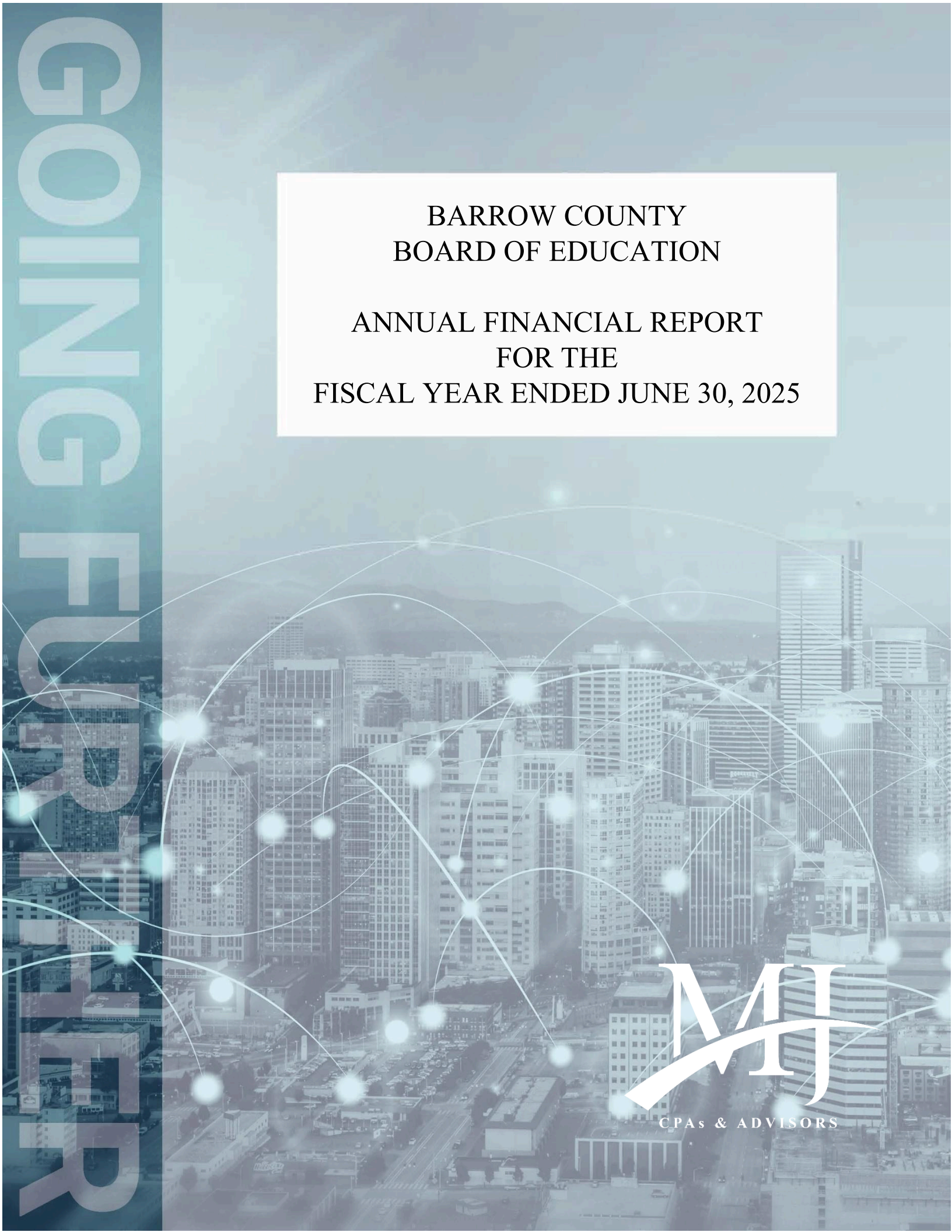
GOING FURTHER

BARROW COUNTY
BOARD OF EDUCATION

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



MJ
CPAs & ADVISORS

BARROW COUNTY
BOARD OF EDUCATION

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FISCAL YEAR ENDED JUNE 30, 2025

BARROW COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT
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TABLE OF CONTENTS

Page

I. Financial Section

Independent Auditor's Report 1-4
Management's Discussion and Analysis 5-16

Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Position 17
Statement of Activities 18

Fund Financial Statements:
Balance Sheet – Governmental Funds 19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
Notes to the Basic Financial Statements 23-56

II. Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 57
Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System 58
Schedule of Contributions – Teachers Retirement System 59
Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System 60
Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund 61
Schedule of Contributions – School OPEB Fund 62
Notes to Required Supplementary Information 63

III. Other Supplementary Information

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 64

I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

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 **Barrow County Board of Education** as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Barrow County Board of Education's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Barrow County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 17 to the financial statements, Barrow County Board of Education implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. This standard significantly changed the reporting of the Barrow County Board of Education's compensated absences liability. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Barrow County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Barrow County Board of Education's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Barrow County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balances – budget and actual General Fund, the schedule of proportionate share of net pension liability – TRS, the schedule of contributions – TRS, the schedule of proportionate share of net pension liability – PSERS, the schedule of proportionate share of net OPEB liability – school OPEB fund, and the schedule of contributions – school OPEB fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrow County Board of Education's basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, is presented for purposes of additional analysis is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of special purpose local option sales tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 on our consideration of the Barrow County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Barrow County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Barrow County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 8, 2025

INTRODUCTION

The Barrow County Board of Education's (School District's) financial statements for the fiscal year ended June 30, 2025 include a series of basic financial statements that report financial information for the School District as a whole, its funds, and its fiduciary responsibilities. The statement of net position and the statement of activities provide financial information about all of the School District's activities and present both a short-term and long-term view of the School District's finances on a global basis. The fund financial statements provide information about all of the School District's funds. Information about these funds, such as the School District's General Fund, is important in its own right, but will also give insight into the School District's overall soundness as reported in the statement of net position and the statement of activities.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

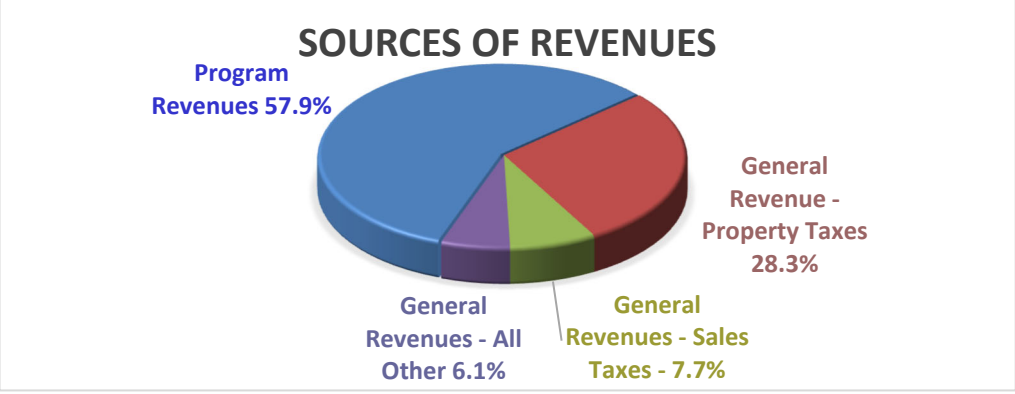
On the government-wide financial statements:

- Student achievement and success is the greatest accomplishments a school district can highlight. During the May 2025 graduation ceremonies, Barrow County School System had a record graduation rate of 92.68%, which included 1,076 graduates from Apalachee High School, Barrow Arts and Sciences Academy, and Winder-Barrow High School.

- Net position increased $9.6 million, which was due to increased state and federal funding and sales tax revenues, along with growth in the property tax digest for Barrow County.

- The School District had $264.7 million in expenses relating to governmental activities; $158.9 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $115.4 million were adequate to provide for these programs.

- As stated above, general revenues accounted for $115.4 million or nearly 42.0% of all revenues totaling over $274.2 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these revenues. (Percentages in the table on the following page have been rounded to one decimal place.)

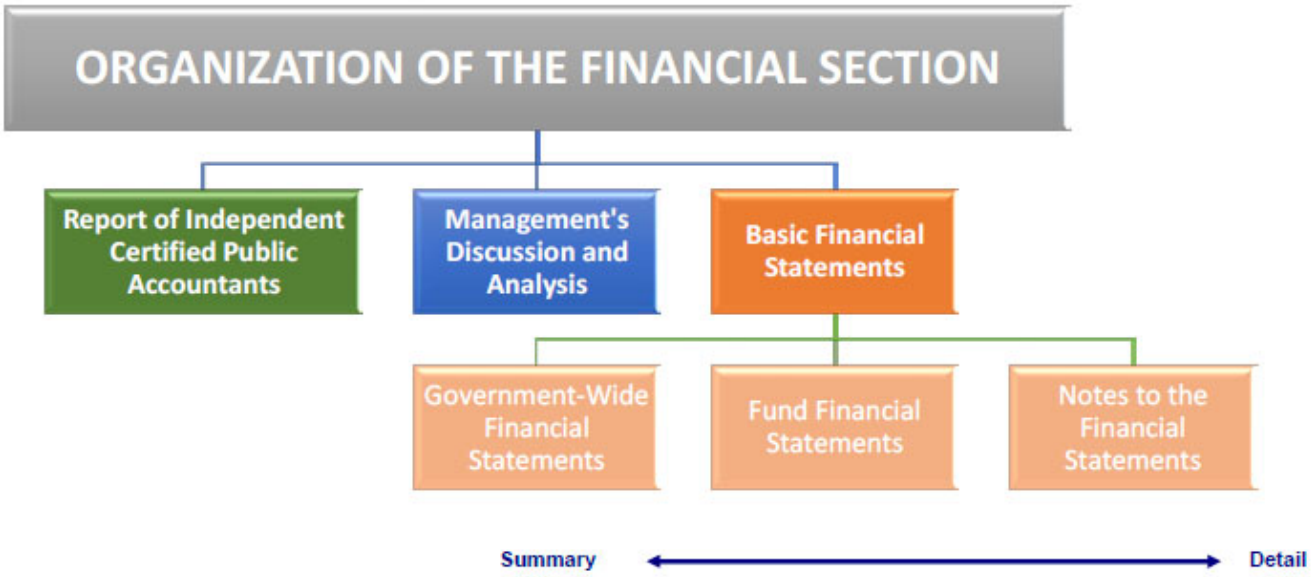


- The current ratio, which measures the School District's ability to transform current assets into cash and pay its short-term liabilities, was 5.6 for the fiscal year ended June 30, 2025. Generally, a ratio greater than 2.0 is considered very financially stable.

