COWETA COUNTY BOARD OF EDUCATION

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:
Business Services Department

237 Jackson Street
Newnan, Georgia 30263

COWETA COUNTY BOARD OF EDUCATION

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

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Coweta County Board of Education** ("the School System") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School System'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 ("MD&A") on pages 5 through 15, the Schedules of Proportionate Share of Net Pension Liabilities, the Schedules of Pension Contributions, the Schedule of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB contributions, on pages 63 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The accompanying combining fiduciary financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia Annotated §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fiduciary financial statements, the Schedule of Expenditures of Federal Awards, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026, on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System'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 Coweta County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2026

COWETA COUNTY BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The Management's Discussion and Analysis ("MD&A") of the Coweta County Board of Education's (the "School System") financial performance provides an overall review of the School System's financial activities for the fiscal year ended June 30, 2025. The intent of this MD&A is to look at the School System's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School System's financial performance. Comparative data is provided for fiscal year 2025 and fiscal year 2024.

Financial Highlights

Key financial highlights for 2025 are as follows:

In total, net position increased $41.6 million which represents an 18.1% increase from 2024. This total increase was due to governmental activities since the School System has no business-type activities and is related to an increase in current and other assets and a reduction in net OPEB and Pension liabilities.

- General revenues accounted for $209.1 million in revenue, or 50.4%, of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $205.4 million, or 49.6%, of total revenues of $414.5 million.

- The School System had $372.9 million in expenses related to governmental activities; only $205.4 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $209.1 million were adequate to provide for these programs.

- Among major funds, the General Fund had $354.3 million in revenues, and $349.7 million in expenditures. The General Fund's fund balance increased to $57.7 million from $54.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A, the basic financial statements and required supplementary information. The basic financial statements include two levels of statements that present different views of the School System. 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 System presenting both short-term and long-term information about the overall financial status.

The fund financial statements focus on individual parts, reporting the School System's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School System acts solely as a trustee or agent for the benefit of others.

The fund financial statements reflect the School System's most significant funds. For the year ended June 30, 2025, the General Fund and the Capital Projects Fund represent the most significant funds.

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

Government-wide Statements

The government-wide statements report information about the School System as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School System's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School System's net position and how it has changed. Net position, the difference between the School System's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the School System's overall financial health or position. Over time, increases or decreases in net position are an indication of whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School System's control, such as the property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School System has one distinct type of activity:

- Governmental Activities – All of the School System's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, student activity accounts and various others.

Fund Financial Statements

The School System's fund financial statements provide detailed information about the most significant funds, not the School System as a whole. Some funds are required by State law and some by bond requirements. The School System's major governmental funds are the General Fund and the Capital Projects Fund.

Governmental Funds – Most of the School System's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting**,** which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School System's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

Fiduciary Funds – The School System is the trustee, or fiduciary, for assets that belong to others, such as school clubs and organizations within the principals' accounts. The School System is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School System excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School System as a whole. Table 1 provides a summary of the School System's net position for fiscal years 2025 and 2024.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Assets		
Current and Other Assets	**$ 204,372,954**	$ 167,139,707
Capital Assets, Net	**486,159,449**	487,661,260
Total Assets	**690,532,403**	654,800,967
Deferred outflows of resources	**119,298,308**	144,278,547
Liabilities		
Current and Other Liabilities	**47,147,743**	59,161,371
Long-term Liabilities	**409,780,614**	447,103,412
Total Liabilities	**456,928,357**	506,264,783
Deferred inflows of resources	**81,904,569**	63,405,668
Net Position		
Net Investment in Capital Assets	**484,039,747**	481,299,587
Restricted	**89,402,957**	46,848,245
Unrestricted	**(302,444,919)**	(298,738,769)
Total Net Position	**$ 270,997,785**	$ 229,409,063

Total assets and deferred outflows of resources increased by $10.8 million. There was an increase in investments, a decrease in capital assets, and there was a decrease in deferred outflows of resources. The decrease in capital assets is due to an increase in current year depreciation expense which exceeded the total increase in asset additions. The most significant increase in capital assets is the completion of the rebuild of Newnan High School. In addition, softball field houses were completed at East Coweta High School, Northgate High School, and Newnan High School. New buses and vehicles were purchased, and the School System continued the investment into educational technology by purchasing new interactive panels and Chrome books.

The decrease in the deferred outflows of resources is in connection with the School System's proportionate share of the net pension liability for the Teachers' Retirement System of Georgia and the Employees' Retirement System of Georgia and the School System's proportionate share of the net OPEB liability for the School OPEB Fund.

Total liabilities and deferred inflows of resources decreased by $30.8 million, primarily due to a decrease in the net pension liability, and a decrease in contracts payable and retainage payable. Accounts payable and accrued payroll and payroll withholdings decreased in fiscal year 2025. There was an increase in the liabilities associated with workers compensation claims and compensated absences.

Table 2 shows the changes in net position for fiscal years ended June 30, 2025 and June 30, 2024.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Revenues		
Program Revenues:		
Charges for Services and Sales	**$ 5,435,962**	$ 4,982,702
Operating Grants and Contributions	**181,073,250**	172,132,172
Capital Grants and Contributions	**18,890,423**	1,884,239
Total Program Revenues	**205,399,635**	178,999,113
General Revenues:		
Taxes:		
Property Taxes for Maintenance and Operations	**152,481,659**	142,037,280
Sales Taxes:		
Special Purpose Local Option Sales Tax	**40,157,344**	39,460,805
Other Sales Tax	**3,348,541**	2,837,816
Other Taxes	**95,521**	102,595
Local School Activity	**5,360,761**	4,740,661
Investment Earnings	**6,477,618**	6,862,521
Miscellaneous	**1,147,481**	50,016
Total General Revenues	**209,068,925**	196,091,694
Extraordinary item	**-**	3,250,000
Total Revenues	**414,468,560**	378,340,807
Program Expenses		
Instruction	**240,381,786**	244,686,473
Support Services:		
Pupil Services	**15,177,128**	14,732,840
Improvement of Instructional Services	**6,791,435**	5,995,410
Educational Media Services	**4,505,965**	4,649,012
General Administration	**1,226,766**	1,122,983
School Administration	**23,026,112**	25,485,056
Business Administration	**2,714,593**	2,621,364
Maintenance and Operation of Plant	**32,526,082**	26,606,830
Student Transportation Services	**18,774,339**	17,209,444
Central Support Services	**3,808,561**	3,409,272
Other Support Services	**3,716,438**	1,208,873
Operations of Non-Instructional Services:		
Enterprise Operations	**1,684,313**	1,284,318
Community Services	**16,626,556**	1,822,650
Food Services	**1,919,764**	15,228,880
Total Expenses	**372,879,838**	366,063,405
Increase in Net Position	**$ 41,588,722**	$ 12,277,402

Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions increased $26.4 million for governmental activities. This increase is largely due to an increase in state and federal grants within Capital Projects, and an increase in state revenue within the General Fund.

General revenues increased by $9.7 million during fiscal year 2025, due to an increase in property tax revenues, an increase in sales tax revenue associated with the School System's Education Special Purpose Local Option Sales Tax ("ESPLOST"). The School System received less in investment earnings in fiscal year 2025 as compared to fiscal year 2024.

Governmental Activities

Governmental program expenses are comprised of the following: Instruction 64.5%, Support Services 30.1%, and Operations of Non-Instructional Services 5.5%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services comparing fiscal year 2025 with fiscal year 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		**Net Cost of Services**	
	Fiscal Year 2025	Fiscal Year 2024	**Fiscal Year 2025**	Fiscal Year 2024
Program Expenses				
Instruction	**$ 240,381,786**	$ 244,686,473	**$ (85,963,543)**	$ (105,769,970)
Support Services:				
Pupil Services	**15,177,128**	14,732,840	**(13,785,412)**	(12,864,373)
Improvement of Instructional Services	**6,791,435**	5,995,410	**(4,198,456)**	(3,440,628)
Educational Media Services	**4,505,965**	4,649,012	**(4,091,499)**	(4,570,748)
General Administration	**1,226,766**	1,122,983	**2,226,370**	1,981,200
School Administration	**23,026,112**	25,485,056	**(16,592,687)**	(19,197,370)
Business Administration	**2,714,593**	2,621,364	**(2,273,870)**	(2,599,056)
Maintenance and Operation of Plant	**32,526,082**	26,606,830	**(19,735,819)**	(19,313,997)
Student Transportation Services	**18,774,339**	17,209,444	**(10,419,766)**	(12,382,458)
Central Support Services	**3,808,561**	3,409,272	**(3,782,443)**	(3,375,526)
Other Support Services	**3,716,438**	1,208,873	**(3,716,438)**	(1,208,873)
Operations of Non-Instructional Services:				
Enterprise Operations	**1,684,313**	1,284,318	**(1,655,126)**	(1,284,318)
Community Services	**16,626,556**	1,822,650	**(3,296,594)**	(142,563)
Food Services	**1,919,764**	15,228,880	**(194,920)**	(2,895,612)
Total Expenses	**$ 372,879,838**	$ 366,063,405	**$ (167,480,203)**	$ (187,064,292)

Although program revenues make up a majority of the revenues, the School System is still dependent upon tax revenues for governmental activities. Taxes and other general revenues support 43.2% of instructional activities; for all governmental activities, general revenue support is 51.1%.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM'S FUNDS

The School System's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $354.3 million, and expenditures and other financing uses of $350.9 million.

