation and Warehousing	0.6
Finance and Insurance	1.5
Professional Scientific and Technical Services	5.9
Administrative, Support, Waste Management, Remediation	15.6
Health Care and Social Assistance	2.3
Accommodation and Food Services	8.1
Other Services (except Public Administration)	1.1
Government:	
Federal Government	1.7
State Government	1.2
Local Government	19.4
Unclassified <sup>1</sup>	<u>0.1</u>
Total <sup>2</sup>	<u>100.0%</u>

Source: Charlton County Area Labor Profile (April 2025), Georgia Department of Labor.

<sup>1</sup> Includes data for jobs where industry is not assigned or not released due to confidentiality.

<sup>2</sup> Total does not sum accurately due to rounding.

The largest employer in Charlton County (and the largest taxpayer) is The GEO Group, Inc. (“GEO”), which owns an approximately 100-acre site in the City of Folkston that consists of the D. Ray James Correctional Facility and the adjacent Folkston ICE Processing Center (“FIPC”). The D. James Ray Facility was originally built in 1998 as a state correctional facility for the Georgia Department of Corrections and later operated by GEO as a federal prison pursuant to a contract with the Federal Bureau of Prisons (“BOP”). In early 2021, the D. James Ray Facility ceased operations as a federal prison after BOP let the contract expire and the facility currently remains vacant. The facilities housing FIPC were constructed in 2008. GEO, in partnership with BOP and U.S. Immigration and Customs Enforcement (“ICE”), began housing ICE detainees in 2017, and GEO currently manages food services, transportation, and health services at FIPC. While FIPC is currently operational, there can be no assurance that it will continue as currently operated.

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Set forth below are the ten largest private employers located in Charlton County, their products/services, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in Charlton County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

<u>Employer</u> <sup>1</sup>	<u>Industry</u>	<u>Employees</u> <sup>2</sup>
The GEO Group, Inc.	ICE Processing Center	308
AJM Packaging Corporation	Paper Products	132
UFP Factory Built, LLC	Building Materials	80
Harveys Supermarkets	Grocery Store	62
TNT Readymix, Inc.	Concrete Construction Services	45
McDonald's Corporation	Restaurant	40
ESP Specialties & Fabrications, Inc.	Fabrication and Machine Shop	33
Rowell Contracting, Inc.	Civil Construction Services	31
IEA Constructors, LLC	Infrastructure Contractor	n/a
S2 HR Solutions 1D, LLC	Statutory Compliance Services	n/a

Sources:

<sup>1</sup> Charlton County Area Labor Profile (April 2025), Georgia Department of Labor. Labor profile lists top ten employers for the third quarter of 2024 but does not include number of employees.

<sup>2</sup> Charlton County Okefenokee Chamber of Commerce. Employee numbers obtained from individual employers on April 29, 2025 (except for those shown as not available).

Set forth below are the largest public employers located in Charlton County, other than the District, as of May 1, 2025 and their approximate number of full-time employees.

<u>Employer</u>	<u>Employees</u>
Charlton County	140
City of Folkston	30
City of Homeland	15

Source: Individual Employers.

Set forth below are labor statistics for Charlton County for the past five years, with comparative data for the State of Georgia.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employment	4,690	4,774	4,888	4,913	4,207
Unemployment	186	159	163	156	184
Total Labor Force	4,876	4,933	5,051	5,069	4,361
County Unemployment Rate	3.8%	3.2%	3.2%	3.1%	3.5%
State Unemployment Rate	6.5%	3.9%	3.1%	3.2%	3.5%

Source: State of Georgia Department of Labor.

According to the State of Georgia Department of Labor, the preliminary March 2025 unemployment rate of Charlton County was 3.9 percent, compared to 3.6 percent for the State of Georgia.

Total Deposits in  
Charlton County Financial Institutions as of June 30

<u>Year</u>	<u>Total Deposits (in thousands)</u>
2024	\$148,807
2023	139,418
2022	154,252
2021	119,989
2020	119,989

Source: Federal Deposit Insurance Corporation.

According to the State of Georgia Department of Banking and Finance/Federal Deposit Insurance Corporation, Charlton County had 2 financial institutions with a total of 2 branch offices as of June 30, 2024.

## LEGAL MATTERS

### Pending Litigation

The District, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The District, after reviewing the current status of all pending and threatened litigation with its general counsel, The Brooks Law Firm, Folkston, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the District or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the District.

There is no litigation now pending or, to the knowledge of the District, threatened against the District that (i) restrains or enjoins the issuance or delivery of the Bonds, the reimposition of the Sales Tax, the levy of an ad valorem tax for the payment of the Bonds, or the use of the proceeds of the Bonds or (ii) questions or contests the validity of the Bonds or the proceedings and authority under which they are to be issued and the Sales Tax is to be reimposed and an ad valorem tax is to be levied to pay the Bonds. Neither the creation, organization, or existence of the District, nor the title of the present members or other officials of the Board of Education to their respective offices, is being contested or questioned.

### Tax Matters

#### *Opinion of Bond Counsel*

Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the unqualified approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix C.

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Code")) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

In the further opinion of Bond Counsel, the interest on the Bonds is exempt from State of Georgia income taxation. Bond Counsel has not opined as to whether interest on the Bonds is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Bonds should consult its own tax advisor regarding the tax-exempt status of the interest on the Bonds in a particular state or local jurisdiction other than Georgia.

#### *Original Issue Discount*

The Bonds that have an original yield above their respective interest rates, as shown on the front cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

#### *Original Issue Premium*

The Bonds that have an original yield below their respective interest rates, as shown on the front cover of this Official Statement (collectively the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal

income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

#### *Backup Withholding*

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding, or selling federally tax-exempt obligations.

#### *Changes in Federal and State Tax Law*

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “**LEGAL MATTERS - Tax Matters**” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

**PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING, OR DISPOSITION OF THE BONDS.**

#### **Validation Proceedings**

The State of Georgia instituted proceedings in the Superior Court of Charlton County, Georgia to validate the Bonds. The State of Georgia was the plaintiff in the proceeding, and the District was the defendant. A final judgment confirming and validating the Bonds was entered on August 16, 2022. Under Georgia law, the judgment of validation will be forever conclusive with respect to the validity of the Bonds against the District.

#### **Closing Certificates**

At closing of the sale of the Bonds by the Underwriter, the District will deliver to the Underwriter a certificate (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Bonds, the reimposition of the Sales Tax, or the levy and collection of an ad valorem tax to pay the Bonds or on the financial condition of the District and (2) that the information contained in this Official Statement does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

## MISCELLANEOUS

### Ratings

Moody's Investors Service, Inc. has assigned a rating of "Aa1" to the Bonds. Moody's Investors Service, Inc. has assigned an underlying rating (without regard to the State of Georgia intercept program) of "A2" to the Bonds. The ratings reflect only the respective views of the rating agency, and an explanation of the significance of the rating may be obtained from the rating agency at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such rating will remain unchanged for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the liquidity and market price of the Bonds.

### Underwriting

The Bonds will be purchased for re-offering at negotiated sale by Raymond James & Associates, Inc. (the "Underwriter") from the Issuer at an aggregate purchase price of \_\_\_\_\_ percent of the principal amount of the Bonds. The Underwriter will enter into a Bond Purchase Agreement that provides that the Underwriter will purchase all of the Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which offering prices may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The offering prices set forth on the cover page of this Official Statement average \$\_\_\_\_ per \$1,000 face amount of the Bonds in excess of the purchase price to be paid to the District by the Underwriter. The Underwriter will receive no fee (other than the anticipated profits described in the preceding sentence) from the District for underwriting the Bonds. The Underwriter has reserved the right to permit other securities dealers who are members of the Financial Industry Regulatory Authority to assist in selling the Bonds. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices set forth on the cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Bonds will be deducted from the Underwriter's underwriting profits.

### Independent Auditors

The basic financial statements of the District as of June 30, 2024 and for the year then ended, attached hereto as Appendix A, have been audited by the Georgia Department of Audits and Accounts, Atlanta, Georgia, to the extent and for the period indicated in its report thereon which appears in Appendix A. Such financial statements have been included herein in reliance upon the report of the Georgia Department of Audits and Accounts, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits and Accounts, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not signed and will not sign a written consent to the inclusion of its audit report in Appendix A to this Official Statement. The State of Georgia Department of Audits and Accounts could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the District's basic financial statements.

### Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

**CERTIFICATION**

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the District.