On the fund financial statements:

- Among major funds, the General Fund had $250.3 million in revenues and $249.3 million in expenditures. The General Fund balance of roughly $98.0 million at June 30, 2025 increased by approximately $870,500 from the prior year. This increase in General Fund balance resulted primarily because of increased revenues from property taxes, state funds and keeping expenditures under budget.

- Capital projects fund ended the year with a fund balance of $63.2 million, an increase of $33.1 million from the previous year primarily due to the 2025 Series Bond issuance.



OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consists of three parts: management's discussion and analysis (this section), the basic financial statements including notes to the financial statements, and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and 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 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. In the case of the Barrow County School District,

the General Fund, Capital Projects Fund, and Debt Service Fund are all considered to be major funds. The School District has no funds reported as nonmajor funds as defined by generally accepted accounting principles.

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

Government-Wide Statements

Since Barrow County School District has no operations that have been classified as "business-type activities", the government-wide financial statements are basically a consolidation of all of the School District's operating funds into one column called governmental activities. In reviewing the government-wide financial statements, a reader might ask the question, "Are we in a better financial position now than we were last year?" The statement of net position and the statement of activities provides the basis for answering this question. These financial statements include all School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and uses the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

When analyzing government-wide financial statements, it is important to remember these statements are prepared using an economic resources measurement focus (accrual accounting) and involve the following steps to format the statement of net position:

- Capitalize current outlays for capital assets.
- Depreciate capital assets.
- Report long-term debt, including pension and other postemployment benefit obligations, as a liability.
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting.
- Allocate net position as follows:

    - *Net Investment in capital assets.*
    - *Restricted net position* is amounts with constraints placed on the use by external sources such as creditors, grantors, contributors or laws and regulations.
    - *Unrestricted for no specific use.*

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the

School District's significant or major funds. As discussed previously, the School District has no nonmajor funds.

The School District has the following fund type:

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

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information and schedules.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net position, which is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, is one indicator of the financial condition of the School District. When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between revenues and expenses can be thought of as the School District's operating results. The School District's net position, as measured in the statement of net position is one way to measure the School District's financial health, or financial position. Over time, increases or decreases in the School District's net position, as measured in the statement of activities, are one indicator of whether its financial health is improving or deteriorating. However, the School District's goal and mission is to provide success for each child's education, not to generate profits as private corporations do. For this reason, many other nonfinancial factors should be considered in assessing the overall health of the School District.

In the case of the Barrow County School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by nearly $88.0 million at June 30, 2025. To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $88.0 million of net position, approximately $40.7 million was restricted for continuation of various state and federal programs, debt service and ongoing capital projects. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District had $187.5 million (net of related debt) invested in capital assets (e.g., land, buildings, and equipment). The School District uses these capital assets to provide educational services to students within geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is not available for future spending.

Because of the restrictions on net position as discussed above and because of implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions,* implemented in fiscal year 2015, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, implemented in fiscal year 2018, the School District had a deficit of $140.2 million in unrestricted net position at June 30, 2025. However, the School District's overall net position can also be viewed in the following manner:

Net Position June 30, 2025	$87,956,582
Pension and postemployment benefits related net position	$233,525,546
Net position (excluding pension and postemployment benefits), June 30, 2025	$321,482,128

The above analysis reflects, removal of pension and postemployment benefits obligations (which are managed in state run, stable fund), the School District's net position is a positive $321.5 million and management believes the School District's financial position is sound.

Table 1 below provides a summary of the School District's net position for this fiscal year as compared to the prior fiscal year.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Assets		
Current and other assets	$ 207,015,763	$ 166,048,463
Capital assets, net	337,140,331	316,438,884
Total assets	544,156,094	482,487,347
Deferred outflow of resources	92,619,543	99,130,281
Total assets and deferred outflow of resources	$ 636,775,637	$ 581,617,628
Liabilities		
Current and other liabilities	$ 37,045,938	$ 35,955,556
Long-term liabilities	455,376,844	422,874,759
Total liabilities	$ 492,422,782	$ 458,830,315
Deferred inflows of resources	$ 56,396,273	$ 44,414,111
Total liabilities and deferred inflows of resources	548,819,055	502,869,263
Net position		
Invested capital assets, net of debt	187,462,847	169,636,174
Restricted	40,732,672	46,981,637
Unrestricted	(140,238,937)	(138,244,609)
Total net position	$ 87,956,582	$ 78,373,202

Total net position, increased $9.6 million in fiscal year 2025 from the prior year. In connection with GASB No. 68, *Accounting Standards for Pensions*, and GASB No. 75, A*ccounting for Other Postemployment Benefits*, management presents the following additional information.

Total unrestricted net position (deficit)	$ (140,238,937)
Less unrestricted deficit in net position resulting from recognition of net pension obligations and other post-employment benefits	233,525,546
Unrestricted net position, exclusive of the net pension liability effect	$ 93,286,609

Table 2 on the following page provides a summary of the School District's changes in net position for this fiscal year as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Revenues		
Program revenues		
Charges for services	$ 1,809,169	$ 1,767,080
Operating grants and contributions	156,234,565	149,048,867
Capital grants and contributions	849,144	5,427,658
Total program revenues	158,892,878	156,243,605
General revenues		
Property taxes	77,673,582	71,430,910
Sales taxes	20,981,113	21,069,075
Gain on sale of capital assets	1,750	130,225
Grants and contributions not restricted to specific programs		
Investment earnings	6,104,650	6,516,112
Miscellaneous	10,588,097	11,096,260
Total general revenues	115,349,192	110,242,582
Total revenues	274,242,070	266,486,187
Program expenses		
Instruction	155,074,473	151,315,412
Support services		
Pupil services	13,265,791	9,692,212
Improvement of instructional services	11,878,021	11,337,812
Educational media services	3,223,912	3,319,130
General administration	4,705,104	3,597,452
School administration	12,565,139	12,466,228
Business administration	2,484,854	2,144,285
Maintenance and operation of plant	18,806,057	16,080,728
Student transportation services	16,578,168	12,796,168
Central support services	1,578,703	1,562,850
Other support services	1,449,498	1,301,216
Operations of non-instructional services		
Enterprise operations	4,709,694	4,417,738
Food services	13,279,640	12,268,249
Interest on short- and long-term debt	5,059,636	4,020,966
Total expenses	264,658,690	246,320,446
Increase in net position	$ 9,583,380	$ 20,165,741

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

Instruction comprises 58.6% of governmental program expenses. Support services expenses make up 32.7% of the expenses. Expenses increased approximately $18.3 million from the prior year, while the net costs of providing services increased about $15.7 million.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2024
Instruction	$ 155,074,473	$ 151,315,412	$ 27,169,592	$ 24,480,190
Support services				
Pupil services	13,265,791	9,692,212	11,272,707	7,318,791
Improvement of instructional services	11,878,021	11,337,812	7,109,399	6,558,430
Educational media services	3,223,912	3,319,130	686,169	939,705
General administration	4,705,104	3,597,452	(314,262)	773,998
School administration	12,565,139	12,466,228	7,525,947	7,704,384
Business administration	2,484,854	2,144,285	2,482,341	2,113,876
Maintenance and operation of plant	18,806,057	16,080,728	13,130,052	9,405,729
Student transportation services	16,578,168	12,796,168	12,873,554	9,826,702
Central support services	1,578,703	1,562,850	1,553,260	1,498,504
Other support services	1,449,498	1,301,216	847,387	760,856
Operations of non-instructional services				
Enterprise operations	4,709,694	4,417,738	4,702,598	4,359,996
Food services	13,279,640	12,268,249	11,667,432	10,314,714
Interest on short- and long-term debt	5,059,636	4,020,966	5,059,636	4,020,966
Total expenses	$ 264,658,690	$ 246,320,446	$ 105,765,812	$ 90,076,841