The net change in fund balance in the Capital Projects Fund was an increase of $48.1 million primarily due to a decrease in expenditures due to the completion of the rebuild of Newnan High School and other projects. The Capital Projects fund also had an increase in State revenue related to the rebuild of Newnan High School, and an increase in federal review related to ERATE reimbursements. Special Purpose Local Option Sales Tax ("SPLOST") revenue increased in fiscal year 2025 when compared to fiscal year 2024.

The net change in fund balance in the General Fund was an increase of $3.4 million. The increase in the General Fund for the year is due to a combination of an increase in local and state revenue and effective budgeting of expenses in the General Fund.

General Fund Budgeting Highlights

The School System'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 System amended its General Fund budget as needed. The School System uses site-based budgeting. The budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budgeted revenues of $349.4 million exceeded the original budgeted amount of $332.0 million by $17.4 million. This difference was due to an increase in miscellaneous revenues of $13.6 million, an increase in state revenues of $0.5 million, and an increase in federal revenues of $3.3 million. The local revenues budget increased due to the inclusion of the principals' accounts in our financial statements and for increased Title Ad Valorem Tax collections. The state revenues increased due to the inclusion of the on-behalf payments and state grants, and the federal revenues increased due to an increase in the federal grants. Actual revenues of $354.3 million exceeded the final budgeted revenues of $349.4 million by $4.9 million.

The final budgeted expenditures of $348.1 million exceeded the original budgeted amount of $337.3 million by $10.8 million. The majority of this difference was due to a large increase in instruction, which included an increase due to the inclusion of the principals' accounts in our financial statements. Enterprise activities increased by $1.5 million due to the inclusion of the principals' accounts in our financial statements. The budgeted ending fund balance increased $1.4 million. The actual expenditures of $349.7 million was $1.6 million more than budgeted. Actual General Fund revenues exceeded expenses by $4.6 million.

Please visit the School System's website for additional information related to the fiscal year 2025 budget (https://www.cowetaschools.net/en-US/budget-financial-and-splost-information-d552ca8e)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the School System had $486.2 million invested in capital assets, all in governmental activities. Table 4 shows fiscal year 2025 balances compared with fiscal year 2024 balances.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Land	**$ 11,488,913**	$ 11,488,913
Construction in Progress	**3,289,913**	96,280,566
Buildings and Improvements	**380,971,658**	289,963,285
Machinery and equipment	**48,016,027**	45,450,056
Right-to-use subscription asset	**868,138**	1,157,518
Land Improvements	**41,524,800**	43,320,922
Total	**$ 486,159,449**	$ 487,661,260

Construction in progress decreased primarily due to the completion of Newnan High School and new softball field houses at all three high schools. Equipment increased due to the purchase of new buses, vehicles, and technology used throughout the School System. Land Improvements decreased due to current year depreciation expense resulting in a reduction of net book value.

Debt

At June 30, 2025, the School System's long-term liabilities consisted of compensated absences outstanding of $1.6 million and a workers' compensation liability of $2.7 million. Of these amounts, the amount of debt that is considered due within one year is $1.2 million for compensated absences and $0.5 million for workers' compensation.

The net OPEB liability and the net pension liability in fiscal year 2025 is $147.5 million and $259.7 million, respectively.

CURRENT ISSUES

Economic Outlook

Coweta County, Georgia continues to experience strong economic performance as of June 30, 2025. Growth remains driven by its proximity to the Atlanta metropolitan region and persistent increases in population, business development, and industrial investment. Manufacturing, health services, logistics, construction, and retail continue to anchor local economic activity. The county benefits from a well-developed transportation network, including access to Interstate 85 and freight rail corridors, which supports mobility for labor and goods.

The county has maintained a business-friendly climate that attracts commercial investment. Workforce development partnerships and quality-of-life initiatives continue supporting economic and population growth, benefiting local education funding and enrollment stability.

Population Trends

Coweta County's population has continued to grow steadily over the past fifteen years, increasing from approximately 128,000 in 2010 to an estimated 158,000 in 2024, with projections indicating the County will exceed 160,000 residents in 2025 (according to the Federal Reserve Economic Data). This represents total growth of roughly 24 % since 2010, or about 1.5 % annually on average. After a modest decline in the 2020 estimate associated with the decennial census cycle, population growth rebounded between 2021 and 2023 before moderating slightly in 2024. Overall, Coweta County's sustained population expansion reflects ongoing residential development and continued in-migration within the Atlanta metropolitan area, contributing to increased demand for public services, school capacity, transportation infrastructure, and long-term capital investment planning.

Enrollment Trends

The School System's student count decreased slightly in fiscal year 2025. In the spring of 2025, total enrollment was 22,910 students. In the spring of 2024 and 2023, student enrollment was 22,970 and 23,036, respectively. Recent enrollment was in line with School System projections, made in collaboration with local officials and consultants. Flat growth was the result of lower local birth rates, lower rates of net county in-migration, and new home growth at higher price-points (less likely to be purchased by young families). Education Planners, LLC, a demographic consulting firm, worked with local planning and officials and state and national demographic studies to provide the School System with enrollment projections. The firm noted a rebound in live birth rates in the County and an increase in housing permits, and projected trends of moderately higher family growth and a return of residential in-migration. The School System continues to work with Education Planner, LLC, to track projected enrollment growth in order for the School System to plan accordingly for future staffing and capital projects planning.

Labor Market Conditions

According to the Georgia Department of Labor, the Three Rivers Region experienced unemployment rates of 3.6% in March 2025, 3.0% in April 2025, 3.4% in May 2025, and 3.6% in June 2025. The Three Rivers Region includes Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, and Upson counties. In Coweta County, the unemployment rate for March, April, May, and June 2025 was 3.4%, 2.9%, 3.4%, and 3.3% according to the Economic Research Federal Reserve Bank of St. Louis (https://fred.stlouisfed.org/series/GACOWE7URN). The Georgia Department of Labor reports the labor force in Coweta equal to 80,140 in July 2025 (revised) compared to 80,088 in August 2024 (revised). Current data shows the unemployment rate in Coweta County as of August 2025 to be 3.2% (preliminary), which is lower than the Three Rivers Region rate of 3.4% and the State of Georgia's rate of 3.6% (not seasonally adjusted). Seasonally adjusted data by the Georgia Department of Labor reports the State of Georgia's unemployment rate as 3.4% for August 2025 (preliminary).

Major Economic Sectors

In Coweta County, the five largest sectors in the region include manufacturing, healthcare, retail, logistics, and construction. Recent developments for new companies and expansions by existing companies in Coweta County are highlighted below.

- **Lee Kum Kee** — In 2025, Lee Kum Kee announced a $22 million investment to open a facility in Coweta County. The plant is reportedly the company's first U.S.-dedicated soy-sauce production facility, with a planned capacity of 8,000 tons annually. (https://www.hereaugusta.com/2025/10/15/lee-kum-kee-investment-coweta-county/)

- **ShakerShutters.com** — In early 2025, ShakerShutters opened a new distribution center in Coweta County. The facility supports shutter fabrication and distribution, expanding the manufacturing/warehouse footprint in the area. (https://newnanceo.com/features/2025/04/shakershutterscom-opens-new-distribution-center-coweta-county-ga/)

- **Hyundai Industrial Co., Ltd.** — As of late 2023, this global automotive-supplier firm committed to a new manufacturing site in Coweta, investing over $24 million and promising about 100 new jobs. The facility will produce auto-parts (e.g., armrests and headrests) for OEMs. (https://augustaceo.com/news/2023/11/hyundai-kia-supplier-invest-manufacturing-facility-coweta-news/)

- **Kaiser Permanente** — The healthcare giant is expanding services in Coweta County: they are building a new 36,000-sq-ft medical center (Fischer Crossings Medical Center), scheduled to open in fall 2026. That signals a continued rise in health-care infrastructure and related employment in the county. (https://about.kaiserpermanente.org/news/press-release-archive/kaiser-permanente-expands-health-care-access-coweta-county) The healthcare sector remains a critical component of Coweta's economy.