**CHARLTON COUNTY SCHOOL DISTRICT**

By: \_\_\_\_\_  
Chairman, Board of Education  
of the Charlton County School District

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## **APPENDIX A**

### **FINANCIAL STATEMENTS OF THE DISTRICT**

The basic financial statements of the District as of June 30, 2024 and for the year then ended, included as this Appendix A, have been audited by the Georgia Department of Audits and Accounts, Atlanta, Georgia, as stated in its report which appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of the Georgia Department of Audits and Accounts, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits and Accounts, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not signed and will not sign a written consent to the inclusion of its audit report in this Appendix A to this Official Statement. The State of Georgia Department of Audits and Accounts could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the District's basic financial statements.

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ANNUAL FINANCIAL REPORT • FISCAL YEAR 2024

# Charlton County Board of Education

## Folkston, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



**DOAA**

Georgia Department  
of Audits & Accounts

# Charlton 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. Brent Tilley, Superintendent and Members of the  
Charlton County Board of Education

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Charlton County Board of Education (School District) as of and for the year ended June 30, 2024, 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 and each major fund of the School District as of June 30, 2024, 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.

#### ***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 appropriate 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 25, 2025 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 at the end.

Greg S. Griffin  
State Auditor

March 25, 2025

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## INTRODUCTION

The discussion and analysis of the Charlton County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the Notes to the Basic Financial Statements to enhance their understanding of the School District's financial performance.

## FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2024 are as follows:

- In total, net position increased by \$2.4 million. This increase is mainly due to the completion and continuation of capital outlay projects.
- General revenues accounted for \$9.8 million in revenue or 32.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and contributions accounted for \$20.3 million or 67.3% of total revenues. Total revenues were \$30.1 million, which was an increase from 2023 of \$1.5 million.
- The School District had \$27.8 million in expenses related to governmental activities; however, \$20.3 million of these expenses were offset by program specific charges for services, grants and contributions and capital grants and contributions. General revenues (primarily taxes) of \$9.8 million were adequate to provide for these programs.
- Among major funds, the general fund had \$28.1 million in revenues and \$27.7 million in expenditures.

## Using the Basic Financial Statements

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. These statements are organized so the reader can understand the Charlton County Board of Education as a financial whole, or as an entire operating entity. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

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

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The *Governmental Funds* statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fund financial statements reflect the School District's most significant funds. In the case of the Charlton County Board of Education, the general fund and the capital projects fund are by far the most significant funds.

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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.

***Reporting the School District as a Whole***

***Statement of Net Position and Statement of Activities***

While these documents contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" *The Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and all liabilities using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. These bases 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 changes in net position. The change in net position is important because it tells the reader whether, for the School District, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

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

***Reporting the School District's Most Significant Funds***

**Fund Financial Statements**

Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the capital projects fund.

**Governmental Funds**

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 method of accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

The perspective of the Statement of Net Position is of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2024 as compared to net position for fiscal year 2023.

**Table 1  
Net Position**

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
<b>Assets</b>		
Current and Other Assets	\$ 17,132,245	\$ 20,219,806
Capital Assets, Net	28,602,624	22,752,125
<b>Total Assets</b>	<u>45,734,869</u>	<u>42,971,931</u>
<b>Deferred Outflows of Resources</b>		
Related to Defined Benefit Pension Plans	7,331,419	11,948,844
Related to OPEB	3,199,853	2,220,763
<b>Total Deferred Outflows of Resources</b>	<u>10,531,272</u>	<u>14,169,607</u>
<b>Liabilities</b>		
Current Liabilities	<u>34,996,994</u>	<u>37,040,108</u>
<b>Deferred inflows of Resources</b>		
Related to Defined Benefit Pension Plans	443,294	541,869
Related to OPEB	4,533,877	5,646,091
<b>Total Deferred Inflows of Resources</b>	<u>4,977,171</u>	<u>6,187,960</u>
<b>Net Position</b>		
Net Invested in Capital Assets	27,797,098	22,358,719
Restricted	3,189,538	5,091,940
Unrestricted (Deficit)	<u>(14,694,660)</u>	<u>(13,537,189)</u>
<b>Total Net Position</b>	<u>\$ 16,291,976</u>	<u>\$ 13,913,470</u>

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Table 2 shows the changes in net positions for fiscal year 2024 as compared to fiscal year 2023.

**Table 2**  
**Change in Net Position**

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 116,740	\$ 203,705
Operating Grants and Contributions	18,237,343	18,589,371
Capital Grants and Contributions	1,932,440	-
Total Program Revenues	<u>20,286,523</u>	<u>18,793,076</u>
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	6,142,895	6,087,025
Railroad Cars	-	19,023
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	1,580,270	1,550,854
Other Taxes	107,671	49,196
Grants and Contributions Not Restricted to Specific	959,488	1,158,200
Investment Earnings	453,844	173,302
Miscellaneous	600,671	742,347
Total General Revenues	<u>9,844,839</u>	<u>9,779,947</u>
<b>Total Revenues</b>	<u>30,131,362</u>	<u>28,573,023</u>
<b>Program Expenses</b>		
Instruction	16,851,926	15,829,360
Support Services		
Pupil Services	1,070,774	998,700
Improvement of Instructional Services	1,350,949	1,061,746
Educational Media Services	549,410	402,487
General Administration	765,561	837,148
School Administration	1,770,094	1,554,769
Business Administration	179,425	237,393
Maintenance and Operation of Plant	2,001,740	1,700,450
Student Transportation Services	1,589,337	1,293,743
Central Support Services	185,177	159,961
Other Support Services	43,726	39,561
Operations of Non-Instructional Services		
Food Services	1,394,738	1,271,057
Interest on Long-Term Debt	-	11,890
<b>Total Expenses</b>	<u>27,752,857</u>	<u>25,398,265</u>
<b>Increase in Net Position</b>	<u>\$ 2,378,505</u>	<u>\$ 3,174,758</u>

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$1.5 million for governmental activities. This increase is largely due to an increase in capital grants and contributions.

General revenues increased by \$64.9 thousand during fiscal year 2024. This slight increase was primarily from an increase in investment earnings. The \$280.5 thousand increase in investment earnings was offset by a reduction in the equalization grant and miscellaneous revenue.

**Governmental Activities**

Instruction comprises 60.7 percent of governmental program expenses.

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

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2023
Instruction	\$ 16,851,926	\$ 15,829,360	\$ 3,649,752	\$ 3,240,565
Support Services				
Pupil Services	1,070,774	998,700	759,615	690,584
Improvement of Instructional Services	1,350,949	1,061,746	808,129	(524,227)
Educational Media Services	549,410	402,487	219,164	152,537
General Administration	765,561	837,148	183,956	308,833
School Administration	1,770,094	1,554,769	907,904	726,825
Business Administration	179,425	237,393	174,480	231,705
Maintenance and Operation of Plant	2,001,740	1,700,450	1,181,334	645,412
Student Transportation Services	1,589,337	1,293,743	(757,188)	916,256
Central Support Services	185,177	159,961	180,887	156,142
Other Support Services	43,726	39,561	30,096	28,510
Operations of Non-Instructional Services				
Food Services	1,394,738	1,271,057	128,205	20,157
Interest on Long-Term Debt	-	11,890	-	11,890
<b>Total Expenses</b>	<b>\$ 27,752,857</b>	<b>\$ 25,398,265</b>	<b>\$ 7,466,334</b>	<b>\$ 6,605,189</b>

Although program revenues make up 67.3 percent of the funding, the School District is still dependent upon tax revenues for governmental activities.

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**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 revenues of \$30.0 million and expenditures of \$32.2 million excluding other financing sources (uses). There was a decrease in the fund balance totaling \$2.2 million for the governmental funds as a whole. This decrease was primarily the cost of construction in the capital projects fund. The Charlton County School District added nine classrooms to Folkston Elementary School and an athletic complex at Bethune Middle School.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund.

The School District uses a school-based budgeting concept based on FTE student allocations. The budgeting systems are designed to tightly control total school budgets but provide flexibility for school-level decision making.

For the general fund, actual revenues of \$28.1 million which was less than the final budget of \$31.1 million. The difference was due to less federal revenue than anticipated.

**CAPITAL ASSETS**

At the end of fiscal year 2024, the School District had \$28.6 million invested in capital assets, net of depreciation, all in governmental activities. Table 4 shows balances for fiscal year 2024 as compared to balances for fiscal year 2023.