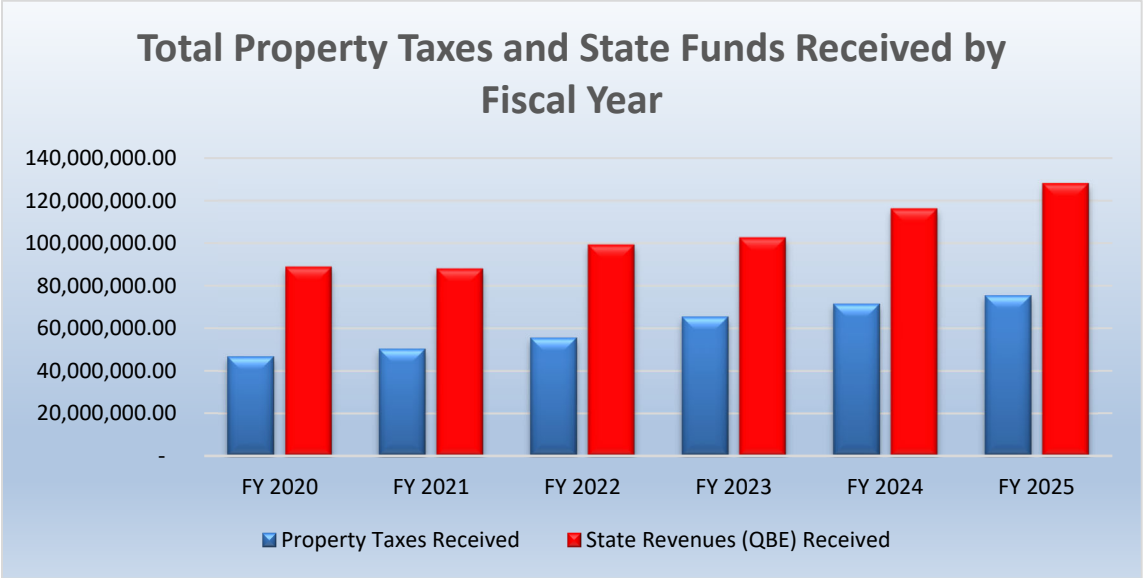
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on page 19 of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of $274.5 million and total expenditures of over $289.7 million in fiscal year 2025. Total governmental fund balances of $177.2 million at June 30, 2025, increased nearly $39.3 million from the prior year. This increase in fund balance resulted from the combination of net increases of the General Fund ($0.9 million), an increase in the capital projects fund ($33.1 million) and an increase in the debt service fund ($5.3 million).

The General Fund balance improved due to a 5.6% increase in property taxes received as compared to prior year, a 11.0% increase in state revenues, and increased expenditures of $27.1 million. The increases were attributable to hiring of additional teachers and staff, increases in state health insurance and teacher retirement pension cost, along with additional investment in computers and subscription cost. The school system spent $28.5 million in capital projects fund primarily on the Performing Arts Facility which opened

in July 2025, three PODS which gave the high schools additional spaces for students and multiple renovations to existing buildings and transportation and technology needs.

Shown here is an illustration of property tax and education state funds (QBE) received in the past six years:



General Fund Budget Highlights

The School District's budget is prepared according to Georgia law. The most significant budgeted fund is the General Fund. During the course of fiscal year 2025, the School District amended its General Fund budget as needed.

The School District budget is adopted at the aggregate level and maintained at the program, function, object, and site levels to facilitate budgetary control. The budgeting systems are designed to control the total budget but provide flexibility to meet the ongoing programmatic needs. The budgeting systems are also designed to control total site budgets but provide flexibility for site management as well.

For the General Fund, the final actual revenues of $250.3 million exceeded the final budgeted revenues of $244.7 million by $5,613,906. The variance was primarily due to interest income and state grants coming in higher than projected. Federal funds came in as projected.

The General Fund's final budgeted expenditures of $260.4 million exceeded actual expenditures of $249.3 million by roughly $11.0 million. Although we did increase the number of teaching staff, the budget for teacher salaries and benefits was higher than what was actual, lower maintenance cost, conservative management of funds, and a desire to keep fund balance at a level to prepare for increases in the state health insurance plan, a decrease in property taxes from a new age based tax exemption and upcoming economic downturns.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2025, the School District had $337.1 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including: buildings, land, land improvements, food service, transportation, and maintenance equipment. Table 4 below reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets at June 30 (Net of Depreciation)
Governmental Activities

	Fiscal Year 2025	Fiscal Year 2024
Land	$ 7,155,945	$ 7,155,945
Construction in progress	68,568,760	44,581,415
Land improvements	3,429,892	3,663,246
Buildings and improvements	244,435,074	249,906,901
Equipment	10,352,603	7,576,766
Right to use SBITA asset	3,198,057	3,554,611
Total	$ 337,140,331	$ 316,438,884

The overall capital assets increased in fiscal year 2025 by net $20.7 million. Depreciation expenses reduced the total capital assets by a net of $9.3 million. The School District continued work on BASA II and opened the Performing Arts Center, both extensions of Barrow Arts and Science Academy. The District also added 2 PODS at Apalachee High School and one POD at Winder Barrow High School and also had other renovation projects and purchased 17 buses all adding to the total capital assets balance. Additional information about the School District's capital assets can be found in the Notes to the Basic Financial Statements.

Long-Term Debt

At June 30, 2025, the School District had $463.8 million in total debt outstanding which consisted of $171.6 million in bond debt, $3.2 million in financed purchases, $0.5 million in SBITA liability, $1.1 million in compensated absences debt, and $17.2 million in unamortized bond premiums. Net pension and other postemployment benefits liabilities totaled $270.1 million. The school system sold $44 million in bonds to fund additional facilities, renovate existing facilities and purchase additional technology and buses. Principal payments throughout the year decreased existing debt. Table 5 on the following page summarizes the School District's debt as compared to the prior fiscal year.

Additional information about the School District's debt can be found in the Notes to the Basic Financial Statements.

Table 5
Debt at June 30
Governmental Activities

	Fiscal Year 2025	Fiscal Year 2024
Bonds payable	$ 171,615,000	$ 134,315,000
Financed purchases	3,242,722	237,075
SBITA Liability	518,759	-
Compensated absences	1,083,200	938,401
Net pension liability	170,600,160	189,227,407
Net OPEB liability	99,456,414	93,171,696
Unamortized bond premiums	17,238,194	12,308,399
Total	$ 463,754,449	$ 430,197,978

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Currently known circumstances that are expected to have a significant effect on financial position or results of operations in future years are as follows:

- Our community tragically lost two cherished students and two beloved teachers on September 4, 2024 at Apalachee High School: Richard Aspinwall, Cristina Irimie, Mason Schermerhorn, and Christian Angulo. Due to this tragedy, the school system has increased mental health services, installed security devices and systems, and closed a portion of Apalachee High School therefore installing a POD to accommodate students. Some of these costs were covered by federal and state grants and community contributions. Continuing support will be needed, and funds will come from various sources.

- The School District's growth has been stagnant for the past few years. In the school year 2026, the School District had a small decline in students. However, new homes in the county are increasing. Most of our schools are over capacity and we are using trailers or PODs to facilitate the current student needs. The School District will continue renovation on two schools in the summer of 2026. In the next five years, tentative plans are to open either a new middle school or new elementary school depending on what the growth shows as a need in fall of 2026. The School District plans to fund the additional capital outlays with the one percent local sales tax revenue, general obligation bonds, and state capital outlay grants.

- The School District's operating millage for fiscal year 2026 was 15.193, which produced approximately $4.5 million in tax revenue per mill. The gross tax digest has grown at 79% over the last five years. This past year we implemented a new aged-based tax exemption. This exemption reduced the tax digest and producing only a 2.7% increase for FY 2026. We believe more seniors will take advantage of this exemption in the coming years. The School System opted out of HB 581 which is a floating statewide exemption. The General Fund had an unassigned fund balance of $60.7 million on June 30, 2025, which is an increase of about $11 million from the prior year. This increase in General Fund balance was primarily attributable to state funding, additional grants, these increased revenues, and a decrease in budgeted spending. The School District will attempt to maintain adequate balances to shield the School District from the adverse effect of economic fluctuations, future healthcare expenditures, and future effects of the new age based tax exemption.

- The school system is in the process of performing a salary study on all positions. This will allow us to acquire and retain the most qualified staff for our students. The salary study results will be implemented over the next few years and will have an effect on our budget. The cost of the employer portion of TRS pension increased to 21.91% of employee salary and increasing again to 22.32% for FY 2027. Health insurance premiums for certified and classified staff will continue to increase over the next few years. Salary and benefits are projected to cost the school systems' General Fund $199.2 million or 88% of the General Fund budget for FY 2026. The School District plans to evaluate all positions and expenditures to ensure resources are being used efficiently and responsibly.

- The School District leadership is constantly prioritizing where to invest funds to best align to the School District's strategic plan. The School District has converted to the Fund 150 allotment system, maximizing financial flexibility and ensuring resources are provided to children. The School District has earned an Aa2 bond rating, which is a higher than normal rating in the state of Georgia. The School District is committed to a conservative budget approach and presents annual budgets to the public that are balanced.

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In light of these challenges and opportunities, the School District will continue to be a good steward providing a quality educational opportunity to all Barrow County students.

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, please contact Ms. Jennifer Houston, CPA, Chief Financial Officer, Barrow County Board of Education, 179 West Athens Street, Winder, Georgia, 30680. You may also email your questions to Ms. Houston at Jennifer.Houston@barrow.k12.ga.us.