Other industry highlights in Coweta County:

- Retail and Tourism: Retail continues to thrive alongside tourism-related activities, benefiting from Coweta's historical landmarks and events that draw visitors. The downtown areas, especially in Newnan, support a vibrant retail and service sector.

- Logistics: Strategic location near Interstate 85 enhances Coweta County's logistics and warehousing industries, with companies leveraging its proximity to Atlanta and major transport hubs.

- Construction and Real Estate: Construction activity is booming due to population growth and infrastructure development, spurred by residential and commercial demand.

These industries, coupled with strategic investments and a business-friendly environment, position Coweta County for sustainable economic expansion in the coming years.

Housing Market Conditions

Real estate activity in Coweta County remained active through mid-2025. According to multiple real-estate market data providers, median home prices ranged $390,000 – $610,000 depending on location and home type. New construction was particularly strong in Senoia, Sharpsburg, and northern Coweta. Average days on market generally ranged between 35 – 75 days. Higher mortgage rates in 2024 – 2025 contributed to a slight slowdown in home sales volume (similar to state and national trends), but price levels remained steady due to limited supply and continued demand.

Property Tax Legislation and School Funding Decisions

In February 2025, the Coweta County School Board made the strategic decision to opt out of House Bill 581 (“HB 581”), legislation that would have imposed state-mandated limits on local property tax revenues. The Board determined that the caps outlined in HB 581 could restrict the County’s ability to maintain adequate funding levels for schools, potentially impacting educational programs, staffing, and operational flexibility. By opting out, the Board retained local control over fiscal policy, ensuring that the School System could continue to provide high-quality educational services while responding to the specific needs of the Coweta County community.

To balance fiscal responsibility with taxpayer relief, the Board simultaneously adopted a local alternative approach. This included expanded homestead exemptions for senior citizens. The opt out of HB 581 allows the School System to safeguard sustainable funding for core educational initiatives while providing targeted tax relief, particularly for senior homeowners, demonstrating the Board’s commitment to both financial stewardship and community responsiveness.

In the November 2025 election, Coweta County voters approved SPLOST VII, continuing the one-cent Special Purpose Local Option Sales Tax to fund critical school needs, infrastructure, and capital projects throughout the school system. The referendum ensures continued local funding for educational facilities, transportation purchases, and other capital needs, supporting the long-term growth and operational needs of the School System and broader community.

Simultaneously, voters approved an expansion of the senior-citizen homestead property tax exemption for school taxes. Beginning in 2026, homeowners aged 75 and older will receive a full exemption from school taxes, while those aged 65 – 74 will receive increased exemption thresholds. These measures reflect the community's support for balancing continued investment in public services with targeted tax relief for senior residents, ensuring sustainable funding while responding to the needs of an aging population.

Conclusion

The Coweta County School System is actively addressing current issues and trends through strategic planning and community engagement to ensure it remains equipped to meet educational and operational goals in the coming years.

The Coweta County School is Committed to Student Success.

Contacting the School System's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School System's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, you may contact:

W. Keith Chapman, CPA, Assistant Superintendent for Financial Services
Coweta County Board of Education
237 Jackson Street
Newnan, Georgia 30263

You may also email your questions to keith.chapman@cowetaschools.net

BASIC FINANCIAL STATEMENTS

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 18,113,726
Investments	155,418,279
Receivables:	
Taxes	6,453,500
Accounts	33,477
Intergovernmental	23,134,494
Inventories	351,339
Prepaid items	868,139
Capital assets, nondepreciable	14,778,826
Capital assets, depreciable (net of accumulated depreciation)	471,380,623
Total assets	690,532,403
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	84,633,674
Other post-employment benefits	34,664,634
Total deferred outflows of resources	119,298,308
LIABILITIES	
Accounts payable	2,648,702
Accrued payroll and payroll withholdings	41,124,042
Contracts payable	1,433,145
Retainage payable	233,661
Workers' compensation claims payable due within one year	548,181
Workers' compensation claims payable due in more than one year	2,165,686
Compensated absences due within one year	1,160,012
Compensated absences due in more than one year	477,288
Net post-employment benefit liability, due in more than one year	147,517,849
Net pension liability, due in more than one year	259,619,791
Total liabilities	456,928,357
DEFERRED INFLOWS OF RESOURCES	
Pensions	39,692,268
Other post-employment benefits	42,212,301
Total deferred inflows of resources	81,904,569
NET POSITION	
Net investment in capital assets	484,039,747
Restricted for capital projects	89,048,220
Restricted for continuation of federal programs	354,737
Unrestricted	(302,444,919)
Total net position	$ 270,997,785

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

COWETA COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 240,381,786	$ 859,245	$ 142,633,555	$ 10,925,443	$ (85,963,543)
Pupil services	15,177,128	-	1,391,716	-	(13,785,412)
Improvement of instructional services	6,791,435	-	2,578,486	14,493	(4,198,456)
Educational media services	4,505,965	-	91,115	323,351	(4,091,499)
General administration	1,226,766	-	3,447,878	5,258	2,226,370
School administration	23,026,112	-	6,356,376	77,049	(16,592,687)
Business services	2,714,593	-	10,592	430,131	(2,273,870)
Maintenance and operations	32,526,082	9,000	8,084,627	4,696,636	(19,735,819)
Student transportation	18,774,339	-	6,731,585	1,622,988	(10,419,766)
Central support services	3,808,561	-	14,452	11,666	(3,782,443)
Other support services	3,716,438	-	-	-	(3,716,438)
Enterprise operations	1,684,313	-	-	29,187	(1,655,126)
School nutrition	16,626,556	2,974,943	9,717,883	637,136	(3,296,594)
Community services	1,919,764	1,592,774	14,985	117,085	(194,920)
Total governmental activities	$ 372,879,838	$ 5,435,962	$ 181,073,250	$ 18,890,423	(167,480,203)
General revenues:					
Property taxes					152,481,659
Sales taxes, for capital projects					40,157,344
Other sales taxes					3,348,541
Other taxes					95,521
Local school activity					5,360,761
Unrestricted investment earnings					6,477,618
Miscellaneous					1,147,481
Total general revenues					209,068,925
Change in net position					41,588,722
Net position, beginning of year					229,409,063
Net position, end of year					$ 270,997,785

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

COWETA COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	$ 9,575,833	$ 8,537,893	$ 18,113,726
Investments	65,360,424	90,057,855	155,418,279
Receivables:			
Taxes	3,050,016	3,403,484	6,453,500
Accounts	33,477	-	33,477
Intergovernmental	23,134,494	-	23,134,494
Prepaid items	785,850	82,289	868,139
Inventories	351,339	-	351,339
Total assets	$ 102,291,433	$ 102,081,521	$ 204,372,954
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 2,195,806	$ 452,896	$ 2,648,702
Contracts payable	-	1,433,145	1,433,145
Retainage payable	-	233,661	233,661
Accrued payroll and payroll withholdings	41,124,042	-	41,124,042
Total liabilities	43,319,848	2,119,702	45,439,550
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	1,195,326	-	1,195,326
Unavailable revenue - grants	56,656	-	56,656
Total deferred inflows of resources	1,251,982	-	1,251,982
FUND BALANCES			
Fund balances:			
Nonspendable for:			
Inventories	351,339	-	351,339
Prepaid Assets	785,850	82,289	868,139
Restricted for:			
Continuation of federal programs	3,398	-	3,398
Capital projects	-	89,048,220	89,048,220
Committed:			
Self-insurance	7,043,493	-	7,043,493
School activity accounts	3,917,971	-	3,917,971
Assigned:			
Local capital outlay projects	-	10,831,310	10,831,310
After school program	1,068	-	1,068
Subsequent year's budget	1,592,392	-	1,592,392
Unassigned	44,024,092	-	44,024,092
Total fund balances	57,719,603	99,961,819	157,681,422
Total liabilities, deferred inflows of resources and fund balances	$ 102,291,433	$ 102,081,521	$ 204,372,954

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

COWETA COUNTY BOARD OF EDUCATION

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

Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported in the Balance Sheet of governmental funds due to the following:		
Fund balances - total governmental funds		$ 157,681,422
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets	$ 654,448,575	
Accumulated depreciation/amortization	(168,289,126)	486,159,449
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
	$	
Property taxes	1,195,326	
Grants	56,656	1,251,982
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. Long-term liabilities at year-end consist of the following:		
Deferred outflows - pensions	$ 84,633,674	
Deferred outflows - OPEB	34,664,634	
Deferred inflows - pensions	(39,692,268)	
Deferred inflows - OPEB	(42,212,301)	
Net pension liability	(259,619,791)	
Net OPEB liability	(147,517,849)	
Workers' compensation claims payable	(2,713,867)	
Compensated absences payable	(1,637,300)	(374,095,068)
Net position - governmental activities.		$ 270,997,785