**Table 4**  
**Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
Land	\$ 626,239	\$ 546,485
Construction in Progress	3,141,462	2,228,973
Buildings and Improvements	21,126,667	18,121,411
Equipment	3,165,877	1,220,996
Land Improvements	542,379	634,260
Total	\$ 28,602,624	\$ 22,752,125

Due to the steady collection of SPLOST revenues and the commitment of local funds to capital outlay projects, the School District has completed numerous construction projects and continues with the capital improvements program.

CHARLTON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**CURRENT ISSUES**

The following issues are expected to have a significant effect on the financial positions or results of operations:

- Approximately 85 percent 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, 2024. More than a third of certified personnel in the School District have 21 years or more of experience resulting in salaries at the highest possible state pay level. With such personnel heavy expenses, it is difficult to offset mandated expense increases such as TRS and health insurance premium expenses. The School District consistently evaluates how funds can be spent smarter and more effectively to ensure that County students receive a quality education from effective personnel.
- The School District's millage rate for fiscal year 2024 was 13.59. The net digest increased during fiscal years 2022 and 2023. The net digest for fiscal year 2024 was \$401 million, which produced approximately \$401 thousand per mill. As shown in Table 3, local revenues are responsible for covering approximately 27 percent of the School District's costs. It is anticipated that this pressure to provide local monies to meet mandated educational requirements and operational costs will continue.
- The Charlton County School District is experiencing increased expenses related to health care benefits for our classified employees. The employer cost for health insurance will rise \$7,620 for every classified employee over the upcoming year. This increase in costs will have a negative impact on the finances for the Charlton County School District.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Matthew Wainright, at the Charlton County Board of Education, 37 Touchdown Lane, Folkston, Georgia 31537. You may also email any questions or visit our website at [www.Charlton.k12.ga.us](http://www.Charlton.k12.ga.us).

**Charlton County Board of Education**

CHARLTON COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "A"

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 13,719,598.36
Investments	425,856.01
Accounts Receivable, Net	
Taxes	684,225.12
State Government	1,651,358.59
Federal Government	596,033.95
Local	2,631.10
Inventories	52,541.35
Capital Assets, Non-Depreciable	3,767,700.97
Capital Assets, Depreciable (Net of Accumulated Depreciation)	24,834,923.47
Total Assets	<u>45,734,868.92</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	7,331,419.00
Related to OPEB Plan	3,199,853.00
Total Deferred Outflows of Resources	<u>10,531,272.00</u>
 <u>LIABILITIES</u>	
Salaries and Benefits Payable	2,476,158.31
Contracts Payable	477,572.03
Retainages Payable	327,954.08
Deposits and Unearned Revenues	41,417.94
Net Pension Liability	21,750,867.00
Net OPEB Liability	9,923,025.00
Total Liabilities	<u>34,996,994.36</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	443,294.00
Related to OPEB Plan	4,533,877.00
Total Deferred Inflows of Resources	<u>4,977,171.00</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	27,797,098.33
Restricted for	
Continuation of Federal Programs	895,643.82
Capital Projects	2,286,127.61
Other - Pre-K	7,765.90
Unrestricted (Deficit)	<u>(14,694,660.10)</u>
Total Net Position	<u>\$ 16,291,975.56</u>

CHARLTON COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT "B"

	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 16,851,926.29	\$ 98,925.11	\$ 13,103,249.90	\$ -	\$ (3,649,751.28)
Support Services					
Pupil Services	1,070,774.17	-	311,159.16	-	(759,615.01)
Improvement of Instructional Services	1,350,949.46	-	542,820.18	-	(808,129.28)
Educational Media Services	549,409.70	-	330,245.91	-	(219,163.79)
General Administration	765,561.15	-	581,604.95	-	(183,956.20)
School Administration	1,770,093.99	-	862,189.66	-	(907,904.33)
Business Administration	179,424.72	-	4,945.05	-	(174,479.67)
Maintenance and Operation of Plant	2,001,740.03	-	820,405.63	-	(1,181,334.40)
Student Transportation Services	1,589,337.19	-	414,084.93	1,932,440.00	757,187.74
Central Support Services	185,176.67	-	4,290.35	-	(180,886.32)
Other Support Services	43,725.48	-	13,629.43	-	(30,096.05)
Operations of Non-Instructional Services					
Food Services	1,394,738.13	17,815.42	1,248,717.73	-	(128,204.98)
Total Governmental Activities	<u>\$ 27,752,856.98</u>	<u>\$ 116,740.53</u>	<u>\$ 18,237,342.88</u>	<u>\$ 1,932,440.00</u>	<u>(7,466,333.57)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes					
For Maintenance and Operations					6,142,895.20
Sales Taxes					
Special Purpose Local Option Sales Tax					
For Capital Projects					1,580,269.75
Other Sales Tax					107,671.27
Grants and Contributions not Restricted to Specific Programs					959,488.00
Investment Earnings					453,843.57
Miscellaneous					600,671.00
Total General Revenues					<u>9,844,838.79</u>
Change in Net Position					2,378,505.22
Net Position - Beginning of Year					<u>13,913,470.34</u>
Net Position - End of Year					<u>\$ 16,291,975.56</u>

CHARLTON COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

EXHIBIT "C"

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,318,922.25	\$ 7,400,676.11	\$ 13,719,598.36
Investments	425,856.01	-	425,856.01
Accounts Receivable, Net			
Taxes	538,425.58	145,799.54	684,225.12
State Government	1,651,358.59	-	1,651,358.59
Federal Government	596,033.95	-	596,033.95
Local	2,631.10	-	2,631.10
Inventories	52,541.35	-	52,541.35
	<u>52,541.35</u>	<u>-</u>	<u>52,541.35</u>
Total Assets	\$ <u>9,585,768.83</u>	\$ <u>7,546,475.65</u>	\$ <u>17,132,244.48</u>
<u>LIABILITIES</u>			
Salaries and Benefits Payable	2,476,158.31	-	2,476,158.31
Contracts Payable	-	477,572.03	477,572.03
Retainages Payable	-	327,954.08	327,954.08
Deposits and Unearned Revenues	41,417.94	-	41,417.94
Total Liabilities	<u>2,517,576.25</u>	<u>805,526.11</u>	<u>3,323,102.36</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - Property Taxes	243,355.67	-	243,355.67
	<u>243,355.67</u>	<u>-</u>	<u>243,355.67</u>
<u>FUND BALANCES</u>			
Nonspendable	52,541.35	-	52,541.35
Restricted	850,868.37	1,480,601.50	2,331,469.87
Assigned	686,553.97	5,260,348.04	5,946,902.01
Unassigned	5,234,873.22	-	5,234,873.22
Total Fund Balances	<u>6,824,836.91</u>	<u>6,740,949.54</u>	<u>13,565,786.45</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>9,585,768.83</u>	\$ <u>7,546,475.65</u>	\$ <u>17,132,244.48</u>

CHARLTON COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	13,565,786.45
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	\$ 626,239.30	
Construction in progress	3,141,461.67	
Buildings and improvements	31,982,702.51	
Equipment	7,237,380.08	
Land improvements	2,253,538.26	
Accumulated depreciation	<u>(16,638,697.38)</u>	28,602,624.44
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (21,750,867.00)	
Net OPEB liability	<u>(9,923,025.00)</u>	(31,673,892.00)
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	\$ 6,888,125.00	
Related to OPEB	<u>(1,334,024.00)</u>	5,554,101.00
Taxes that are not available to pay for current period expenditures are deferred in the funds.		<u>243,355.67</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>16,291,975.56</u></u>

CHARLTON COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024

EXHIBIT "E"