BASIC FINANCIAL STATEMENTS

BARROW COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 179,266,630
Receivables:	
Taxes, net of allowances	4,849,181
Intergovernmental:	
State	18,377,294
Federal	3,776,154
Other	597,213
Inventory	149,291
Capital assets (nondepreciable)	75,724,705
Capital assets (depreciable, net of accumulated depreciation/amortization)	261,415,626
Total assets	544,156,094
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	65,328,945
OPEB related items	27,290,598
Total deferred outflows of resources	92,619,543
LIABILITIES	
Accounts payable	1,672,946
Salaries and benefits payable	22,886,421
Contracts payable	613,041
Retainage payable	715,182
Accrued interest payable	2,780,743
Financed purchases due within one year	743,962
Financed purchases due in more than one year	2,498,760
SBITA due within one year	139,367
SBITA due in more than one year	379,392
Bonds payable due within one year	6,830,000
Bonds payable due in more than one year	182,023,194
Compensated absences due within one year	664,276
Compensated absences due in more than one year	418,924
Net pension liability due in more than one year	170,600,160
Net OPEB liability due in more than one year	99,456,414
Total liabilities	492,422,782
DEFERRED INFLOWS OF RESOURCES	
Deferred charges on refunding	307,758
Pension related items	27,579,137
Other postemployment benefits related items	28,509,378
Total deferred inflows of resources	56,396,273
NET POSITION	
Net investment in capital assets	187,462,847
Restricted for:	
Capital projects	19,911,527
Debt service	16,048,600
Federal programs	4,772,545
Unrestricted	(140,238,937)
Total net position	$ 87,956,582

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

BARROW COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 155,074,473	$ 322,795	$ 126,983,889	$ 598,197	$ (27,169,592)
Support services:					
Pupil services	13,265,791	-	1,977,857	15,227	(11,272,707)
Improvement of instructional services	11,878,021	-	4,754,548	14,074	(7,109,399)
Educational media services	3,223,912	-	2,537,743	-	(686,169)
General administration	4,705,104	-	5,016,773	2,593	314,262
School administration	12,565,139	-	5,039,192	-	(7,525,947)
Business administration	2,484,854	-	-	2,513	(2,482,341)
Maintenance and operation of facilities	18,806,057	33,450	5,550,731	91,824	(13,130,052)
Student transportation services	16,578,168	-	3,611,425	93,189	(12,873,554)
Central support services	1,578,703	-	25,282	161	(1,553,260)
Other support services	1,449,498	-	602,111	-	(847,387)
Operations of noninstructional services:					
Food services operation	13,279,640	1,452,924	135,014	24,270	(11,667,432)
Enterprise operations	4,709,694	-	-	7,096	(4,702,598)
Interest on long-term debt	5,059,636	-	-	-	(5,059,636)
Total governmental activities	$ 264,658,690	$ 1,809,169	$ 156,234,565	$ 849,144	(105,765,812)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					77,673,582
Sales taxes					20,981,113
Gain on sale of capital assets					1,750
Miscellaneous revenues					10,588,097
Unrestricted investment earnings					6,104,650
Total general revenues					115,349,192
Change in net position					9,583,380
Net position, beginning of year					78,748,365
Restatement - change in accounting principle					(375,163)
Net position, beginning of year, as restated					78,373,202
Net position, end of year					$ 87,956,582

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

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

ASSETS	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
Cash and cash equivalents	$ 104,544,751	$ 58,725,309	$ 15,996,570	$ 179,266,630
Receivables:				
Taxes, net of allowances	4,849,181	-	-	4,849,181
Intergovernmental:				
State	16,594,471	1,782,823	-	18,377,294
Federal	3,776,154	-	-	3,776,154
Other	351,672	193,511	52,030	597,213
Due from other funds	-	3,897,436	-	3,897,436
Inventory	149,291	-	-	149,291
Total assets	$ 130,265,520	$ 64,599,079	$ 16,048,600	$ 210,913,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,558,566	$ 114,380	$ -	$ 1,672,946
Contracts payable	-	613,041	-	613,041
Retainage payable	-	715,182	-	715,182
Salaries and benefits payable	22,886,421	-	-	22,886,421
Due to other funds	3,897,436	-	-	3,897,436
Total liabilities	28,342,423	1,442,603	-	29,785,026
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	3,880,932	-	-	3,880,932
Total deferred inflows of resources	3,880,932	-	-	3,880,932
FUND BALANCES				
Nonspendable:				
Inventory	149,291	-	-	149,291
Restricted for:				
Capital projects	-	63,156,476	-	63,156,476
Debt service	-	-	16,048,600	16,048,600
Federal programs	4,623,254	-	-	4,623,254
Assigned:				
2026 fiscal year appropriations of fund balance	12,915,925	-	-	12,915,925
School activities	3,664,374	-	-	3,664,374
Literacy programs	2,500,000	-	-	2,500,000
Security	1,500,000	-	-	1,500,000
Capital projects	12,000,000	-	-	12,000,000
Unassigned:				
General Fund	60,689,321	-	-	60,689,321
Total fund balances	98,042,165	63,156,476	16,048,600	177,247,241
Total liabilities, deferred inflows of resources and fund balances	$ 130,265,520	$ 64,599,079	$ 16,048,600	$ 210,913,199

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

BARROW COUNTY BOARD OF EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2025

Total fund balances - governmental funds		$ 177,247,241
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost	$ 449,257,470	
Less accumulated depreciation/amortization	(112,117,139)	337,140,331
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes		3,880,932
The net pension liability is not expected to be paid with current financial resources and, is therefore, not reported in governmental funds.		
Net pension liability	(170,600,160)	
Deferred outflows of resources	65,328,945	
Deferred inflows of resources	(27,579,137)	(132,850,352)
The net other postemployment benefits liability is not expected to be paid with current financial resources and, is therefore, not reported in governmental funds.		
Net other postemployment benefits liability	(99,456,414)	
Deferred outflows of resources	27,290,598	
Deferred inflows of resources	(28,509,378)	(100,675,194)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable	(171,615,000)	
Premium, net of amortization	(17,238,194)	
Financed purchases	(3,242,722)	
SBITA	(518,759)	
Accrued interest	(2,780,743)	
Compensated absences	(1,083,200)	
Deferred charges on refunding	(307,758)	(196,786,376)
Net position of governmental activities		$ 87,956,582

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

BARROW COUNTY BOARD OF EDUCATION

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

	General	District - Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 75,451,954	$ -	$ -	$ 75,451,954
Sales taxes	-	20,981,113	-	20,981,113
State funds	137,236,208	849,144	-	138,085,352
Federal funds	21,510,112	-	-	21,510,112
Investment income	4,094,226	1,461,001	549,423	6,104,650
Charges for services	1,809,169	-	-	1,809,169
Miscellaneous	10,204,834	383,263	-	10,588,097
Total revenues	250,306,503	23,674,521	549,423	274,530,447
EXPENDITURES				
Current:				
Instruction	151,399,565	-	-	151,399,565
Support services:				
Pupil services	12,488,137	-	-	12,488,137
Improvement of instructional services	11,253,496	-	-	11,253,496
Educational media services	3,070,491	-	-	3,070,491
General administration	4,125,745	448,969	-	4,574,714
School administration	11,895,030	-	-	11,895,030
Business administration	2,396,113	-	-	2,396,113
Maintenance and operation of facilities	17,661,595	34,382	-	17,695,977
Student transportation services	14,269,614	1,144,924	-	15,414,538
Central support services	1,536,318	-	-	1,536,318
Other support services	1,374,944	-	-	1,374,944
Food services operation	12,944,559	-	-	12,944,559
Enterprise operation	4,630,208	-	-	4,630,208
Capital outlay	-	25,801,015	-	25,801,015
Debt service:				
Principal retirement	214,743	466,874	6,670,000	7,351,617
Interest and fees	57,161	60,874	5,196,648	5,314,683
Cost of issuance	-	571,572	-	571,572
Total expenditures	249,317,719	28,528,610	11,866,648	289,712,977
Excess (deficiency) of revenues over expenditures	988,784	(4,854,089)	(11,317,225)	(15,182,530)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,750	-	-	1,750
Transfers in	-	120,000	16,642,895	16,762,895
Transfers out	(120,000)	(16,642,895)	-	(16,762,895)
Issuance of bonds	-	43,970,000	-	43,970,000
Premium on issuance of bonds	-	6,270,665	-	6,270,665
Issuance of financed purchase	-	3,600,000	-	3,600,000
Issuance of SBITA	-	665,123	-	665,123
Total other financing sources (uses)	(118,250)	37,982,893	16,642,895	54,507,538
Net change in fund balances	870,534	33,128,804	5,325,670	39,325,008
FUND BALANCES, beginning of year	97,171,631	30,027,672	10,722,930	137,922,233
FUND BALANCES, end of year	$ 98,042,165	$ 63,156,476	$ 16,048,600	$ 177,247,241

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

BARROW COUNTY BOARD OF EDUCATION

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 39,325,008
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlay exceeded depreciation/amortization in the current period is as follows:		
Capital outlay	$ 30,024,319	
Depreciation/amortization expense	(9,322,872)	20,701,447
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		2,221,628
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.		(7,905,084)
In the governmental funds, current year expenditures related to other postemployment benefits are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to other postemployment benefits include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of other postemployment benefits and related items.		1,653,632
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the principal repayment of long-term debt.		
Payment of bonds	6,670,000	
Issuance of bonds	(43,970,000)	
Issuance of financed purchases	(3,600,000)	
Premium on issuance of bonds	(6,270,665)	
Issuance of SBITA	(665,123)	
Payment of SBITA	146,364	
Payment of financed purchases	535,253	
Gain on extinguishment of financed purchase	59,100	(47,095,071)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond premium	1,340,870	
Amortization of deferred charges on refunding	101,081	
Change in compensated absences	(144,799)	
Change in accrued interest	(615,332)	681,820
Change in net position of governmental activities		$ 9,583,380

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

NOTE 1 – DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Barrow County Board of Education (the "School District") was established under the laws of the State of Georgia and operates under the guidance of a school 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

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 of the Barrow County Board of Education.