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

COWETA COUNTY BOARD OF EDUCATION

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

	General	Capital Projects	Total Governmental Funds
REVENUES			
Local sources	$ 167,586,526	$ 40,157,344	$ 207,743,870
State sources	154,648,152	11,929,649	166,577,801
Federal sources	28,926,673	6,960,774	35,887,447
Interest income	3,107,001	3,370,617	6,477,618
Total revenues	354,268,352	62,418,384	416,686,736
EXPENDITURES			
Current:			
Instruction	225,615,565	-	225,615,565
Pupil services	14,856,330	-	14,856,330
Improvement of instructional services	6,649,427	-	6,649,427
Educational media services	4,152,272	-	4,152,272
General administration	1,169,283	-	1,169,283
School administration	22,756,288	-	22,756,288
Business services	2,324,324	-	2,324,324
Maintenance and operations	28,469,332	-	28,469,332
Student transportation	17,683,933	-	17,683,933
Central support services	3,735,143	-	3,735,143
Other support services	2,545,345	-	2,545,345
Other non-instructional services	1,661,414	-	1,661,414
School nutrition	16,232,775	-	16,232,775
Community service	1,804,558	-	1,804,558
Capital outlay	-	15,497,381	15,497,381
Total expenditures	349,655,989	15,497,381	365,153,370
Excess of revenues over expenditures	4,612,363	46,921,003	51,533,366
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	272	-	272
Transfers in	-	1,200,000	1,200,000
Transfers out	(1,200,000)	-	(1,200,000)
Total other financing sources (uses), net	(1,199,728)	1,200,000	272
Net change in fund balance	3,412,635	48,121,003	51,533,638
FUND BALANCE, beginning of year	54,306,968	51,840,816	106,147,784
FUND BALANCE, end of year	$ 57,719,603	$ 99,961,819	$ 157,681,422

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

COWETA 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.		$ 51,533,638
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/amortization expense.		
Total capital outlay	$ 13,325,800	
Total depreciation/amortization	(14,820,938)	(1,495,138)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(6,673)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	$ 283,399	
Grants	(2,581,478)	(2,298,079)
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The adjustments for these items are as follows:		
Adjustment to record pension expense and related revenue for pension special funding situation, net of fund level amounts	$ 79,903	
Change in net pension liability and deferred inflows and outflows related to pension activity	(8,851,997)	
Change in workers' compensation claim liability	(1,220,728)	
Change in compensated absences liability	(260,866)	
Change in net OPEB pension liability and deferred inflows and outflows related to OPEB activity	4,108,662	(6,145,026)
Change in net position - governmental activities		$ 41,588,722

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

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Local sources	$ 154,769,192	$ 168,389,192	$ 167,586,526	$ (802,666)
State sources	147,365,820	147,947,880	154,648,152	6,700,272
Federal sources	27,684,683	30,947,152	28,926,673	(2,020,479)
Interest income	2,150,000	2,150,000	3,107,001	957,001
Total revenues	331,969,695	349,434,224	354,268,352	4,834,128
EXPENDITURES				
Current:				
Instruction	222,478,703	231,520,155	225,615,565	5,904,590
Pupil services	13,955,998	13,714,240	14,856,330	(1,142,090)
Improvement of instructional services	6,218,283	6,809,913	6,649,427	160,486
Educational media services	4,090,035	4,090,035	4,152,272	(62,237)
General administration	1,226,267	1,250,156	1,169,283	80,873
School administration	25,032,892	22,735,301	22,756,288	(20,987)
Business services	2,030,929	2,039,938	2,324,324	(284,386)
Maintenance and operations	23,878,457	26,359,102	28,469,332	(2,110,230)
Student transportation	15,247,454	14,779,502	17,683,933	(2,904,431)
Central support services	3,704,092	3,715,011	3,735,143	(20,132)
Other support services	1,243,250	1,243,250	2,545,345	(1,302,095)
Enterprise operations	-	1,500,000	1,661,414	(161,414)
School nutrition	16,203,330	16,332,456	16,232,775	99,681
Community services	1,990,159	1,991,236	1,804,558	186,678
Total expenditures	337,299,849	348,080,295	349,655,989	(1,575,694)
Excess (deficiency) of revenues over (under) expenditures	(5,330,154)	1,353,929	4,612,363	3,258,434
OTHER FINANCING USES				
Transfers out	-	-	(1,200,000)	(1,200,000)
Total other financing uses	-	-	(1,199,728)	(1,199,728)
Net change in fund balances	(5,330,154)	1,353,929	3,412,635	2,058,706
FUND BALANCE, beginning of year	54,306,968	54,306,968	54,306,968	-
FUND BALANCE, end of year	$ 48,976,814	$ 55,660,897	$ 57,719,603	$ 2,058,706

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

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Custodial Funds
ASSETS	
Cash	$ 562,037
Investments	188,902
Total assets	750,939
LIABILITIES	
Accounts payable	531,008
Total liabilities	531,008
NET POSITION	
Restricted for individuals, organizations and other governments	$ 219,931

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

COWETA COUNTY BOARD OF EDUCATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Local collections	$ 187
Total additions	187
DEDUCTIONS	
Collections disbursed	6,000
Total deductions	6,000
Change in net position	(5,813)
NET POSITION	
Beginning of year	225,744
End of year	$ 219,931

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Blended Component Unit – The Central Education Center (the "Charter School") is responsible for the public education of all students attending its school. The Charter School was created through a contract between the School System and the Charter School whereby all State funding associated with the students attending the Charter School and certain specified local funds are turned over to the Charter School to cover the costs of its operations. The financial statements of the Charter School have been included with the School System's General Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The proportionate share of the School System's net pension liability and net OPEB liability have been allocated to the pension plan and the OPEB plan based on actual contributions made to the plans during the measurement period to actuarially determine the proportionate share of each participating employer.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the School System considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period and all other revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School System.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The State of Georgia reimburses the School System for teachers' salaries and operating costs through the Quality Basic Education ("QBE") Formula Earnings program. State of Georgia law defines the formula driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 through 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 System 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 Governmental Accounting Standards Board ("GASB") Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School System recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

The School System reports the following major governmental funds:

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

The ***Capital Projects Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST") as well as bond proceeds and revenues from local and state sources to be used for land and building acquisitions and construction and renovations of new educational and administrative facilities.

Additionally, the School System reports the following fund types:

The ***Custodial Funds*** are used to account for student club and class accounts, and flex benefits for the employees of the School System.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the School System's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

In fiscal year 2025, the School System adopted GASB Statement No. 101, *Compensated Absences.* The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement did not have a material impact on the School System's financial statements.

In fiscal year 2025, the School System adopted GASB Statement No. 102, *Certain Risk Disclosures*. The object of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School System's financial statements.

E. Cash and Investments

The School System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §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 Securities and Exchange Commission ("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 System's investment in the Georgia Fund 1 is reported at fair value.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. On-Behalf Payments

The State of Georgia makes certain pension plan payments on behalf of the School System for its employees. The School System records these payments as both a revenue and expenditure in the General Fund. The total of the on-behalf payments for the fiscal year ended June 30, 2025 was $3,944,630.

H. Inventories

Inventories are stated at cost using the first-in/first-out method. Donated food commodities are recorded at fair value. The School System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

I. Non-Monetary Transactions

The School System received from the United States Department of Agriculture ("USDA") through the Georgia Department of Education approximately $975,982 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities and expendable equipment are reflected as revenues and expenditures in the financial statements.

J. 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"), the Employees' Retirement System of Georgia ("ERS"), and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from TRS/ERS/PSERS fiduciary net position have been determined on the same basis as they are reported by TRS/ERS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. See also Note 8 – Retirement Plans.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Property, plant and equipment are depreciated using the straight-line method over the estimated useful life of the asset. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capitalization thresholds and estimated useful lives of capital assets are as follows:

Asset	Capitalization Threshold	Years
Land	All	N/A
Land improvements	$ 10,000	20 – 80
Buildings and improvements	10,000	25 – 80
Equipment	10,000	10 – 50
Intangible assets	500,000	5 – 80

L. Intangible Right-To-Use Assets

Subscription-based information technology arrangements ("SBITAs") result in an intangible right-to-use subscription asset on the Statement of Net Position. An intangible right-to-use asset represents the School System's right to use an underlying asset for the subscription term. Intangible right-to-use assets, and subscription liabilities are recognized based on the present values of subscription payments, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a subscription are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the subscription term or useful life of the underlying asset.

M. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a Statement of Net Position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources (Continued)

In addition to assets, the Statement of Net Position/governmental funds Balance Sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The governmental activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. See also Note 8 – Retirement Plans and Note 9 – Other Post-Employment Benefits.