	<u>GENERAL</u>	<u>CAPITAL</u>	
	<u>FUND</u>	<u>PROJECTS</u>	<u>FUND</u>
	<u>TOTAL</u>	<u>TOTAL</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Property Taxes	\$ 6,010,335.55	\$ -	\$ 6,010,335.55
Sales Taxes	107,671.27	1,580,269.75	1,687,941.02
State Funds	14,260,058.58	-	14,260,058.58
Federal Funds	6,905,570.34	-	6,905,570.34
Charges for Services	116,740.53	-	116,740.53
Investment Earnings	70,500.59	383,342.98	453,843.57
Miscellaneous	600,671.00	-	600,671.00
Total Revenues	28,071,547.86	1,963,612.73	30,035,160.59
<u>EXPENDITURES</u>			
Current			
Instruction	14,819,735.19	-	14,819,735.19
Support Services			
Pupil Services	1,020,333.95	-	1,020,333.95
Improvement of Instructional Services	1,261,506.25	-	1,261,506.25
Educational Media Services	521,817.55	-	521,817.55
General Administration	628,326.85	20,090.00	648,416.85
School Administration	1,628,091.47	-	1,628,091.47
Business Administration	163,878.66	-	163,878.66
Maintenance and Operation of Plant	2,132,956.35	-	2,132,956.35
Student Transportation Services	3,132,927.12	277,060.00	3,409,987.12
Central Support Services	168,725.81	-	168,725.81
Other Support Services	41,699.57	-	41,699.57
Food Services Operation	1,360,746.76	-	1,360,746.76
Capital Outlay	800,639.40	4,217,745.52	5,018,384.92
Total Expenditures	27,681,384.93	4,514,895.52	32,196,280.45
Revenues over (under) Expenditures	390,162.93	(2,551,282.79)	(2,161,119.86)
Net Change in Fund Balances	390,162.93	(2,551,282.79)	(2,161,119.86)
Fund Balances - Beginning	6,434,673.98	9,292,232.33	15,726,906.31
Fund Balances - Ending	\$ 6,824,836.91	\$ 6,740,949.54	\$ 13,565,786.45

CHARLTON 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, 2024

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E")	\$	(2,161,119.86)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital outlay	\$ 7,016,683.78	
Depreciation expense	<u>(1,166,184.35)</u>	5,850,499.43
<p>Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		132,559.65
<p>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.</p>		
Pension expense	\$ (2,079,528.00)	
OPEB expense	<u>636,094.00</u>	<u>(1,443,434.00)</u>
Change in net position of governmental activities (Exhibit "B")	\$	<u><u>2,378,505.22</u></u>

**NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**Reporting Entity**

The Charlton 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. 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 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.
2. **Restricted net position** consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "G"

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School 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. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School District reports the following major governmental funds:

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

### **Basis of Accounting**

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions are reported as expenditures in governmental funds.

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "G"

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 2024, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoption of this statement did not have a material impact on the School District's financial statements. This statement will be applied prospectively.

### Cash and Cash Equivalents

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

### 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.

CHARLTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

**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.

**Capital Assets**

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

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

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

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

	Capitalization Policy	Estimated Useful Life
Land	Any amount	N/A
Land Improvements	\$ 100,000.00	15 years
Buildings and Improvements	\$ 100,000.00	10 to 60 years
Equipment	\$ 10,000.00	5 to 12 years
Intangible Assets	\$ 10,000.00-50,000.00	15 years

During the fiscal year, management added bulk purchases to the capital asset policy. The School District will capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate amount are significant.

**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.

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "G"

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.

### Pensions

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

### Post-Employment Benefits Other than Pensions (OPEB)

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

### Fund Balances

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

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

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

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

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

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

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "G"

**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 Charlton County Board of Commissioners adopted the property tax levy for the 2023 tax digest year (calendar year) on November 3, 2023 (levy date) based on property values as of January 1, 2023. Taxes were due on January 22, 2024 (lien date) Taxes collected within the current fiscal year or within 60 days after year-end on the 2023 tax digest are reported as revenue in the governmental funds for fiscal year 2024. The Charlton County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2024, for maintenance and operations amounted to \$5,436,016.15.

The tax millage rate levied for the 2023 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>13.59</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$574,319.40 during fiscal year ended June 30, 2024.

**Sales Taxes**

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$1,580,269.75 and is to be used for capital outlay for educational purposes. 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 fund. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School 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

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024

EXHIBIT "G"

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 AND CASH EQUIVALENTS**

**Collateralization of Deposits**

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

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

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

**CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**EXHIBIT "G"**

**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, 2024, the School District had deposits with a carrying amount of \$4,397,916.13, which includes \$425,856.01 in Certificates of Deposits that are reported as investments. The School District had a bank balance of \$5,130,335.70. The bank balances insured by Federal depository insurance were \$521,229.65 and the bank balances collateralized with securities held by the pledging financial institution or by the pledging financial institution's trust department or agent in the School District's name were \$4,609,106.05.

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

Cash and cash equivalents		
Statement of Net Position	\$	13,719,598.36
Add:		
Deposits with original maturity of three months or more reported as investments		425,856.01
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		9,747,538.24
Total carrying value of deposits - June 30, 2024	\$	4,397,916.13

**Categorization of Cash Equivalents**

The School District reported cash equivalents of \$9,747,538.24 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 Af 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, 2024 was 33 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>.

**CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**EXHIBIT "G"**

**NOTE 5: CAPITAL ASSETS**

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

	<u>Balances</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>June 30, 2024</u>
Governmental Activities				
Capital Assets,				
Not Being Depreciated:				
Land	\$ 546,484.60	\$ 79,754.70	\$ -	\$ 626,239.30
Construction in Progress	<u>2,228,972.99</u>	<u>4,506,439.19</u>	<u>3,593,950.51</u>	<u>3,141,461.67</u>
 Total Capital Assets				
Not Being Depreciated	<u>2,775,457.59</u>	<u>4,586,193.89</u>	<u>3,593,950.51</u>	<u>3,767,700.97</u>
 Capital Assets,				
Being Depreciated:				
Buildings and Improvements	28,388,752.00	3,593,950.51	-	31,982,702.51
Equipment	5,007,572.27	2,430,489.89	200,682.08	7,237,380.08
Land Improvements	2,253,538.26	-	-	2,253,538.26
 Less Accumulated				
Depreciation:				
Buildings and Improvements	10,267,340.90	588,694.35	-	10,856,035.25
Equipment	3,786,576.24	485,608.89	200,682.08	4,071,503.05
Land Improvements	<u>1,619,277.97</u>	<u>91,881.11</u>	<u>-</u>	<u>1,711,159.08</u>
 Total Capital Assets,				
Being Depreciated, Net	<u>19,976,667.42</u>	<u>4,858,256.05</u>	<u>-</u>	<u>24,834,923.47</u>
 Governmental Activities				
Capital Assets - Net	<u>\$ 22,752,125.01</u>	<u>\$ 9,444,449.94</u>	<u>\$ 3,593,950.51</u>	<u>\$ 28,602,624.44</u>

Current year depreciation expense by function is as follows:

Instruction		\$ 726,220.69
Support Services		
General Administration	\$ 36,658.62	
Maintenance and Operation of Plant	19,156.81	
Student Transportation Services	<u>324,639.88</u>	380,455.31
Food Services		<u>59,508.35</u>
		<u>\$ 1,166,184.35</u>

**NOTE 6: LONG-TERM LIABILITIES**

**General Obligation Bonds**

The School District has \$18,000,000.00 of bonds that have been authorized but remain unissued.

**NOTE 7: RISK MANAGEMENT**

**Insurance**

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

***Georgia School Boards Association Risk Management Fund***

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

**Workers' Compensation**

***Georgia School Boards Association Workers' Compensation Fund***

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

**Unemployment Compensation**

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District had no unemployment claims in the last two fiscal years.

**Surety Bond**

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

Position Covered	Amount
Superintendent	\$ 50,000.00

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**NOTE 8: FUND BALANCE CLASSIFICATION DETAILS**

The School District’s financial statements include the following amounts presented in the aggregate at June 30, 2024:

Nonspendable		
Inventories	\$	52,541.35
Restricted		
Continuation of Federal Programs	\$ 843,102.47	
Capital Projects	1,480,601.50	
Other - Pre-K	7,765.90	2,331,469.87
Assigned		
Local Capital Outlay Projects	\$ 5,260,348.04	
School Activity Accounts	686,553.97	5,946,902.01
Unassigned		5,234,873.22
Fund Balance, June 30, 2024	\$	13,565,786.45

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

**NOTE 9: BROADBAND SPECTRUM AGREEMENT**

Effective February 1, 2008 the School District entered into a 30- year use agreement with Clearwire Spectrum Holdings II LLC for the use of excess spectrum capacity on Education Broadband Service licenses currently held by the School District. These licenses were granted to the School District by the Federal Communications Commission. The agreement requires monthly payments over the term of the agreement, of which \$46,611.05 was recognized during fiscal year 2024 as a general revenue on the Statement of Activities.

**NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES**

**Federal Grants**

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

**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 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Georgia School Personnel Post-Employment Health Benefit Fund**

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

**Benefits Provided:** The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

**Contributions:** As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$375,101.00 for the year ended June 30, 2024. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2024, the School District reported a liability of \$9,923,025.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 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, 2023. At June 30, 2023, the School District's proportion was 0.090593%, which was an increase of 0.005087% from its proportion measured as of June 30, 2022.