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

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

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

In the statement of net position, equity is reported as net position and consists of net investment in capital assets, amounts restricted by outside parties for specific purposes and unrestricted amounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***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:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.

- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST), bond proceeds and grants from the Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.

- *Debt Service Fund* accounts for accumulated resources legally restricted for the payment of general long-term debt principal, interest and paying agent's fees.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The District-wide governmental activities financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Measurement Focus (Continued)

Property taxes, sales taxes, intergovernmental revenue, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and financed purchases are reported as other financing sources.

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

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally teachers are contracted for the school year (July 1 – June 30) and paid over a 12 month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same 12-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment. Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

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 net position 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.

Cash and Cash Equivalents

COMPOSITION OF DEPOSITS

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. Georgia law OCGA 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks or insured Federal savings and loan associations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

COMPOSITION OF INVESTMENTS

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. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The Official Code of Georgia Annotated Section 36-83-4 authorizes the School District to invest its funds. 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. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by 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 banker's acceptances,
(6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,
(7) Repurchase agreements, and
(8) Obligations of other political subdivisions of the State of Georgia.

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 are reported net of an allowance for uncollectible receivables when necessary.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Barrow County Tax Commissioner levied the property tax for the 2024 tax digest year (calendar year) on September 15, 2024 (levy date). Taxes were due on November 15, 2024 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2024 tax digest are reported as revenue in the governmental funds for fiscal year 2025. The Barrow 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, 2025, for maintenance and operations amounted to $66,047,371. Allowances for uncollectible property taxes at June 30, 2025 for the School District's General Fund are $143,761.

The Georgia Constitution, Article VIII, Section VI, Paragraph I requires the board of education of each school system to annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. The Barrow County Board of Education is in compliance with this law. Tax millage rates levied for the 2024 tax year (calendar year) for the Barrow County Board of Education were as follows (a mill equals $1 per thousand dollars of assessed value):

School Maintenance and Operations	15.50 mills

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $20,981,113 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be reauthorized at least every five years.

Inventories

CONSUMABLE SUPPLIES

On the basic financial statements, consumable supplies are reported at cost (first-in, first-out). The School District uses the consumption method to account for the consumable supplies inventory whereby an asset is recorded when supplies are purchased and expenses/expenditures are recorded at the time the supplies are consumed.

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 (first-in, first-out). 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2025 are recorded as prepaid items.

Capital Assets

Capital assets and right-to-use assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the District-wide financial statements, all purchased capital assets and right-to-use assets are valued 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 estimated acquisition value. Disposals are deleted at depreciated recorded cost. 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. Depreciation and amortization is computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation and amortization is used to allocate the actual or estimated historical cost of all capital assets and right-to-use assets over estimated useful lives.

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 5,000	20-80 years
Buildings and Improvements	$ 5,000	10-80 years
Equipment	$ 5,000	3-20 years
Intangible Assets	$ 100,000	10-20 years
Right-to-Use SBITA Assets	$ 100,000	5 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District reports five (5) types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. The School District reports: (1) a deferred outflow of resources for the School District's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2025 which are subsequent to the measurement date of the net pension liability and net OPEB liability and will be recognized in fiscal year 2026; (2) a deferred outflow of resources for experience gains or losses related to the pension plan and OPEB plan; (3) a deferred outflow of resources for the changes in actuarial assumptions on the pension plan and OPEB plan; (4) a deferred outflow of resources for the difference between projected and actual investment earnings on the pension and OPEB assets; and (5) a deferred outflow of resources for the changes in proportional differences in contributions for the pension plan and OPEB Plan which will be amortized over the remaining service period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has three types of deferred inflows under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, these items, unavailable revenues, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The School District also has five (5) items that qualify for reporting in this category which occurs only in the governmental activities. The School District reports: (1) a deferred inflow of resources for experience gains or losses related to the pension and OPEB Plan, (2) a deferred inflow of resources for assumption changes related to the OPEB plan, (3) a deferred inflow of resources for the difference between the School District's actual contributions towards the pension and OPEB plans and the School District's proportionate share of contributions, which will be amortized over the remaining service period; (4) a deferred inflow of resources for the net difference between projected and actual earnings on pension and OPEB plan investments; (5) deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price.

Compensated Absences

Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school district. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements, as the unused sick leave is more likely than not to be used for service credit towards retirement.

Members of the Public School Employees Retirement System of Georgia (PSERS) may accumulate unused sick leave time up to a max of 130 days. Upon retirement, PSERS employees with over 10 years of service with the District will be paid out for unused sick leave time at a rate of 0.5 days per full day accrued. The District has reported a liability for accumulated sick leave time for all PSERS employees that have been with the District for over 10 years in the government-wide financial statements.

Compensated absences payable also consists of vacation leave employees earned based on services already rendered. Vacation leave of 12 days is awarded on a fiscal year basis to all full-time personnel employed on a 12-month basis until they have reached five fiscal years of service. Between five to ten fiscal years of service, employees earn 15 days and after ten fiscal years of service they earn 18 days per fiscal year. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 30 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund existing general obligation bonds. Bond issuance costs are recognized in the financial statements during the fiscal year bonds are issued. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Use of Estimates

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

Pensions

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (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 Postemployment Benefit Fund (School OPEB Fund) and additions to/deductions from the School OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance/Net Position

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

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

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity/Net Position (Continued)

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

- Committed
- Assigned
- Unassigned

It is the goal of the School District to achieve and maintain a committed, assigned, and unassigned fund balance in the General Fund at fiscal year-end of not less than 5% of budgeted expenditures and not to exceed 15% of the total budget of the subsequent fiscal year, in compliance with Official Code of Georgia annotated 20-2-167(a)5. If unassigned fund balance at fiscal year-end falls below the goal, the School District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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

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

Subscription-Based IT Arrangements

The School District implemented GASB Statement No. 96, *Subscription Based IT Arrangements*, during fiscal year 2023. The School District recognizes a subscription liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The School District recognizes SBITA liabilities and intangible right-to-use SBITA assets with an initial, individual value of $100,000 or more.

At the commencement of the arrangement, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability and is then adjusted for payments made at or before the term commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the right-to-use asset term. The School District uses the interest rate charged by the lessor as the discount rate and when no interest rate is provided the School District uses its estimated incremental borrowing rate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based IT Arrangements (Continued)

The School District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use assets. Right-to-use assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund and function. 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 generall accepted in the United States of America. The capital projects fund adopts project-length budgets.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. Section 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 unexpected budget authority lapses at fiscal year-end.

For the year ended June 30, 2025, expenditures exceeded the budget in the General Fund departments as follows:

General Fund:		
Food services operation	$	1,230,444

The excess of expenditures over budget that are noted above were primarily funded by savings in other functional expenditures.

NOTE 4 – DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

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

Investment	Maturity	Fair Value
Georgia Fund 1	51 days	$ 69,794,644

INTEREST RATE RISK

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

FAIR VALUE MEASUREMENTS

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

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

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the Board's cash accounts were insured and/or collateralized as defined by GASB standards.

NOTE 5 – NON-MONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2025, the commodities usage is recorded at their federally assigned value of $650,228.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2025, for the School District's individual funds, including the applicable allowances for uncollectible accounts are as follows:

	General	District-Wide Capital Projects	Debt Service Fund	Total
Receivables:				
Taxes	$ 4,992,942	$ -	$ -	$ 4,992,942
Intergovernmental	20,370,625	1,782,823	-	22,153,448
Other	351,672	193,511	52,030	597,213
Gross receivables	25,715,239	1,976,334	52,030	27,743,603
Less allowance for uncollectibles	(143,761)	-	-	(143,761)
Net total receivables	$ 25,571,478	$ 1,976,334	$ 52,030	$ 27,599,842

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NOTE 7 – CAPITAL ASSETS

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

	Balances July 1, 2024	Increases	Decreases	Transfers	Balances June 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 7,155,945	$ -	$ -	$ -	$ 7,155,945
Construction in progress	44,581,415	24,797,463	-	(810,118)	68,568,760
Total	51,737,360	24,797,463	-	(810,118)	75,724,705
Capital assets, being depreciated/amortized:					
Building and improvements	326,588,586	-	-	810,118	327,398,704
Equipment	29,441,378	4,561,733	(303,940)	-	33,699,171
Land improvements	7,326,503	-	-	-	7,326,503
Right-to-use SBITA asset	4,443,264	665,123	-	-	5,108,387
Total	367,799,731	5,226,856	(303,940)	810,118	373,532,765
Less accumulated depreciation/amortization for:					
Building and improvements	(76,681,685)	(6,281,945)	-	-	(82,963,630)
Equipment	(21,864,612)	(1,785,896)	303,940	-	(23,346,568)
Land improvements	(3,663,257)	(233,354)	-	-	(3,896,611)
Right-to-use SBITA asset	(888,653)	(1,021,677)	-	-	(1,910,330)
Total	(103,098,207)	(9,322,872)	303,940	-	(112,117,139)
Total capital assets, being depreciated/amortized, net	264,701,524	(4,096,016)	-	810,118	261,415,626
Governmental activities capital assets, net	$ 316,438,884	$ 20,701,447	$ -	$ -	$ 337,140,331

Depreciation/amortization expense was charged to functions as follows:

Instruction	$ 6,473,979
Support Services:	
Pupil services	164,799
Improvement of instructional services	152,310
General administration	28,059
Business administration	27,198
Maintenance and operation of plant	992,681
Student transportation service	1,142,656
Central support services	1,738
Operation of noninstructional services:	
School nutrition program	262,658
Enterprise operations	76,794
	$ 9,322,872

NOTE 8 – INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

INTERFUND ASSETS AND LIABILITIES

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

Receivable Fund	Payable Fund	Amount
District-Wide Capital Projects Fund	General Fund	$ 3,897,436

The General Fund owes the District-Wide Capital Projects Fund money for expenses paid out of the District-Wide Capital Projects Fund that will be reimbursed by the General Fund.