In addition to liabilities, the Statement of Net Position/governmental funds Balance Sheet will sometimes report a separate section for *deferred inflows of resources.* This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items reported by the governmental activities related to changes in the net pension liability and net OPEB liability as discussed in Note 8 - Retirement Plans and Note 9 – Other Post-Employment Benefits, the School System has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category.

Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Compensated Absences

It is the School System's policy to permit employees to accumulate unused vacation and sick pay benefits. Members of the 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 System. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School System's financial statements. Accumulated unpaid vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

P. Other Post-Employment Benefits ("OPEB")

For purposes of measuring the net other post-employment benefits ("OPEB") liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Personnel Post-Employment Health Benefit Fund (the "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.

Q. Fund Equity

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

Fund Balances – Generally, fund balances represent the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily to the extent to which the School System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

Non-spendable: Fund balances that are not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted: Fund balances that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

Fund Balances (Continued) –

Committed: Fund balances that can be used only for the specific purposes determined by an approved resolution of the Coweta County Board of Education (the "Board"). Commitments may be changed or lifted only by referring to formal action that imposed the original constraint on the fund (e.g., the School System's commitment in connection with future construction projects).

Assigned: Fund balances intended to be used by the School System for specific purposes. Intent can be expressed by the Board or by a designee to whom the Board delegates authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

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

The responsibility for designating funds to specific classifications shall be as follows:

Committed: The Board is the School System's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned: The Board has authorized the Superintendent and the Assistant Superintendent for Financial Services as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

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

When multiple categories of fund balances are available for expenditures (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balances), the School System will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

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 balance of any borrowing used (i.e., the amount that the School System 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.

R. Use of Estimates

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

NOTE 2. BUDGETARY DATA

The budget is a complete financial plan for the School System's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the General Fund. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate function level. The budget for the General Fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the School System to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia local government investment pool ("Georgia Fund 1"). The investment in Georgia Fund 1 represents the School System's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. Treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer. As of June 30, 2025, the School System's investment in Georgia Fund 1 was rated AAAf by Fitch.

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

Investment	Rating	Fair Value	Less than One Year
Georgia Fund 1	AAAf	$ 155,418,279	$ 155,418,279
Certificates of Deposit	N/A	188,902	188,902
		$ 155,607,181	$ 155,607,181

Investments are reported in the following activities:

Governmental	$ 155,418,279
Fiduciary	188,902
	$ 155,607,181

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, all of the School System's deposits were properly collateralized in accordance with state law and applicable GASB pronouncements.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The School System 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 School System has the following recurring fair value measurements as of June 30, 2025:

Investments not subject to level disclosure:	
Georgia Fund 1	
Certificates of Deposit	$ 155,418,279
	188,902
Total Investments	$ 155,607,181

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 System does not disclose its investment in the Georgia Fund 1 within its fair value hierarchy.

NOTE 4. RECEIVABLES

Receivables at June 30, 2025 for the School System's individual major funds are as follows:

	General	Capital Projects	Total
Taxes	$ 3,050,016	$ 3,403,484	$ 6,453,500
Accounts	33,477	-	33,477
Intergovernmental	23,134,494	-	23,134,494
Net total receivable	$ 26,217,987	$ 3,403,484	$ 29,621,471

Due from other governments consists of grant reimbursements due primarily from the Georgia Department of Education. Sales taxes are collected by the state on the School System's behalf. Property taxes are collected by the Coweta County Tax Commissioner on the School System's behalf.

NOTE 5. PROPERTY TAXES

Coweta County (the "County") bills and collects property taxes for the School System. Property taxes are levied (assessed) on all taxable real, public utility and personal property (including vehicles) located within the County as of January 1st of each year. State law limits the School System's tax levy for operations to 20 mills (one mill equals $1 per thousand dollars of assessed value). Assessed values for property tax purposes are determined by the Coweta County Board of Tax Assessors for all property except public utilities and motor vehicles. Assessed value is set at 40% of market value. The State of Georgia establishes values for public utilities and motor vehicles.

Real property taxes were levied on August 20, 2024, billed on October 2, 2024, and payable on or before December 2, 2024. The County may place liens on property once the related tax payments become delinquent. Liens were placed on delinquent accounts on January 1, 2025.

Vehicle personal property taxes are due upon each respective payor's date of birth on an annual basis. Beginning in April 2013, A Title Ad Valorem Tax ("TAVT") is assessed upon sale of a vehicle, which replaces the personal property tax due annually on the payor's date of birth.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, is as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 11,488,913	$ -	$ -	$ -	$ 11,488,913
Construction in progress	96,280,566	6,467,798	-	(99,458,451)	3,289,913
Total	107,769,479	6,467,798	-	(99,458,451)	14,778,826
Capital assets, being depreciated/ amortized:					
Buildings and improvements	401,286,317	129,199	-	98,870,474	500,285,990
Land improvements	65,273,389	232,860	-	52,977	65,559,226
Machinery and equipment	66,550,049	6,495,943	(1,203,357)	535,000	72,377,635
Right to use - subscription asset	1,446,898	-	-	-	1,446,898
Total	534,556,653	6,858,002	(1,203,357)	99,458,451	639,669,749
Less accumulated depreciation/ amortization for:					
Buildings and improvements	(111,323,032)	(7,991,300)	-	-	(119,314,332)
Land improvements	(21,952,467)	(2,081,959)	-	-	(24,034,426)
Machinery and equipment	(21,099,993)	(4,458,299)	1,196,684	-	(24,361,608)
Right to use - subscription asset	(289,380)	(289,380)			(578,760)
Total	(154,664,872)	(14,820,938)	1,196,684	-	(168,289,126)
Total capital assets, being depreciated/amortized, net	379,891,781	(7,962,936)	(6,673)	99,458,451	471,380,623
Governmental activities capital assets, net	$ 487,661,260	$ (1,495,138)	$ (6,673)	$ -	$ 486,159,449

Depreciation and amortization expense was charged to functions/programs of the School System as follows:

Governmental activities:	
Instruction	$ 8,571,820
Improvements of instructional services	11,371
Educational media services	253,693
General administration	4,125
School administration	60,451
Business administration	337,469
Maintenance and operations	3,684,859
Student transportation	1,273,355
Central support services	6,004
School nutrition	499,881
Enterprise operations	22,899
Community services operations	95,011
Total depreciation and amortization expense - governmental activities	$ 14,820,938

NOTE 7. LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Workers' compensation claims	$ 1,493,139	$ 2,610,657	$ (1,389,929)	$ 2,713,867	$ 548,181
Compensated absences	1,376,434	1,420,878	(1,160,012)	1,637,300	1,160,012
Net OPEB liability	141,242,499	18,703,834	(12,428,484)	147,517,849	-
Net pension liability	304,710,849	58,248,191	(103,339,249)	259,619,791	-
Governmental activities: Long-term liabilities	$ 448,822,921	$ 80,983,560	$ (118,317,674)	$ 411,488,807	$ 1,708,193

Workers' compensation claims payable, the net other post-employment benefit liability, and the net pension liability are liquidated primarily by the General Fund.

NOTE 8. RETIREMENT PLANS

A. Teachers' Retirement System

Plan Description

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

Benefits Provided

The TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employees' 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 employees' creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employees' beneficiary had the employee retired on the date of death. Death benefits are based on the employees' creditable service and compensation up to the date of death.

NOTE 8. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School System's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School System payroll. School System contributions to TRS were $34,992,302 for the year ended June 30, 2025.

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

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

School System's proportionate share of the net pension liability	$ 259,498,511
State of Georgia's proportionate share of the net pension liability associated with the School System	414,972
Total	$ 259,913,483

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 roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to the TRS during the fiscal year ended June 30, 2024. At June 30 2024, the School System's proportion was 1.032435%, which was an increase of 0.000933% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School System recognized pension expense of $43,876,161 and revenue of $52,385. The revenue is for support provided by the State of Georgia for certain support personnel.

NOTE 8. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

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

At June 30, 2025, the School System 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	$ 29,364,062	$ 775,586
Changes of assumptions	18,052,054	-
Net difference between projected and actual earnings on pension plan investments	-	36,179,692
Changes in proportion and differences between School System contributions and proportionate share of contributions	2,195,618	2,717,971
School System contributions subsequent to the measurement date	34,992,302	-
Total	$ 84,604,036	$ 39,673,249

The School System's contributions subsequent to the measurement date of $34,992,302 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	$ 5,082,967
2027	32,958,820
2028	(16,213,918)
2029	(11,889,384)

NOTE 8. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (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
Post-retirement benefit increases	1.50% semi-annually

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

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

The long-term expected rate of return on TRS 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.