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For the year ended June 30, 2024, the School District recognized OPEB expense of \$260,993.00. At June 30, 2024, 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	\$ 289,240.00	\$ 2,850,009.00
Changes of assumptions	1,802,819.00	1,239,235.00
Net difference between projected and actual earnings on OPEB plan investments	5,953.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	726,740.00	444,633.00
School District contributions subsequent to the measurement date	375,101.00	-
<b>Total</b>	<b>\$ 3,199,853.00</b>	<b>\$ 4,533,877.00</b>

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, 2025. 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
2025	\$ (677,090.00)
2026	\$ (502,858.00)
2027	\$ (609,960.00)
2028	\$ (145,954.00)
2029	\$ 194,650.00
Thereafter	\$ 32,087.00

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**Actuarial Assumptions:** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 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, 2023:

**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	7.00%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

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

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

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The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 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%	1.50%
Equities	70.00%	9.40%
Total	100.00%	

\* Net of inflation

**Discount Rate:** In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 3.68% was used as the discount rate, as compared with last year's rate of 3.57%. 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 (3.65% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

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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 3.68%, 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 (2.68%) or 1-percentage-point higher (4.68%) than the current discount rate:

	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
School District's proportionate share of the Net OPEB liability	\$ 11,248,206.00	\$ 9,923,025.00	\$ 8,806,942.00

**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	\$ 8,547,370.00	\$ 9,923,025.00	\$ 11,618,910.00

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

**NOTE 12: RETIREMENT PLANS**

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

**Teachers Retirement System of Georgia (TRS)**

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

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

**Contributions:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The School District's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual School District payroll, of which 19.75% of payroll was required from the School District and 0.23% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$2,196,414.00 and \$22,142.04 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](http://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.

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**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, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$13,567.00 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](http://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 \$16.00, 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 \$36,118.00.

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

At June 30, 2024, the School District reported a liability of \$21,750,867.00 for its proportionate share of the net pension liability for TRS (\$21,655,775.00) and ERS (\$95,092.00).

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	\$	21,655,775.00
State of Georgia's proportionate share of the net pension liability associated with the School District		85,325.00
Total	\$	21,741,100.00

The net pension liability for TRS and ERS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 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, 2023.

At June 30, 2023, the School District's TRS proportion was 0.073349%, which was an decrease of 0.000505% from its proportion measured as of June 30, 2022. At June 30, 2023, the School District's ERS proportion was 0.001594%, which was an decrease of 0.001526% from its proportion measured as of June 30, 2022.

At June 30, 2024, 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 \$210,137.00.

The PSERS net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 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, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$4,276,178.00 for TRS, (\$8,749.00) for ERS and \$37,927.00 for PSERS and revenue of (\$16,025.00) for TRS and \$37,927.00 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, 2024, 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	\$ 1,099,651.00	\$ 89,539.00	\$ 1,444.00	\$ 223.00
Changes of assumptions	2,227,914.00	-	3,659.00	-
Net difference between projected and actual earnings on pension plan	1,523,109.00	-	3,874.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	261,787.00	313,590.00	-	39,942.00
School District contributions subsequent to the measurement date	2,196,414.00	-	13,567.00	-
<b>Total</b>	<b>\$ 7,308,875.00</b>	<b>\$ 403,129.00</b>	<b>\$ 22,544.00</b>	<b>\$ 40,165.00</b>

The School District contributions subsequent to the measurement date for TRS and for 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2025	\$ 1,389,384.00	\$ (29,330.00)
2026	\$ 883,632.00	\$ (7,827.00)
2027	\$ 2,980,251.00	\$ 7,741.00
2028	\$ (543,935.00)	\$ (1,772.00)

**Actuarial Assumptions:** The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

***Teachers Retirement System:***

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

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**EXHIBIT "G"**

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, 2022 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

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:

<b><u>Participant Type</u></b>	<b><u>Membership Table</u></b>	<b><u>Set Forward (+)/ Setback (-)</u></b>	<b><u>Adjustment to Rates</u></b>
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, 2022 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

**CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**EXHIBIT "G"**

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:

<b><u>Participant Type</u></b>	<b><u>Membership Table</u></b>	<b><u>Set Forward (+)/ Setback (-)</u></b>	<b><u>Adjustment to Rates</u></b>
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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

<b><u>Asset Class</u></b>	<b><u>TRS/ERS/PSERS Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return*</u></b>
Fixed income	30.00%	0.90%
Domestic large stocks	46.30%	9.40%
Domestic small stocks	1.20%	13.40%
International developed market stocks	12.30%	9.40%
International emerging market stocks	5.20%	11.40%
Alternative	5.00%	10.50%
Total	<u>100.00%</u>	

\* Rates shown are net of inflation

CHARLTON COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024

EXHIBIT "G"

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

**Sensitivity of the School 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:

<b>Teachers Retirement System:</b>	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	\$ 34,240,300.00	21,655,775.00	\$ 11,378,817.00
<b>Employees' Retirement System:</b>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 130,485.00	\$ 95,092.00	\$ 65,306.00

**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](http://www.trsga.com/publications) and [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).

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CHARLTON 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 proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.073349%	\$ 21,655,775.00	\$ 85,325.00	\$ 21,741,100.00	\$ 10,736,502.54	201.70%	76.29%
2023	0.073854%	\$ 23,981,821.00	\$ 131,511.00	\$ 24,113,332.00	\$ 10,053,061.32	238.55%	72.85%
2022	0.071750%	\$ 6,345,809.00	\$ 41,657.00	\$ 6,387,466.00	\$ 9,388,565.74	67.59%	92.03%
2021	0.074983%	\$ 18,163,817.00	\$ 248,053.00	\$ 18,411,870.00	\$ 9,814,661.21	185.07%	77.01%
2020	0.073256%	\$ 15,752,021.00	\$ 224,273.00	\$ 15,976,294.00	\$ 9,067,446.92	173.72%	78.56%
2019	0.074354%	\$ 13,801,695.00	\$ 198,058.00	\$ 13,999,753.00	\$ 8,983,193.53	153.64%	80.27%
2018	0.074939%	\$ 13,927,644.00	\$ 205,925.00	\$ 14,133,569.00	\$ 8,729,941.99	159.54%	79.33%
2017	0.076010%	\$ 15,681,711.00	\$ 234,782.00	\$ 15,916,493.00	\$ 8,462,772.15	185.30%	76.06%
2016	0.075800%	\$ 11,539,797.00	\$ 179,796.00	\$ 11,719,593.00	\$ 8,127,725.77	141.98%	81.44%
2015	0.075274%	\$ 9,509,877.00	\$ 150,593.00	\$ 9,660,470.00	\$ 7,801,052.32	121.91%	84.03%

CHARLTON 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
2024	\$ 2,196,414.00	\$ 2,196,414.00	\$ -	\$ 11,121,674.77	19.75%
2023	\$ 2,136,954.00	\$ 2,136,954.00	\$ -	\$ 10,736,502.54	19.90%
2022	\$ 1,980,680.00	\$ 1,980,680.00	\$ -	\$ 10,053,061.32	19.70%
2021	\$ 1,777,784.00	\$ 1,777,784.00	\$ -	\$ 9,388,565.74	18.94%
2020	\$ 2,048,912.00	\$ 2,048,912.00	\$ -	\$ 9,814,661.21	20.88%
2019	\$ 1,868,505.00	\$ 1,868,505.00	\$ -	\$ 9,067,446.92	20.61%
2018	\$ 1,488,705.62	\$ 1,488,705.62	\$ -	\$ 8,983,193.53	16.57%
2017	\$ 1,227,615.37	\$ 1,227,615.37	\$ -	\$ 8,729,941.99	14.06%
2016	\$ 1,189,821.00	\$ 1,189,821.00	\$ -	\$ 8,462,772.15	14.06%
2015	\$ 1,052,399.75	\$ 1,052,399.75	\$ -	\$ 8,127,725.77	12.95%

CHARLTON 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
2024	0.001594%	\$ 95,092.00	\$ 43,749.60	217.36%	71.20%
2023	0.003120%	\$ 208,368.00	\$ 76,388.28	272.77%	67.44%
2022	0.003183%	\$ 74,447.00	\$ 76,308.48	97.56%	87.62%
2021	0.002992%	\$ 126,112.00	\$ 75,433.92	167.18%	76.21%
2020	0.002840%	\$ 117,193.00	\$ 71,584.06	163.71%	76.74%
2019	0.002375%	\$ 97,637.00	\$ 60,590.53	161.14%	76.68%