INTERFUND TRANSFERS

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

Transfer From	Transfers To	Amount
District-Wide Capital Projects	Debt Service	$ 16,642,895
General Fund	District-Wide Capital Projects	120,000
		$ 16,762,895

Transfers are used to move SPLOST proceeds from the District-Wide Capital Projects Fund to the Debt Service Fund to fund debt service as allowed in the referendum and to move funds from the General Fund to the District-Wide Capital Projects Fund for expenses incurred.

NOTE 9 – 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 and Insurance Management System, a public entity risk pool organized on July 1, 1994, to develop and administer a plan to reduce risk of loss on account of general liability, motor vehicle liability, errors and omissions liability, cyber risk and property damage, including safety engineering and other loss prevention and control techniques, and to administer the Fund including the processing and defense of claims brought against members of the Fund. The School 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, cyber risk and automobile risks. Reinsurance limits and retentions vary by line of coverage.

NOTE 9 – RISK MANAGEMENT (CONTINUED)

WORKERS' COMPENSATION

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the "Trust"), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1 million loss per occurrence, up to the statutory limit. Employers' liability insurance coverage is also provided with limits of $2 million. The Trust covers the first $1 million of each Employers' liability claim with Safety National providing additional Employers' liability limits up to a $2 million per occurrence maximum. Safety National Casualty Company also provides $2 million in aggregate coverage to the Trust, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

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.

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2024	$ -	$ 4,747	$ (4,747)	$ -
2025	-	5,181	(5,181)	-

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

Superintendent	$ 100,000

NOTE 10 – LONG-TERM DEBT

The changes in long-term obligations during the fiscal year ended June 30, 2025 were as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 134,315,000	$ 43,970,000	$ (6,670,000)	$ 171,615,000	$ 6,830,000
Unamortized premium	12,308,399	6,270,665	(1,340,870)	17,238,194	-
Total bonds payable	146,623,399	50,240,665	(8,010,870)	188,853,194	6,830,000
Financed purchases	237,075	3,600,000	(594,353)	3,242,722	743,962
SBITA liability	-	665,123	(146,364)	518,759	139,367
Net pension liability	189,227,407	47,211,923	(65,839,170)	170,600,160	-
Net OPEB liability	93,171,696	14,096,863	(7,812,145)	99,456,414	-
Compensated absences	938,401	813,362	(668,563)	1,083,200	664,276
Governmental activities Long-term liabilities	$ 430,197,978	$ 116,627,936	$ (83,071,465)	$ 463,754,449	$ 8,377,605

Beginning balances of the compensated absences liability have been restated due to the implementation of GASB Statement No. 101 by the School District. See Note 17.

The net pension liability and net OPEB liability typically have been paid from the General Fund.

GENERAL OBLIGATION BONDS

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

The School District's outstanding bonds from general obligations related to governmental activities of $171,615,000 contain a provision that in an event of nonpayment, the paying agent will notify the State of Georgia Department of Education to withhold state appropriations.

NOTE 10 – LONG-TERM DEBT (CONTINUED)

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2012A	2.00% - 3.00%	11/15/2012	2/1/2027	$ 9,475,000	$ 3,415,000
General Government - Refunding - Series 2016	3.00% - 4.00%	3/29/2016	2/1/2032	17,360,000	15,305,000
General Government - Series 2017	3.00% - 5.00%	8/15/2017	2/1/2032	10,825,000	10,825,000
General Government - Series 2020A	3.00% - 5.00%	4/22/2020	2/1/2037	40,000,000	40,000,000
General Government - Refunding - Series 2020B	1.16%	8/11/2020	2/1/2027	4,375,000	1,360,000
General Government - Refunding - Series 2020C	1.82%	11/5/2020	2/1/2027	22,920,000	7,915,000
General Government - Series 2023	5.00%	6/22/2023	2/1/2042	48,825,000	48,825,000
General Government - Series 2025	5.00%	3/19/2025	2/1/2042	43,970,000	43,970,000
					$ 171,615,000

At June 30, 2025, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	$ 6,830,000	$ 6,968,496	$ 13,798,496
2027	6,990,000	7,124,459	14,114,459
2028	7,710,000	6,983,600	14,693,600
2029	8,065,000	6,624,350	14,689,350
2030	8,445,000	6,248,350	14,693,350
2031-2035	47,520,000	25,945,550	73,465,550
2036-2040	58,275,000	15,495,650	73,770,650
2041-2042	27,780,000	2,102,000	29,882,000
	$ 171,615,000	$ 77,492,455	$ 249,107,455

FINANCED PURCHASES

An energy efficiency financed purchase agreement dated October 6, 2015 was executed by and between the School District and TCF Equipment Finance. The agreement authorized the borrowing of $944,319 for the purchase of energy efficiency equipment, machinery, supplies, building modifications and other energy-saving items. Payments of the financed purchase shall be made from the School District's capital projects fund.

The School District acquired Georgia Public Safety units for use on school buses and other school vehicles under the provisions of various long-term agreements classified as financed purchases for accounting purposes because they provide for a transfer of ownership by the end of the agreement term. The School District terminated the agreement in July 2024. There was no payment required to terminate the agreement.

NOTE 10 – LONG-TERM DEBT (CONTINUED)

An equipment financed purchase agreement dated October 30, 2024 was executed by and between the School District and U.S. Bancorp Government Leasing and Finance, Inc. The agreement authorized the borrowing of $3,600,000 for the purchase of modular buildings for use as external classrooms at Apalachee High School. Payments of the financed purchase shall be made from the School District's Capital Projects Fund and the General Fund.

The School District's outstanding financed purchases related to governmental activities of $3,242,722 contain a provision that in an event of default, outstanding amounts become immediately due if the School District is unable to make payment. Additionally, the financed purchases contain a provision that should the School District fail to budget, appropriate, or otherwise make available funds to pay rental payments, the agreement shall be deemed terminated at the end on the renewal term, and the School District shall cease to use the equipment and peaceably remove and deliver the equipment to the lessor at the School District's expense to the location(s) specified by the lessor.

Financed purchase agreements currently outstanding are as follows:

Purpose	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Energy Lease	2.85%	10/6/2015	2/1/2026	$ 944,319	$ 72,208
General Government - Modular Buildings	5.02%	10/30/2024	10/31/2029	3,600,000	3,170,514
					$ 3,242,722

At June 30, 2025, payments due by fiscal year, which includes principal and interest, for these items are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	$ 743,962	$ 144,735	$ 888,697
2027	706,291	109,421	815,712
2028	742,604	73,108	815,712
2029	780,783	34,929	815,712
2030	269,082	2,822	271,904
	$ 3,242,722	$ 365,015	$ 3,607,737

NOTE 10 – LONG-TERM DEBT (CONTINUED)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

In July 2024, the School Districted entered into a subscription-based information technology arrangement for the use of the software component of equipment for a term of five (5) years. The initial subscription liability was recorded in the amount of $665,123. As of June 30, 2025, the value of the subscription liability was $518,759. The School District is required to make annual principal and interest payments of $146,364. The subscription does not have a specified interest rate. The Authority used its incremental borrowing rate of 5.02%. The subscription has a useful life equal to the remaining subscription term of four (4) years and the value of the right-to-use asset as of the end of the current fiscal year was $665,123 and had accumulated amortization of $133,024.

At June 30, 2025, payments due by fiscal year, which includes principal and interest, for the SBITA are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	$ 139,367	$ 26,041	$ 165,408
2027	132,706	20,001	152,707
2028	126,363	13,658	140,021
2029	120,323	6,997	127,320
	$ 518,759	$ 66,697	$ 585,456

NOTE 11 – ON-BEHALF PAYMENTS

The School District has recognized revenues and costs in the amount of $2,570,855 for retirement contributions paid on the School District's behalf by the following state agencies.

Georgia Department of Education
Paid to the Teachers Retirement System
for Teachers Retirement (TRS)
in the amount of $71,437

State Treasurer of the State of Georgia
Paid to the Public School Employees Retirement System
for Public School Employees Retirement (PSERS) Employer's Cost
in the amount of $243,795

State Treasurer of the State of Georgia
Paid to the State Health Benefit Plan
for State Health Benefit Employer's Cost
in the amount of $2,255,623

NOTE 12 – CONTINGENCIES

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 be material to the basic financial statements.

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. The School District believes that such disallowances, if any, will be immaterial to its overall financial position.

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 be material to the basic financial statements.

NOTE 13 – SIGNIFICANT COMMITMENTS

The School District has entered into various construction contracts. At year-end, the uncompleted and unpaid portion of these contracts totaled $5,936,838.

NOTE 14 – RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE TEACHERS RETIREMENT SYSTEM OF GEORGIA (TRS)

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

***Contributions*:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS were $24,081,428 for the year ended June 30, 2025.