NOTE 8. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

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 %	

Discount Rate

The discount rates used to measure the total TRS pension liability were 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 non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS 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 8. RETIREMENT PLANS (CONTINUED)

A. Teachers' Retirement System (Continued)

Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability (asset)	$ 446,648,881	$ 259,498,511	$ 106,726,523

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/.

B. Public School Employees' Retirement System ("PSERS")

Plan Description

Public School Employees' Retirement System ("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 TRS. 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.

NOTE 8. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (Continued)

Benefits Provided (Continued)

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

Contributions

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $509,833.

Pension Liabilities and Pension Expense

At June 30, 2025, the School System did not have a liability for a proportionate share of the net pension liability of PSERS because of the Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the Plan. The amount of the State's proportionate share of the net pension liability associated with the School System is as follows:

State of Georgia's proportionate share of the net pension liability associated with the School System	$ 2,608,317

For the year ended June 30, 2025, the School System recognized pension expense of $603,283 and revenue of $603,283 for support provided by the State of Georgia.

NOTE 8. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (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 increase	N/A
Investment rate of return	7.00%, net pension plan investment expense, including inflation
Post-retirement benefit increases	1.50%, semi-annually

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.

- The Pub-2010 Family of Tables projected generationally with the MP-2019 scale and with further adjustments are used for post-retirement mortality assumptions as follows:

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 General Below-Median	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2018.

NOTE 8. RETIREMENT PLANS (CONTINUED)

B. Public School Employees' Retirement System ("PSERS") (Continued)

Actuarial Assumptions (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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	1.50 %
Domestic large cap equities	46.40	9.10
Domestic small cap 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 inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer 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 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS")

Plan Description

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

Benefits Provided

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

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

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Contributions

Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The School System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2025 was 29.20% of annual covered payroll for Old and New Plan members and 25.51% for GSEPS members. The School System's contributions to ERS totaled $23,137 for the year ended June 30, 2025. 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.

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

At June 30, 2025, the School System reported a liability for its proportionate share of the net pension liability of ERS in the amount of $121,280. 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 roll-forward techniques. The School System's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2024. At June 30, 2024, the School System's proportion was 0.002694%, which was a decrease of 0.000108% from its proportion measured as of June 30, 2023.

NOTE 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

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

For the year ended June 30, 2025, the School System recognized pension expense of ($36,243). At June 30, 2025, the School System reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,501	$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	13,660
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,359
Employer contributions subsequent to the measurement date	23,137	-
Total	$ 29,638	$ 19,019

School System contributions subsequent to the measurement date of $23,137 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	$ (7,134)
2027	8,247
2028	(8,313)
2029	(5,318)

NOTE 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (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 increase	3.00 - 6.75%, including inflation
Investment rate of return	7.00%, net pension plan investment expense, including inflation
Cost-of-living adjustment	1.05% annually

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.

- The Pub-2010 Family of Tables projected generationally with the MP-2019 scale and with further adjustments are used for post-retirement mortality assumptions as follows:

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

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

NOTE 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Actuarial Assumptions (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 returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	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 inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and 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 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Sensitivity of the School System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School System's proportionate share of the net pension liability	$ 182,723	$ 121,280	$ 69,607

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan

Employees of the School System may elect to contribute to a qualifying 403(b) and/or 457 plan by selecting a vendor that has been approved by the School System. The School System does not provide matching funds to supplement the employee contributions. The employee contributions, disbursements, and loans are governed by the Internal Revenue Service rules and regulations and the plan document approved by the School System. The School System selected a third-party administrator to assist in the administration of the 403(b) plan and common remitting services for the 457 plan. Contributions to the plan become property of the employee without a vesting period.

The School System also provides a supplemental 403(b) plan option for employees who are not members of the TRS. Employees who are not members of the TRS may elect to contribute to a supplemental 403(b) plan by choosing a vendor that has been approved by the School System. The School System provides matching funds of 50% of the employee's contribution up to a maximum School System contribution of 3% of the employee's contribution. The employee and employer contributions, disbursements, and loans are governed by the Internal Revenue Service rules and regulations and the plan document approved by the School System. The School System selected a third-party administrator to assist in the administration of the supplemental 403(b) plan. Employee and employer contributions become property of the employee without a vesting period.

NOTE 8. RETIREMENT PLANS (CONTINUED)

C. Employees' Retirement System ("ERS") (Continued)

Defined Contribution Plan (Continued)

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

Fiscal Year	Percentage Contributed	Required Contribution
2025	100%	$ 186,904
2024	100%	149,494
2023	100%	140,628

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

State of Georgia School Employees' Post-employment Benefit Fund

Plan Description

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

Benefits Provided

The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System ("ERS"), Georgia Judicial Retirement System ("JRS"), Legislative Retirement System ("LRS"), 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 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Contributions

As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School System were $9,134,196 which included $3,368,865 of on-behalf payments made by the State of Georgia, for a net contribution of $5,765,331 for the year ended June 30, 2025. 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 System reported a liability of $147,517,849 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30 2024, the School System's proportion was 1.294432%, which was an increase of 0.004948 % from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School System recognized OPEB expense of $(1,656,669). At June 30, 2025, the School System 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
Differences between expected and actual experience	$ 7,234,021	$ 26,636,376
Changes of assumptions	17,201,223	14,602,431
Net difference between projected and actual earnings on OPEB plan investments	-	960,304
Changes in proportion and differences between School System contributions and proportionate share of contributions	4,464,059	13,190
School System contributions subsequent to the measurement date	5,765,331	-
Total	$ 34,664,634	$ 42,212,301

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

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

School System contributions subsequent to the measurement date of $5,765,331 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	$	(5,776,825)
2027		(7,638,306)
2028		(2,517,887)
2029		1,830,565
2030		748,574
2031		40,881

Actuarial Assumptions

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

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

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

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

- For PSERS members: Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.

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.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	2.60 %
Equities	70.00	9.10
Total	100.00 %	

*Rates shown are net of inflation.

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Discount Rate

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

Sensitivity of the School System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School System's proportionate share of the net OPEB liability	$ 166,897,251	$ 147,517,849	$ 131,174,909

Sensitivity of the School System's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School System's proportionate share of the net OPEB liability	$ 127,463,842	$ 147,517,849	$ 172,161,915

NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

OPEB Plan Fiduciary Net Position

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

NOTE 10. RISK MANAGEMENT

The School System is exposed to various risks of loss for claims associated with torts; theft of, damage to and destruction of assets; errors and omissions; natural disaster; workers' compensation; unemployment compensation; and dental benefits. The School System is self-insured for workers' compensation and unemployment compensation. The School System purchases commercial insurance for all other risks of loss. The School System has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three years.

A. Workers' Compensation

The School System has established a limited risk management program for workers' compensation claims. In connection with this program, a self-insurance reserve has been established within the General Fund by the School System. The School System accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of $700,000 loss per occurrence, up to the statutory limit.

B. Unemployment Compensation

The School System is self-insured with regard to unemployment compensation claims. In connection with this program, a self-insurance reserve has been established within the General Fund by the School System. The School System accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

NOTE 10. RISK MANAGEMENT (CONTINUED)

B. Unemployment Compensation (Continued)

Changes in the balances of claims liabilities for the years June 30, 2024 and June 30, 2025 for which the School System is self-insured are as follows:

Workers' Compensation	June 30, 2025	June 30, 2024
Unpaid claims, beginning of fiscal year	**$ 1,493,139**	$ 1,338,705
Incurred claims (including IBNRs)	**2,610,657**	901,866
Claim payments and changes in estimates	**(1,389,929)**	(747,432)
Unpaid claims, end of fiscal year	**$ 2,713,867**	$ 1,493,139

Unemployment Compensation	June 30, 2025	June 30, 2024
Unpaid claims, beginning of fiscal year	**$ -**	$ -
Incurred claims (including IBNRs)	**7,851**	4,590
Claim payments and changes in estimates	**(7,851)**	(4,590)
Unpaid claims, end of fiscal year	**$ -**	$ -

C. Surety Bond

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

Position Covered	Amount
Superintendent	$ 20,000
Assistant Superintendent for Financial Services	10,000
Vice Chairman	10,000
Board Treasurer	10,000
Board Chair	10,000
Commercial Driver Training School	10,000
Newnan High School Driver Training School	10,000
East Coweta High School Driver Training School	10,000
Northgate High School Driver Training School	10,000
All Employees	250,000

NOTE 11. COMMITMENTS AND CONTINGENCIES

In addition to the liabilities enumerated in the balance, at June 30, 2025, the School System has contractual commitments on uncompleted contracts of $2,495,273.

The School System is involved in a number of legal matters which either have or could result in litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School System's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School System.