CHARLTON 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
2024	\$ 13,567.00	\$ 13,567.00	\$ -	\$ 37,550.86	36.13%
2023	\$ 18,811.00	\$ 18,811.00	\$ -	\$ 43,749.60	43.00%
2022	\$ 18,818.00	\$ 18,818.00	\$ -	\$ 76,388.28	24.63%
2021	\$ 18,817.66	\$ 18,817.66	\$ -	\$ 76,308.48	24.66%
2020	\$ 17,738.48	\$ 17,738.48	\$ -	\$ 75,433.92	23.52%
2019	\$ 17,738.00	\$ 17,738.00	\$ -	\$ 71,584.06	24.78%
2018	\$ 15,032.49	\$ 15,032.49	\$ -	\$ 60,590.53	24.81%

CHARLTON 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
2024	0.00%	\$ -	\$ 210,137.00	\$ 210,137.00	\$ 471,679.88	N/A	85.67%
2023	0.00%	\$ -	\$ 261,029.00	\$ 261,029.00	\$ 442,751.46	N/A	81.21%
2022	0.00%	\$ -	\$ 25,087.00	\$ 25,087.00	\$ 420,657.47	N/A	98.00%
2021	0.00%	\$ -	\$ 198,138.00	\$ 198,138.00	\$ 425,928.93	N/A	84.45%
2020	0.00%	\$ -	\$ 171,791.00	\$ 171,791.00	\$ 444,445.90	N/A	85.02%
2019	0.00%	\$ -	\$ 171,802.00	\$ 171,802.00	\$ 453,462.21	N/A	85.26%
2018	0.00%	\$ -	\$ 163,371.00	\$ 163,371.00	\$ 459,671.42	N/A	85.69%
2017	0.00%	\$ -	\$ 227,089.00	\$ 227,089.00	\$ 485,370.19	N/A	81.00%
2016	0.00%	\$ -	\$ 149,110.00	\$ 149,110.00	\$ 470,818.27	N/A	87.00%
2015	0.00%	\$ -	\$ 134,790.00	\$ 134,790.00	\$ 471,330.65	N/A	88.29%

CHARLTON 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
2024	0.090593%	\$ 9,923,025.00	\$ -	\$ 9,923,025.00	\$ 7,504,297.60	132.23%	6.05%
2023	0.085506%	\$ 8,467,815.00	\$ -	\$ 8,467,815.00	\$ 8,514,576.09	99.45%	6.17%
2022	0.084359%	\$ 9,136,778.00	\$ -	\$ 9,136,778.00	\$ 7,944,217.38	115.01%	6.14%
2021	0.089135%	\$ 13,091,856.00	\$ -	\$ 13,091,856.00	\$ 7,972,917.86	164.20%	3.99%
2020	0.090392%	\$ 11,093,038.00	\$ -	\$ 11,093,038.00	\$ 7,370,333.32	150.51%	4.63%
2019	0.090015%	\$ 11,440,630.00	\$ -	\$ 11,440,630.00	\$ 7,368,931.22	155.25%	2.93%
2018	0.089169%	\$ 12,528,209.00	\$ -	\$ 12,528,209.00	\$ 7,110,628.10	176.19%	1.61%

CHARLTON 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
2024	\$ 375,101.00	\$ 375,101.00	\$ -	\$ 8,531,822.76	4.40%
2023	\$ 348,278.00	\$ 348,278.00	\$ -	\$ 7,504,297.60	4.64%
2022	\$ 309,168.00	\$ 309,168.00	\$ -	\$ 8,514,576.09	3.63%
2021	\$ 313,800.00	\$ 313,800.00	\$ -	\$ 7,944,217.38	3.95%
2020	\$ 301,435.00	\$ 301,435.00	\$ -	\$ 7,972,917.86	3.78%
2019	\$ 486,822.00	\$ 486,822.00	\$ -	\$ 7,370,333.32	6.61%
2018	\$ 466,538.00	\$ 466,538.00	\$ -	\$ 7,368,931.22	6.33%
2017	\$ 464,931.00	\$ 464,931.00	\$ -	\$ 7,110,628.10	6.54%

**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**

**Change 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**

**Change 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.

CHARLTON COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE "8"

***School OPEB Fund***

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

***Changes in assumptions:*** 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, and to 3.68% as of June 30, 2023.

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL	FINAL		
<u>REVENUES</u>				
Property Taxes	\$ 6,105,000.00	\$ 6,105,000.00	\$ 6,010,335.55	\$ (94,664.45)
Sales Taxes	70,000.00	70,000.00	107,671.27	37,671.27
State Funds	13,479,054.96	13,751,679.96	14,260,058.58	508,378.62
Federal Funds	9,522,984.11	10,652,583.61	6,905,570.34	(3,747,013.27)
Charges for Services	181,944.63	181,944.63	116,740.53	(65,204.10)
Investment Earnings	-	50,000.00	70,500.59	20,500.59
Miscellaneous	250,350.00	250,350.00	600,671.00	350,321.00
Total Revenues	<u>29,609,333.70</u>	<u>31,061,558.20</u>	<u>28,071,547.86</u>	<u>(2,990,010.34)</u>
<u>EXPENDITURES</u>				
Current				
Instruction	18,967,223.95	19,607,404.20	14,819,735.19	4,787,669.01
Support Services				
Pupil Services	1,325,203.12	1,441,250.12	1,020,333.95	420,916.17
Improvement of Instructional Services	1,480,034.51	1,781,963.51	1,261,506.25	520,457.26
Educational Media Services	533,737.99	533,737.99	521,817.55	11,920.44
General Administration	708,631.21	709,868.21	628,326.85	81,541.36
School Administration	1,635,122.28	1,635,122.28	1,628,091.47	7,030.81
Business Administration	145,152.78	145,152.78	163,878.66	(18,725.88)
Maintenance and Operation of Plant	2,134,032.11	2,134,032.11	2,132,956.35	1,075.76
Student Transportation Services	2,822,646.83	2,865,694.83	3,132,927.12	(267,232.29)
Central Support Services	163,977.30	163,977.30	168,725.81	(4,748.51)
Other Support Services	32,930.00	29,961.00	41,699.57	(11,738.57)
Food Services Operation	1,194,141.97	1,194,141.97	1,360,746.76	(166,604.79)
Capital Outlay	800,639.75	800,639.75	800,639.40	0.35
Total Expenditures	<u>31,943,473.80</u>	<u>33,042,946.05</u>	<u>27,681,384.93</u>	<u>5,361,561.12</u>
Excess of Revenues over (under) Expenditures	<u>(2,334,140.10)</u>	<u>(1,981,387.85)</u>	<u>390,162.93</u>	<u>2,371,550.78</u>
<u>OTHER FINANCING SOURCES(USES)</u>				
Other Sources	163,758.00	185,630.00	-	(185,630.00)
Other Uses	(163,758.00)	(185,630.00)	-	185,630.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,334,140.10)	(1,981,387.85)	390,162.93	2,371,550.78
Fund Balances - Beginning	6,457,635.09	6,457,635.09	6,434,673.98	(22,961.11)
Adjustments	16,844.11	82,789.84	-	(82,789.84)
Fund Balances - Ending	<u>\$ 4,140,339.10</u>	<u>\$ 4,559,037.08</u>	<u>\$ 6,824,836.91</u>	<u>\$ 2,265,799.83</u>

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

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.

CHARLTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

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	245GA324N1199	\$ 307,354.66
National School Lunch Program	10.555	245GA324N1199	890,409.44
COVID-19 - National School Lunch Program	10.555	225GA324N1099	46,883.11
Total Child Nutrition Cluster			<u>1,244,647.21</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	4,529.74
Child Nutrition Discretionary Grants Limited Availability	10.579	202321500345	25,455.09
Total U.S. Department of Agriculture			<u>1,274,632.04</u>
Education, U.S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	10,765.00
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	1,161,238.10
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	58,229.00
Total Education Stabilization Fund			<u>1,230,232.10</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A220073	116,624.00
Grants to States	84.027A	H027A230073	324,177.72
Preschool Grants	84.173A	H173A220081	18,479.00
Preschool Grants	84.173A	H173A230081	9,588.43
Total Special Education Cluster			<u>468,869.15</u>
Other Programs			
Career and Technical Education - Basic Grants to States	84.048A	V048A220010	1,647.00
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	23,444.86
Comprehensive Literacy Development	84.371C	S371C190016-19A	849,994.65
Rural and Low-Income School Program	84.358B	S358F220010	46,657.00
Rural and Low-Income School Program	84.358B	S358F230010	191,443.57
Title I Grants to Local Educational Agencies	84.010A	S010A220010	153,665.00
Title I Grants to Local Educational Agencies	84.010A	S010A230010	902,733.17
Total Other Programs			<u>2,169,585.25</u>
Total U.S. Department of Education			<u>3,868,686.50</u>

CHARLTON COUNTY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Interior, U.S. Department of Pass-Through From Charlton County Commissioners Refuge Revenue Sharing Program	15.227	F09AC0047	108,810.50
Total Expenditures of Federal Awards			\$ 5,252,129.04

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 Charlton County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2024. 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 \$104,057.00 and \$81,573.00 were transferred from the Supporting Effective Instruction State Grants program (ALN 84.367A) and Student Support and Academic Enrichment Program (ALN 84.424A), respectfully, and expended in the Rural Education - Rural and Low-Income School program (ALN 84.358B) during Fiscal Year 2024.

CHARLTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE REVENUE  
YEAR ENDED JUNE 30, 2024

SCHEDULE "11"

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPE
	GENERAL FUND
<b>GRANTS</b>	
Bright From the Start:	
Georgia Department of Early Care and Learning	
Pre-Kindergarten Program	\$ 495,363.70
Education, Georgia Department of	
Quality Basic Education	
Direct Instructional Cost	
Kindergarten Program	630,816.00
Kindergarten Program - Early Intervention Program	173,795.00
Primary Grades (1-3) Program	1,208,615.00
Primary Grades - Early Intervention (1-3) Program	468,992.00
Upper Elementary Grades (4-5) Program	613,540.00
Upper Elementary Grades - Early Intervention (4-5) Program	258,211.00
Middle School (6-8) Program	1,243,621.00
High School General Education (9-12) Program	1,000,591.00
Vocational Laboratory (9-12) Program	384,425.00
Students with Disabilities	2,825,331.00
Gifted Student - Category VI	277,504.00
Remedial Education Program	236,992.00
Alternative Education Program	83,746.00
English Speakers of Other Languages (ESOL)	10,974.00
Media Center Program	222,205.00
20 Days Additional Instruction	67,216.00
Staff and Professional Development	40,998.00
Principal Staff and Professional Development	1,262.00
Indirect Cost	
Central Administration	483,439.00
School Administration	597,534.00
Facility Maintenance and Operations	407,491.00
Mid-Term Adjustment Hold-Harmless	3,594.00
Categorical Grants	
Pupil Transportation	
Regular	307,174.00
Bus Replacement	352,440.00
Nursing Services	45,414.00
Sparsity	217,936.00
Education Equalization Funding Grant	959,488.00
Other State Programs	
School Bus Safety Incentive Funding	20,000.00
School Security Grant	200,000.00
Food Services	37,962.00
Hygiene Products	1,316.00
One Time QBE Adjustment	196,793.00
Preschool Disability Services	34,692.00
Teachers Retirement	22,142.04
Vocational Supervision	7,218.96
Vocational Education	29,442.88
Office of the State Treasurer	
Public School Employees Retirement	36,118.00
<b>CONTRACT</b>	
Human Resources, Georgia Department of	
Family Connections	52,200.00
	\$ 14,256,592.58
	\$ 14,256,592.58

CHARLTON COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
<b>2018 SPLOST</b>			
(1) To acquire, construct, renovate, repair, improve and equip existing school buildings and facilities, physical education and athletic facilities and a new administrative facility for the School District; to acquire instructional and administrative technology improvements for existing schools (including necessary software) school buses, maintenance vehicles and related equipment, safety and security equipment and athletic, vocational and fine arts equipment and to acquire any necessary property, both real and personal.	\$ 6,122,013.49	\$ 9,340,943.60	12/31/2024
Subtotal 2018 Projects	6,122,013.49	9,340,943.60	
<b>2023 SPLOST</b>			
(1) To pay capitalized interest incident thereto and to pay a portion of debt service in the maximum amount of \$6,500,000.00 on the Bonds.	1,575,000.00	1,575,000.00	12/31/2027
2(a) Acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School.	7,000,000.00	7,000,000.00	12/31/2026
2(b) Acquiring instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment.	200,000.00	200,000.00	12/31/2027
2(c) Adding to, renovating, repairing, improving, and equipping existing school buildings, physical education and athletic facilities, and other buildings and facilities useful or desirable in connection therewith.	175,000.00	175,000.00	12/31/2027
2(d) Acquiring any necessary property therefore, both real and personal.	50,000.00	50,000.00	12/31/2027
Subtotal 2023 Projects	9,000,000.00	9,000,000.00	
<b>Total</b>	<b>\$ 15,122,013.49</b>	<b>\$ 18,340,943.60</b>	

CHARLTON COUNTY BOARD OF EDUCATION  
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS  
 YEAR ENDED JUNE 30, 2024

SCHEDULE "12"

<u>PROJECT</u>	<u>AMOUNT EXPENDED IN CURRENT YEAR (3) (4)</u>	<u>AMOUNT EXPENDED IN PRIOR YEARS (3) (4)</u>	<u>TOTAL COMPLETION COST</u>	<u>EXCESS PROCEEDS NOT EXPENDED</u>
<b>2018 SPLOST</b>				
(1) To acquire, construct, renovate, repair, improve and equip existing school buildings and facilities, physical education and athletic facilities and a new administrative facility for the School District; to acquire instructional and administrative technology improvements for existing schools (including necessary software) school buses, maintenance vehicles and related equipment, safety and security equipment and athletic, vocational and fine arts equipment and to acquire any necessary property, both real and personal.	\$ 3,828,452.70	\$ 5,512,490.90	\$ -	\$ -
Subtotal 2018 Projects	<u>3,828,452.70</u>	<u>5,512,490.90</u>	<u>-</u>	<u>-</u>
<b>2023 SPLOST</b>				
(1) To pay capitalized interest incident thereto and to pay a portion of debt service in the maximum amount of \$6,500,000.00 on the Bonds.	-	-	-	-
2(a) Acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School.	-	21,000.00	-	-
2(b) Acquiring instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment.	137,500.00	-	-	-
2(c) Adding to, renovating, repairing, improving, and equipping existing school buildings, physical education and athletic facilities, and other buildings and facilities useful or desirable in connection therewith.	-	-	-	-
2(d) Acquiring any necessary property therefore, both real and personal.	-	-	-	-
Subtotal 2023 Projects	<u>137,500.00</u>	<u>21,000.00</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 3,965,952.70</u>	<u>\$ 5,533,490.90</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 Charlton 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	\$ 259,189.44
Current Year	<u>-</u>
<b>Total</b>	<u>\$ 259,189.44</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. Brent Tilley, Superintendent and Members of the  
Charlton County Board of Education

We have audited the financial statements of the governmental activities and each major fund of the Charlton County Board of Education (School District) as of and for the year ended June 30, 2024, 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 25, 2025. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive, flowing style.

Greg S. Griffin  
State Auditor

March 25, 2025



**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. Brent Tilley, Superintendent and Members of the  
Charlton County Board of Education

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Charlton 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, 2024. 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 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, 2024.

***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, appearing to read "Greg S. Griffin". The signature is written in a cursive, flowing style.

Greg S. Griffin  
State Auditor

March 25, 2025

### **Section III**

#### **Auditee's Response to Prior Year Findings and Questioned Costs**

CHARLTON COUNTY BOARD OF EDUCATION  
AUDITEE'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

**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

CHARLTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

**I SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

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

Noncompliance material to financial statements noted: No

**Federal Awards**

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

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
84.010	Title I Grants to Local Educational Agencies
84.371	Comprehensive Literacy Development

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

Auditee qualified as low-risk auditee? Yes

**II FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

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**APPENDIX B**

**FORM OF DISCLOSURE CERTIFICATE**

The form of Continuing Disclosure Certificate included as this Appendix B is substantially the form to be provided by the District in connection with the delivery of the Bonds.

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Charlton County School District (the “District”) in connection with the issuance of \$ \_\_\_\_\_ in original aggregate principal amount of its General Obligation Bonds, Series 2025 (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Education of Charlton County adopted on \_\_\_\_\_, 2025 (the “Bond Resolution”). The District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the beneficial owners of the Bonds (the “Bondholders”) and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Dissemination Agent**” shall mean Raymond James & Associates, Inc., Atlanta, Georgia, or any successor Dissemination Agent designated in writing by the District and that has filed with the District a written acceptance of such designation.