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

District's proportionate share of the net pension liability	$	170,600,160
State of Georgia's proportionate share of the net pension liability associated with the District		531,346
Total	$	171,131,506

The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard rollforward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.678746%, which was an increase of 0.037825% from its proportion measured as of June 30, 2023.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

For the year ended June 30, 2025, the School District recognized pension expense of $31,986,512 and expense of $84,422 for support provided by the State of Georgia for certain support personnel. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,304,595	$ 509,888
Net difference between projected and actual earnings on pension plan investments	-	23,785,344
Changes in proportion and differences between District contributions and proportionate share of contributions	10,075,096	3,283,905
Actuarial assumption changes	11,867,826	-
District contributions subsequent to the measurement date	24,081,428	-
Total	$ 65,328,945	$ 27,579,137

School District contributions subsequent to the measurement date of $24,081,428 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2026	$ 6,135,191
2027	23,581,195
2028	(9,010,841)
2029	(7,037,165)
Total	$ 13,668,380

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

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

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 293,637,024	$ 170,600,160	$ 70,164,418

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

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS)

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

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

Upon retirement, the member will receive a monthly benefit of $16.00, 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.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

***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.

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

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 1,228,880

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

For the year ended June 30, 2025, the School District recognized pension expense of $284,230 and revenue of $284,230 for support provided by the State of Georgia.

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

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

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, with the exception of the assumed investment rate of return.

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

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

* Net of inflation

NOTE 14 – RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) (CONTINUED)

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

NOTE 15 – POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

***Plan description*:** The School District participates in the State of Georgia School Employees Postemployment Benefit Fund (School OPEB Fund), which is an Other Postemployment Benefit (OPEB) plan administered by the State of Georgia Department of Community Health (DCH). Certified teachers and non-certified 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 postemployment healthcare plan, reported as an employee trust fund of the State of Georgia and administered by a Board of Community Health (DCH Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board. The School OPEB Fund is included in the State of Georgia Annual Comprehensive Financial Report which is publicly available and can be obtained at https://sao.georgia.gov/statewide-reporting/acfr.

***Benefits*:** The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and 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.

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND (CONTINUED)

***Contributions*:** As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $6,115,803 for the year ended June 30, 2025. Of this amount, $2,255,623 was paid on behalf of the School by the State of Georgia, for a net contribution of $3,860,180. 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, 2025, the School District reported a liability of $99,456,414 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2025 was determined using standard rollforward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.872705%, which was an increase of 0.022087% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of $2,206,548. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ 647,436
Differences between expected and actual experience	4,877,171	17,958,223
Changes in proportion and differences between District contributions and proportionate share of contributions	6,956,197	58,772
Changes in plan assumptions	11,597,050	9,844,947
District contributions subsequent to the measurement date	3,860,180	-
Total	$ 27,290,598	$ 28,509,378

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

School District contributions subsequent to the measurement date of $3,860,180 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2026	$ (2,694,387)
2027	(4,075,152)
2028	(1,044,390)
2029	1,746,913
2030	924,054
2031	64,002
Total	$ (5,078,960)

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

Inflation	2.50%
Salary increases	3.00-8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Single equivalent interest rate	3.98%
Healthcare cost trend rate	
Pre-Medicare eligible	6.75%
Medicare eligible	6.75%
Ultimate trend rate	
Pre-Medicare eligible	4.50%
Medicare eligible	4.50%
Year of ultimate trend rate	2032

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

Mortality rates were based as follows:

- For TRS members: 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. 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.

- For PSERS members: Preretirement mortality rates were based on the Pub-2010 Below-Median 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 Below-Median Anmnuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection Scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection Scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median 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.

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

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

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

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.6
Equities	70.00%	9.1
Total	100.00%	

*Net of Inflation

***Discount rate*:** The discount rate was 3.98%, an increase from the prior year's rate of 3.68%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate (SEIR) of 3.98% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year, tax-exempt general obligation bonds with an average rating of AA or higher (3.93% per the Municipal Bond Index Rate). The projection of cashflows 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. Based on those assumptions, the plan's fiduciary net position was not projected to be available to make all projected future benefit payments to the current plan members. As a result, the SEIR of 3.98% was used as the discount rate to measure the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2128.

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net OPEB liability	$ 112,521,990	$ 99,456,414	$ 88,438,017

NOTE 15 – POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 85,936,018	$ 99,456,414	$ 116,071,423

NOTE 16 – TAX ABATEMENTS

Barrow County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. Through the Industrial Building Authority, property taxes of $262,574 were abated for a new business creating 315,000 square feet of manufacturing and distribution capabilities in the County. The abatement has seven (7) tax years remaining.

NOTE 17 – ACCOUNTING CHANGES

CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the School District is required to reevaluate the accounting treatment of compensated absences. The effect of the restatement is shown in the table below.

	Government-Wide
	Governmental Activities
June 30, 2024, as previously reported	$ 78,748,365
Restatement - change in accounting principle	(375,163)
June 30, 2024, as restated	$ 78,373,202

II. REQUIRED SUPPLEMENTARY INFORMATION

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2025 GENERAL FUND

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 73,350,659	$ 73,350,659	$ 75,451,954	$ 2,101,295
State funds	131,365,525	136,712,115	137,236,208	524,093
Federal funds	19,277,056	22,772,212	21,510,112	(1,262,100)
Charges for services	1,579,760	1,579,760	1,809,169	229,409
Investment income	1,150,000	1,154,877	4,094,226	2,939,349
Miscellaneous	3,396,315	9,122,974	10,204,834	1,081,860
Total revenues	230,119,315	244,692,597	250,306,503	5,613,906
EXPENDITURES				
Current:				
Instruction	155,251,227	159,231,435	151,399,565	7,831,870
Support services:				
Pupil services	12,375,311	13,768,054	12,488,137	1,279,917
Improvement of instructional services	12,125,787	12,002,022	11,253,496	748,526
Educational media services	3,209,446	3,310,206	3,070,491	239,715
General administration	3,107,328	4,163,535	4,125,745	37,790
School administration	12,344,377	11,985,463	11,895,030	90,433
Business administration	3,170,637	2,786,068	2,396,113	389,955
Maintenance and operation of plant	17,188,709	19,056,266	17,661,595	1,394,671
Student transportation services	12,956,337	14,281,037	14,269,614	11,423
Central support services	1,642,124	1,656,705	1,536,318	120,387
Other support services	1,265,449	1,482,433	1,374,944	107,489
Food services operation	11,639,974	11,714,115	12,944,559	(1,230,444)
Enterprise operation	47,799	4,646,203	4,630,208	15,995
Debt service:				
Principal	-	215,703	214,743	960
Interest and fees	-	57,161	57,161	-
Total expenditures	246,324,505	260,356,406	249,317,719	11,038,687
Excess (deficiency) of revenues over expenditures	(16,205,190)	(15,663,809)	988,784	16,652,593
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1,750	1,750
Transfers out	-	(120,000)	(120,000)	-
Total other financing sources (uses)	-	(120,000)	(118,250)	1,750
Net change in fund balances	(16,205,190)	(15,783,809)	870,534	16,654,343
FUND BALANCES, beginning of year	97,171,631	97,171,631	97,171,631	-
FUND BALANCES, end of year	$ 80,966,441	$ 81,387,822	$ 98,042,165	$ 16,654,343

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

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	0.678746%	0.640921%	0.670439%	0.628205%	0.604654%
School District's proportionate share of the net pension liability	$ 170,600,160	$ 189,227,407	$ 217,704,503	$ 55,560,542	$ 146,470,865
State of Georgia's proportionate share of the net pension liability associated with the School District	531,346	620,010	699,445	170,430	432,881
Total	$ 171,131,506	$ 189,847,417	$ 218,403,948	$ 55,730,972	$ 146,903,746
School District's covered payroll	$ 105,832,548	$ 93,420,951	$ 90,648,077	$ 81,886,128	$ 77,956,873
School District's proportionate share of the net pension liability as a percentage of its covered payroll	161.20%	202.55%	240.16%	67.85%	187.89%
Plan fiduciary net position as a percentage of the total pension liability	80.86%	76.29%	72.85%	92.03%	77.01%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.599882%	0.594719%	0.607629%	0.604041%	0.599864%
School District's proportionate share of the net pension liability	$ 128,990,851	$ 110,392,585	$ 112,929,721	$ 124,620,393	$ 91,322,881
State of Georgia's proportionate share of the net pension liability associated with the School District	519,935	471,850	411,850	528,982	393,997
Total	$ 129,510,786	$ 110,864,435	$ 113,341,571	$ 125,149,375	$ 91,716,878
School District's covered payroll	$ 73,210,239	$ 70,834,997	$ 69,769,874	$ 66,257,253	$ 63,318,867
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.19%	155.84%	161.86%	188.09%	144.23%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 24,081,428	$ 21,145,343	$ 18,665,506	$ 17,957,384	$ 15,607,496
Contributions in relation to the contractually required contributions	24,081,428	21,145,343	18,665,506	17,957,384	15,607,496
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 115,887,526	$ 105,832,548	$ 93,420,951	$ 90,648,077	$ 81,886,128
Contributions as a percentage of covered payroll	20.78%	19.98%	19.98%	19.81%	19.06%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 16,480,083	$ 15,300,940	$ 11,907,363	$ 9,956,161	$ 9,454,910
Contributions in relation to the contractually required contributions	16,480,083	15,300,940	11,907,363	9,956,161	9,454,910
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 77,956,873	$ 73,210,239	$ 70,834,997	$ 69,769,874	$ 66,257,253
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%