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The School System participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School System has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School System, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 12. TAX ABATEMENTS

For the year ended June 30, 2025, the School System property tax revenues were reduced by $953,938 under agreements entered into by Coweta County, Georgia. Under the agreements, taxes on both real property and personal property are reduced based on investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

REQUIRED SUPPLEMENTARY INFORMATION

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023
School System's proportion of the net pension liability	**1.032435%**	1.031502%	1.055933%
School System's proportionate share of the net pension liability	**$ 259,498,511**	$ 304,543,693	$ 342,881,856
State of Georgia's proportionate share of the net pension liability associated with the School System	**414,972**	587,238	534,813
Total	**$ 259,913,483**	$ 305,130,931	$ 343,416,669
School System's covered payroll	**$ 160,993,083**	$ 149,841,667	$ 142,704,755
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**161.19%**	203.24%	240.27%
Plan fiduciary net position as a percentage of the total pension liability	**80.86%**	76.29%	72.85%

2022	2021	2020	2019	2018	2017	2016
1.028327%	1.018129%	1.020012%	1.021931%	1.022337%	1.028038%	1.034116%
$ 90,948,664	$ 246,630,693	$ 219,330,161	$ 189,692,283	$ 190,004,480	$ 212,095,702	$ 157,433,892
160,348	462,435	441,020	417,091	208,527	-	-
$ 91,109,012	$ 247,093,128	$ 219,771,181	$ 190,109,374	$ 190,213,007	$ 212,095,702	$ 157,433,892
$ 130,723,150	$ 130,723,150	$ 124,657,483	$ 121,776,841	$ 117,657,845	$ 112,787,507	$ 109,375,399
69.57%	188.67%	175.95%	155.77%	161.49%	188.05%	143.94%
92.03%	77.01%	78.56%	80.27%	79.33%	76.06%	81.44%

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023
Contractually required contribuitions	**$ 34,992,302**	$ 32,166,418	$ 29,938,365
Contributions in relation to the contractually required contribution	**34,992,302**	32,166,418	29,938,365
Contribution deficiency (excess)	**$ -**	$ -	$ -
School System's covered payroll	**$ 168,394,139**	$ 160,993,083	$ 149,841,667
Contributions as a percentage of covered payroll	**20.78%**	19.98%	19.98%

2022	2021	2020	2019	2018	2017	2016
$ 28,269,812	$ 25,458,363	$ 27,634,874	$ 26,053,414	$ 20,470,687	$ 16,771,552	$ 16,094,777
28,269,812	25,458,363	27,634,874	26,053,414	20,470,687	16,771,552	16,094,777
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 142,704,755	$ 133,569,586	$ 130,723,150	$ 124,657,483	$ 121,776,841	$ 117,657,845	$ 112,787,507
19.81%	19.06%	21.14%	20.90%	16.81%	14.25%	14.27%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE YEAR ENDED JUNE 30, 2025

CHANGES OF ASSUMPTIONS

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

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

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

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

COWETA COUNTY BOARD OF EDUCATION

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

	2025	2024	2023
School System's proportion of the net pension liability	**0.00%**	0.00%	0.00%
School System's proportionate share of the net pension liability	**$ -**	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	**2,608,317**	3,492,801	4,273,405
Total	**$ 2,608,317**	$ 3,492,801	$ 4,273,405
School System's covered payroll	**$ 21,632,077**	$ 19,448,003	$ 9,196,367
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**N/A**	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	**90.02%**	85.67%	81.21%

2022	2021	2020	2019	2018	2017	2016
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
437,119	3,185,469	2,906,146	2,708,156	2,560,850	3,341,464	2,156,886
$ 437,119	$ 3,185,469	$ 2,906,146	$ 2,708,156	$ 2,560,850	$ 3,341,464	$ 2,156,886
$ 7,380,553	$ 8,696,331	$ 8,455,537	$ 6,602,870	$ 5,415,336	$ 5,388,111	$ 5,067,472
N/A	N/A	N/A	N/A	N/A	N/A	N/A
98.00%	84.45%	85.02%	85.26%	85.69%	81.00%	87.00%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2025

CHANGES OF ASSUMPTIONS

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Public School Employees' Retirement System. Primary among the changes were the updates to the rates of mortality, retirement, and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table with future mortality improvement projected to 2025 with the 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 assumptions utilized by the Public School Employees' Retirement 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 of 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.

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023
School System's proportion of the net pension liability	**0.002694%**	0.002802%	0.003303%
School System's proportionate share of the net pension liability	**$ 121,280**	$ 167,156	$ 220,590
School System's covered payroll	**81,107**	96,696	80,865
School System's proportionate share of the net pension liability as a percentage of its covered payroll	**149.53%**	172.87%	272.79%
Plan fiduciary net position as a percentage of the total pension liability	**78.75%**	71.20%	67.44%

2022	2021	2020	2019	2018	2017	2016
0.009211%	0.006293%	0.005046%	0.003603%	0.003676%	0.366000%	0.365200%
$ 215,436	$ 265,247	$ 208,225	$ 148,121	$ 149,295	$ 173,133	$ 147,957
220,799	161,742	130,463	90,157	90,157	83,913	83,506
97.57%	163.99%	159.60%	164.29%	165.59%	206.32%	177.18%
87.62%	76.21%	76.74%	76.68%	76.33%	72.34%	76.20%

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023
Contractually required contributions	$ **23,137**	$ 23,805	$ 23,855
Contributions in relation to the contractually required contribution	**23,137**	23,805	23,855
Contribution deficiency (excess)	**$ -**	$ -	$ -
School System's covered payroll	**$ 79,236**	$ 81,107	$ 96,696
Contributions as a percentage of covered payroll	**29.20%**	29.35%	24.67%

2022	2021	2020	2019	2018	2017	2016
$ 19,917	$ 54,449	$ 39,886	$ 32,329	$ 22,368	$ 22,368	$ 20,743
19,917	54,449	39,886	32,329	22,368	22,368	20,743
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 80,865	$ 220,799	$ 161,742	$ 130,463	$ 90,157	$ 90,157	$ 83,912
24.63%	24.66%	24.66%	24.78%	24.81%	24.81%	24.72%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

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

COWETA COUNTY BOARD OF EDUCATION

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

	2025	2024	2023
School System's proportion of the net OPEB liability	**1.294432%**	1.289484%	1.268805%
School System's proportionate share of the net OPEB liability	**$ 147,517,849**	$ 141,242,499	$ 125,652,068
School System's covered employee payroll	**149,766,224**	137,739,646	120,498,350
School System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	**98.50%**	102.54%	104.28%
Plan fiduciary net position as a percentage of the total OPEB liability	**6.88%**	6.05%	6.17%

Note:

The schedule will present 10 years of information once it is accumulated.

2022	2021	2020	2019	2018
1.249839%	1.243385%	1.236863%	1.238042%	1.237045%
$ 135,367,903	$ 182,624,299	$ 151,789,626	$ 157,351,339	$ 173,804,325
116,725,365	116,725,365	109,242,402	106,832,606	101,536,207
115.97%	156.46%	138.95%	147.29%	171.17%
6.14%	3.99%	4.63%	2.93%	1.61%

COWETA COUNTY BOARD OF EDUCATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023
Contractually required contribution	**$ 5,765,331**	$ 5,293,956	$ 4,957,343
Contributions in relation to the contractually required contribution	**5,765,331**	5,293,956	4,957,343
Contribution deficiency (excess)	**$ -**	$ -	$ -
School System's covered employee payroll	**$ 154,505,656**	$ 149,766,224	$ 137,739,646
Contributions as a percentage of covered employee payroll	**3.73%**	3.53%	3.60%

Note:
The schedule will present 10 years of information once it is accumulated.

2022	2021	2020	2019	2018
$ 4,587,682	$ 4,649,192	$ 4,204,838	$ 6,661,358	$ 6,416,650
4,587,682	4,649,192	4,204,838	6,661,358	6,416,650
$ -	$ -	$ -	$ -	$ -
$ 133,806,003	$ 120,498,350	$ 116,725,365	$ 109,242,402	$ 106,832,606
3.43%	3.86%	3.60%	6.10%	6.01%

COWETA COUNTY BOARD OF EDUCATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2025

CHANGES OF BENEFIT TERMS

There have been no changes in benefit terms.