“**EMMA**” shall mean the Electronic Municipal Market Access system of the MSRB.

“**Fiscal Year**” shall mean any period of twelve consecutive months adopted by the District as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Participating Underwriters**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **SECTION 3. Provision of Annual Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than one year after the end of each Fiscal Year, commencing with Fiscal Year 2025, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form for such filing; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) and stating the date it was provided.

(d) The District shall promptly file a notice of any change in its Fiscal Year with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA).

(e) If the audit report specified in clause (1) of Section 4 hereof is not submitted as part of the Annual Report to the MSRB pursuant to Section 3(a) hereof, the District shall, or shall cause the Dissemination Agent to, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) such audit report, together with the audited basic financial statements of the District to which such audit report relates, when and if they are available to the District.

**SECTION 4. Content of Annual Reports.** The District's Annual Report shall contain or incorporate by reference the following:

(1) the District's basic financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time, and which shall be accompanied by an audit report, if available at the time of submission of the Annual Report to the MSRB pursuant to Section 3(a)

hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(2) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the District, a narrative explanation describing the impact of such changes on the District; and

(3) tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the District: (A) the schools comprising the District's school system, (B) the enrollment in the District's school system, (C) the employees of the District, (D) sales tax collections of the District, (E) the legal debt margin of the District, (F) the property tax digest of the District, (G) the millage rates of the District, (H) the property tax levies and collections of the District, (I) the estimated value of total tax executions owned by the District, (J) the ten largest taxpayers of the District, and (K) the insurance coverage of the District.

Any or all of the items listed above may be incorporated by specific reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet website or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so incorporated by reference.

**SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the District;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) For purposes of the event identified in subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(c) For purposes of the events identified in subsections (a)(15) and (16), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that such term does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule.

(d) If the District obtains knowledge of the occurrence of a Listed Event, the District shall file in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA). Notwithstanding the foregoing, notice

of Listed Events described in subsections (a)(8) (other than tender offers) and (9) need not be given under this Disclosure Certificate any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution.

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the date of legal defeasance, prior redemption, or payment in full of all of the Bonds.

**SECTION 7. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Raymond James & Associates, Inc., Atlanta, Georgia.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the District or by the approving vote of the Bondholders owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

If any provision of Section 4 hereof is amended or waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 4 hereof specifying the accounting principles to be followed in preparing the District's financial statements are amended or waived, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Bondholders to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The District shall file a

notice of the change in the accounting principles with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

**SECTION 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an “event of default” or “default” under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance. A court may decide not to order the specific performance of the covenants contained in this Disclosure Certificate. The cost to the District of performing its obligations under this Disclosure Certificate shall be paid solely from funds lawfully available to the District for such purpose.

**SECTION 11. Duties, Immunities, and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent allowed by applicable law, the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents harmless against any loss, expense, and liabilities that they may incur arising out of or in the exercise or performance of the Dissemination Agent’s powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the District under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Format; Identifying Information.** All documents provided to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed, and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

**SECTION 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2025

**CHARLTON COUNTY SCHOOL DISTRICT**

(DISTRICT SEAL)

By: \_\_\_\_\_

Chairman, Board of Education  
of Charlton County

Attest:

\_\_\_\_\_  
Secretary, Board of Education  
of Charlton County

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: CHARLTON COUNTY SCHOOL DISTRICT (GEORGIA)

Name of Bond Issue: \$ \_\_\_\_\_ CHARLTON COUNTY SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, SERIES 2025

Date of Issuance: \_\_\_\_\_, 2025

**NOTICE IS HEREBY GIVEN** that the Charlton County School District has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution adopted by the Board of Education of Charlton County on \_\_\_\_\_, 2025. The Charlton County School District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**CHARLTON COUNTY SCHOOL DISTRICT**

## **APPENDIX C**

### **FORM OF LEGAL OPINION**

The form of Legal Opinion included as this Appendix C has been prepared by Butler Snow LLP, Atlanta, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Bonds.

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## FORM OF OPINION OF BOND COUNSEL

\_\_\_\_\_, 2025

Charlton County School District  
Folkston, Georgia

Re: \$ \_\_\_\_\_ Charlton County School District  
General Obligation Bonds, Series 2025

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and delivery on this date by the Charlton County School District (the “District”) of \$ \_\_\_\_\_ in original aggregate principal amount of bonds designated “Charlton County School District General Obligation Bonds, Series 2025,” dated the date hereof (the “Bonds”).

We have examined the law and such certified proceedings and other papers authorizing and relating to the Bonds as we deem necessary to render this opinion, including the following:

1. Certified copies of a Bond Resolution (the “Bond Resolution”) of the District adopted by the Board of Education of Charlton County on \_\_\_\_\_, 2025 and a Tax Levy Resolution of Charlton County, Georgia adopted by the Board of Commissioners of Charlton County on \_\_\_\_\_, 2025.

2. Certified transcript of the validation proceedings in the Superior Court of Charlton County, Georgia, resulting in a final judgment entered on August 16, 2022, validating and confirming the Bonds.

3. Fully executed counterparts of the Tax Certificate of the District, dated the date hereof, and the Certificate as to Arbitrage Matters of the District, dated the date hereof (collectively the “Tax Documents”).

The Bonds are being issued under and pursuant to the Bond Resolution for the purpose of providing funds to pay a portion of the costs of acquiring, constructing, and equipping a new high school to replace the existing Charlton County High School; acquiring instructional and administrative technology improvements for existing schools (including necessary software), school buses, maintenance vehicles and related equipment, safety and security equipment, and athletic, vocational, and fine arts equipment; adding to, renovating, repairing, improving, and equipping existing school buildings, physical education and athletic facilities, and other buildings and facilities useful or desirable in connection therewith; and acquiring any necessary property therefor, both real and personal.

As to questions of fact material to our opinion, we have relied upon the following items, without undertaking to verify any of them by independent investigation: (a) certified proceedings and other certifications of public officials furnished to us; (b) certifications furnished to us by or on behalf of the District (including certifications made in the Tax Documents); and (c) representations of the District contained in such proceedings and in documents delivered in connection with the issuance of the Bonds.

In our capacity as Bond Counsel, we have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or any other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based upon the foregoing and subject to the qualifications and assumptions herein, it is our opinion, as of the date hereof and under existing law, that:

(1) The Bonds are legal, valid, and binding general obligations of the District, payable first from the separate account in which are placed the proceeds received by the District from a one percent sales and use tax for educational purposes that has been reimposed by the District, and then from the general funds of the District.

(2) All property within the territorial limits of the District subject to taxation for school bond purposes is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The District is required by law to recommend and has recommended to the Board of Commissioners of Charlton County the levy of a direct annual ad valorem tax sufficient in amount to pay the principal of and interest on the Bonds. The Board of Commissioners of Charlton County is required by law to levy and has levied on all property within the territorial limits of the District subject to taxation for school bond purposes a direct annual ad valorem tax, without limitation as to rate or amount, sufficient in amount to pay the principal of and interest on the Bonds as the same become due and payable.

(3) The District has irrevocably authorized and directed the State of Georgia Board of Education to withhold from the District sufficient moneys from any state appropriation to which the District may be entitled and to apply so much as shall be necessary to the payment of the principal of and interest on the Bonds.

(4) Interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and interest on the Bonds is not treated as a specific item of tax preference under Section 57 of the Code in calculating the federal alternative minimum tax imposed by

Section 55 of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District's certified proceedings, in the Tax Documents, and in certain other documents and certain other certifications furnished to us. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

(5) The interest on the Bonds is exempt from State of Georgia income taxation. We express no opinion regarding any other State of Georgia tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds (i) may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights; (ii) may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and (iii) may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

**BUTLER SNOW LLP**

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**\$16,500,000\***

**CHARLTON COUNTY  
SCHOOL DISTRICT  
(GEORGIA)**

**General Obligation Bonds,  
Series 2025**

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**OFFICIAL STATEMENT**

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**No dealer, broker, salesman, or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The delivery of this Official Statement at any time does not imply that the information herein is correct as of any time subsequent to this date.**

**RAYMOND JAMES®**

Dated: \_\_\_\_\_, 2025

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<sup>1</sup> See detailed "TABLE OF CONTENTS" on pages (i) to (ii).

\* Preliminary; subject to change.