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

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	1,228,880	1,601,577	2,043,478	205,256	1,376,813
Total	$ 1,228,880	$ 1,601,577	$ 2,043,478	$ 205,256	$ 1,376,813
School District's covered-employee payroll	$ 7,946,276	$ 6,373,242	$ 5,350,942	$ 3,962,124	$ 4,398,876
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.02%	85.67%	81.21%	98.00%	84.45%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	1,121,419	1,057,943	951,640	1,194,924	818,369
Total	$ 1,121,419	$ 1,057,943	$ 951,640	$ 1,194,924	$ 818,369
School District's covered-employee payroll	$ 3,480,686	$ 3,346,275	$ 3,308,496	$ 2,662,255	$ 2,675,995
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%

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

	2025	2024	2023	2022	2021
School District's proportion of the net OPEB liability	0.872705%	0.850618%	0.832100%	0.818321%	0.794617%
School District's proportionate share of the net OPEB liability	$ 99,456,414	$ 93,171,696	$ 82,404,377	$ 88,630,934	$ 116,710,732
Total	$ 99,456,414	$ 93,171,696	$ 82,404,377	$ 88,630,934	$ 116,710,732
School District's covered-employee payroll	$ 91,598,438	$ 81,861,734	$ 74,977,987	$ 66,621,360	$ 67,527,048
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.58%	113.82%	109.90%	133.04%	172.84%
Plan fiduciary net position as a percentage of the total OPEB liability	6.88%	6.05%	6.17%	6.14%	3.99%

	2020	2019	2018
School District's proportion of the net OPEB liability	0.779600%	0.784842%	0.788795%
School District's proportionate share of the net OPEB liability	$ 95,673,646	$ 99,751,009	$ 110,825,380
Total	$ 95,673,646	$ 99,751,009	$ 110,825,380
School District's covered-employee payroll	$ 63,069,248	$ 62,419,661	$ 61,303,196
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	151.70%	159.81%	180.78%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

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

BARROW COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 3,860,180	$ 3,569,179	$ 3,270,147	$ 3,008,667	$ 3,044,017
Contributions in relation to the contractually required contributions	3,860,180	3,569,179	3,270,147	3,008,667	3,044,017
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 101,475,587	$ 91,598,438	$ 81,861,734	$ 74,977,987	$ 66,621,360
Contributions as a percentage of covered-employee payroll	3.80%	3.90%	3.99%	4.01%	4.57%

	2020	2019	2018	2017
Contractually required contributions	$ 2,687,210	$ 4,198,686	$ 4,067,758	$ 4,112,840
Contributions in relation to the contractually required contributions	2,687,210	4,198,686	4,067,758	4,112,840
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 67,527,048	$ 63,069,248	$ 62,419,661	$ 61,303,196
Contributions as a percentage of covered-employee payroll	3.98%	6.66%	6.52%	6.71%

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

Teachers Retirement System of Georgia:

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

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

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

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

Public Schools Employees Retirement System of Georgia:

***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 three years for males and two years for females).

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

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

School OPEB Fund:

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

Changes in assumptions: 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 Systems experience study.

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

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

June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect to 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% of June 30, 2019, to 2.22% as of June 30, 2020, to 3.57% as of June 30, 2023, to 3.68% as of June 30, 2024, and to 3.98% as of June 30, 2025.

III. OTHER SUPPLEMENTARY INFORMATION

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

Project	Original Estimated Cost [1]	Current Estimated Cost [2]	Expended In Prior Years [3]	Expended In Current Year [3]	Total Completion Cost	Project Status
SPLOST 6: (i) the acquisition, construction, and equipping of new schools and facilities, including but not limited to new school buildings, physical education/athletic facilities and equipment, classrooms, lunchrooms, gymnasiums, and auditoriums, renovations and equipment for existing facilities, and the acquisition and purchase of any property necessary and desirable therefore, both real and personal property, including but not limited to technology, safety and security equipment, buses, vehicles, and transportation facilities and equipment; (ii) paying capitalized interest on the Bonds; and (iii) paying the costs of issuing the Bonds; and shall a special one percent sales and use tax for educational purposes be continued in the Barrow County for a period of time not to exceed 20 calendar quarters and for the raising of not more than $75,000,000 for the purpose of: (i) providing funds to finance the Projects directly or through the payment of a portion of the debt service on the Bonds, and (ii) paying debt service on the outstanding Barrow County School District General Obligation Bonds, Series 2010; Barrow County School District General Obligation Bonds, Series 2012A; Barrow County School District General Obligation Bonds, Series 2014; the Barrow County School District General Obligation Bonds, Series 2016; and the Barrow County School District General Obligation Bonds, Series 2017, coming due August 1, 2022 through and including February 1, 2027, the maximum amount to be retired not to exceed $41,708,445.	$ 75,000,000	$ 75,000,000	$ 42,273,533	$ 23,770,630	$ 66,044,163	Ongoing
Total	$ 75,000,000	$ 75,000,000	$ 42,273,533	$ 23,770,630	$ 66,044,163	

[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 project(s). Includes all cost from project inception to completion.

[3] The voters of Barrow 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.

BARROW COUNTY BOARD OF EDUCATION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND *GOVERNMENT AUDITING STANDARDS*

FISCAL YEAR ENDED JUNE 30, 2025

BARROW COUNTY BOARD OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Page Number

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*.....1 and 2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE 3-6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....7 and 8

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS..... 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....9 and 10

SCHEDULE OF PRIOR AUDIT FINDINGS..... 11

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Barrow County Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Barrow County Board of Education's basic financial statements, and have issued our report thereon dated December 8, 2025. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.*

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 8, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Barrow County Board of Education
Winder, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Barrow County Board of Education's (the "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 District's major federal programs for the year ended June 30, 2025. The 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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 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 District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 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 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 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 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 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the Barrow County Board of Education as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 8, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 3, 2026 except for our report on the Schedule of Expenditures
of Federal Awards, for which the date is December 8, 2025.

BARROW COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	10.553	255GA324N1199	$ 2,704,654
National School Lunch Program:			
Non-Cash Assistance - Commodities [1]	10.555	245GA324N1199	650,228
Cash Assistance	10.555	245GA324N1199	5,252,522
School Snack Program	10.555	245GA324N1099	260,592
Total Child Nutrition Cluster			8,867,996
State Administrative Expenses for Child Nutrition	10.560	255GA904N2533	10,870
Total U.S. Department of Agriculture			8,878,866
U.S. DEPARTMENT OF DEFENSE			
R.O.T.C. Language and Culture Training Grants	12.357	N/A	156,679
Total U.S. Department of Defense			156,679
U.S. DEPARTMENT OF EDUCATION			
Direct			
School Safety National Activities	84.184S	N/A	747,703
Passed Through the Georgia Department of Education:			
Comprehensive Literacy Development	84.371C	S371C190016-19A	1,210,392
Title I, Part A - Grants to Local Education Agencies	84.010	S010A230010	276,024
Title I, Part A - Grants to Local Education Agencies	84.010	S010A240010	2,492,899
			2,768,923
Title I, Part C - Migrant Education State Grant Program	84.011	S011A230011	9,461
Title I, Part C - Migrant Education State Grant Program	84.011	S011A240011	31,781
			41,242
Title II-A Program			
Title II-A - Supporting Effective Instruction State Grants	84.367	S367A240001	471,440
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027A	H027A230073	98,189
Special Education Grants to States	84.027A	H027A240073	3,961,515
Special Education Preschool Grants	84.173A	H173A230081	15,673
Special Education Preschool Grants	84.173A	H173A240081	97,588
Total Special Education Cluster (IDEA)			4,172,965
Title III Program			
Title III - English Language Acquisition State Grants	84.365A	S365A230010	29,410
Title III - English Language Acquisition State Grants	84.365A	T365A240010	224,908
			254,318

(Continued)

BARROW COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (Continued):			
Passed Through Georgia Department of Education (continued):			
Education for the Homeless Children and Youth	84.196	S196A240011	$ 52,425
Career and Technical Education - Basic Grants to States	84.048A	V048A230010	5,346
Career and Technical Education - Basic Grants to States	84.048A	V048A240010	127,076
			132,422
Title IV - Part A Student Support and Academic Enrichment Program	84.424A	S424A230011	254
Title IV - Part A Student Support and Academic Enrichment Program	84.424A	S424A240011	210,065
Title IV - Part A Student Support and Academic Enrichment Program	84.424F	S424F230011	100,000
Total Title IV Program			310,319
Education Stabilization Fund			
COVID-19: American Rescue Plan Elementary & Secondary School Emergency Relief Fund	84.425U	S425U210012	2,249,985
COVID-19: ESSER ARP - Homeless Children and Youth	84.425W	S425W210011	62,434
Total Education Stabilization Fund			2,312,419
Total Passed Through Georgia Department of Education			11,726,865
Total U.S. Department of Education			12,474,568
Total Expenditures of Federal Awards			$ 21,510,113

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

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

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

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

BARROW COUNTY BOARD OF EDUCATION

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

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major program:

Name of Federal Program or Cluster	Assistance Listing Number
Child Nutrition Cluster	10.553 & 10.555

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ yes ___no

BARROW COUNTY BOARD OF EDUCATION

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BARROW COUNTY BOARD OF EDUCATION

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR FINDINGS

None reported.