CHANGES IN ASSUMPTION

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

COWETA COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	School Activities Fund	Flexible Spending Accounts Fund	Total Custodial Funds
ASSETS			
Cash	$ 31,076	$ 530,961	$ 562,037
Investments	69,762	119,140	188,902
Total assets	100,838	650,101	750,939
LIABILITIES			
Accounts payable	-	531,008	531,008
Total liabilities	-	531,008	531,008
NET POSITION			
Restricted for individuals, organizations and other governments	$ 100,838	$ 119,093	$ 219,931

COWETA COUNTY BOARD OF EDUCATION

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	School Activities Fund	Flexible Spending Accounts Fund	Total Custodial Funds
ADDITIONS			
Local collections	$ 68	$ 119	$ 187
Total additions	68	119	187
DEDUCTIONS			
Collections disbursed	1,000	5,000	6,000
Total deductions	1,000	5,000	6,000
Change in net position	(932)	(4,881)	(5,813)
NET POSITION			
Beginning of year	101,770	123,974	225,744
End of year	$ 100,838	$ 119,093	$ 219,931

COWETA COUNTY BOARD OF EDUCATION

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

	Original Estimated Cost (1)	Current Estimated Cost (2)	Prior Years (3) (4)	Current Year (3)	Total
SPLOST V Project	$ 134,000,000	$ 134,000,000			
(a) Acquiring, constructing and equipping new school buildings, administration buildings, athletic buildings/facilities and other buildings,	-	-	$ 30,631,708	$ -	$ 30,631,708
(b) Adding to, renovating, repairing, improving and equipping existing school buildings, including, but not limited to, Newnan Crossing Elementary School, Arnall Middle School, Jefferson Parkway Elementary School, Thomas Crossroads Elementary School, and Northgate High School, administration buildings, athletic buildings/facilities and other buildings and facilities useful or desirable therewith, including, without limitation, the Central Education Center and the Nixon Centre for Performing and Visual Arts,	-	-	113,066,649	449,940	113,516,589
(c) Acquiring, installing and equipping portable classrooms,	-	-	-	-	-
(d) Acquiring buses and other vehicles,	-	-	7,380,578	-	7,380,578
(e) Acquiring technology,	-	-	14,045,128	-	14,045,128
(f) Acquiring land for future facilities (the "Projects")	-	-	-	-	-
(g) Issuance of general obligation debt of the School System in the maximum principal amount of $60,000,000 for the above purposes.	-	-	-	-	-
Totals	$ 134,000,000	$ 134,000,000	$ 165,124,063	$ 449,940	$ 165,574,003

Reconciliation to total expenditures, Capital Projects Fund	
SPLOST V	$ 449,940
SPLOST VI	11,493,587
Non-SPLOST expenditures	3,553,854
Total expenditures, Capital Projects Fund	$ 15,497,381

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

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

(3) The voters of Coweta County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) Issuance of general obligation debt has not occurred as of the date of publication.

COWETA COUNTY BOARD OF EDUCATION

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

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST VI Project	$ 160,368,478	$ 160,368,478	$ -	$ -	$ -
(a) Acquiring, constructing and equipping new school buildings, administration buildings, athletic buildings/facilities and other buildings, and facilities useful or desirable in connection therewith,	-	-	-	63,598	63,598
(b) Adding to, renovating, repairing, rebuilding, improving and equipping existing school buildings, including, but not limited to, Abor Springs Elementary, Arnco Sargent Elementary, Atkinson Elementary, Brooks Elementary, Canongate Elementary, Eastside, Elementary, Elm Street Elementary, Glanton Elementary, Jefferson Parkway Elementary, Moreland Elementary, Newnan Crossing Elementary, Northisde Elementary, Poplar Road Elementary, Ruth Hill Elementary, Thomas Crossroads Elementary, Welch Elementary, Western Elementary, White Oak Elementary, Willis Road Elementary, Arnall Middle, Blake Bass Middle, East Coweta Middle, Evans Middle, Lee Middle, Madras Middle, Smokey Road Middle, Maggie Brown, East Coweta High, Newnan High, Northgate High, Winston Dowdell Academy, Westside-Burwell, East Newnan, administration buildings, athletic buildings/facilities and other buildings and facilities useful or desirable therewith, including, without limitation, the Central Educational Center and the Nixon Centre for Performing and Visual Arts,	-	-	20,164,066	5,716,716	25,880,782
c) Acquiring, installing and equipping portable classrooms,	-	-	-	-	-
d) Acquiring buses, other vehicles, and equipment,	-	-	686,085	2,939,950	3,626,035
e) Acquiring textbooks, including digital textbooks,	-	-	7,280,644	178,109	7,458,753
f) Acquiring technology, including computers and software,	-	-	6,576,606	384,011	6,960,617
g) Acquiring band instruments,	-	-	352,412	152,125	504,537
h) Acquiring School security equipment,	-	-	261,626	2,059,078	2,320,704
i) Acquiring land for future facilities (the "Projects")	-	-	-	-	-
j) Issuance of general obligation debt of the Coweta County School System in the maximum principal amount of $60,000,000 for the above purposes.	-	-	-	-	-
Totals	$ 160,368,478	$ 160,368,478	$ 35,321,439	$ 11,493,587	$ 46,815,026

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Coweta County Board of Education** (the "School System"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated March 26, 2026.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System'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 disclose 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, but 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 Coweta County Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of the
Coweta County Board of Education
Newnan, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the School System 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 Programs

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

We are required to be independent of the School System 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 programs. Our audit does not provide a legal determination of the School System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2026

COWETA 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 ID Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through from Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	255GA324N1199	$ 1,596,996
National School Lunch Program	10.555	255GA324N1199	6,934,673
Fresh Fruit and Vegetable Program	10.582	255GA324L1603	216,349
Total Child Nutrition Cluster			8,748,018
Other Programs:			
State Administrative Expenses Grant	10.185	AM23CPLFS000C018	101,621
Local Food for Schools Cooperative Agreement Program	10.560	235GA904N2533	21,233
Total Other Programs			122,854
Total U.S. Department of Agriculture			8,870,872
U.S. DEPARTMENT OF DEFENSE			
Direct Federal Award:			
Junior ROTC	12.unknown	N/A	264,709
Total U.S. Department of Defense			264,709
U.S. Department of Homeland Security			
Passed through from Georgia Department of Homeland Security:			
Disaster Grant	97.036	FEMA-4600-DR-GA	5,493,006
Total U.S. Department of Homeland Security			5,493,006
U.S. DEPARTMENT OF EDUCATION			
Passed through from Georgia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A230010	423,087
Title I Grants to Local Educational Agencies	84.010	S010A240010	3,473,152
Total Title I Grants to Local Educational Agencies			3,896,239
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A230011	27,886
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A240011	304,188
Total Title IV - Part A Student Support and Academic Enrichment			332,074
Career and Technical Education - Basic Grants to States	84.048	V048A230010	6,802
Career and Technical Education - Basic Grants to States	84.048	V048A240010	179,867
Total Career and Technical Education - Basic Grants to States			186,669
English Language Acquisition Grants	84.365	S365A230010	11,576
English Language Acquisition Grants	84.365	T365A240010	99,940
Total English Language Acquisition Grants			111,516

(Continued)

COWETA 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 ID Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (CONTINUED)			
Passed through from Georgia Department of Education (Continued):			
Supporting Effective Instruction State Grants	84.367A	S367A230001	227,701
Supporting Effective Instruction State Grants	84.367A	S367A240001	541,479
Total Supporting Effective Instruction State Grants			769,180
Special Education Cluster:			
Grants to States	84.027	H027A230073	3,082,684
Grants to States	84.027	H027A240073	2,850,193
Preschool Grants	84.173	H173A230081	69,344
Preschool Grants	84.173	H173A240081	94,103
Total Special Education Cluster			6,096,324
Education Stabilization Fund:			
COVID-19 - American Rescue Plan Act Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	45,949
COVID-19 - American Rescue Plan Act Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	5,961,484
			6,007,433
Total U.S. Department of Education			17,399,435
Total Expenditures of Federal Awards			$ 32,028,022

N/A - Not available/applicable

COWETA COUNTY BOARD OF EDUCATION

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

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Coweta County Board of Education (the "School System") and is presented on the accrual basis of accounting.

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

NOTE 2. DONATED COMMODITIES

The Child Nutrition Cluster includes $975,982 of non-cash expenditures in the form of donated food commodities.

NOTE 3. DE MINIMIS COST RATE

The School System elected not to use the allowable de minimis cost rate for the year ended June 30, 2025.

NOTE 4. SUBRECIPIENTS

The School System did not pass through any funds to subrecipients for the year ended June 30, 2025.

NOTE 5. DISASTER GRANT EXPENDITURES

The School System has included on the schedule of expenditures of federal awards $5,493,006 in expenditures under Assistance Listing 97.036 – Disaster Grants Program. These expenditures were incurred in a prior year and approved for reimbursement in the current fiscal year.

COWETA COUNTY BOARD OF EDUCATION

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

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report 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 not considered to be material weaknesses?	___ Yes __X__ None Reported
Noncompliance material to financial statements noted?	___ Yes __X__ No

Federal Awards

Internal Control over major programs: Material weaknesses identified?	___ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes __X__ None Reported
Type of auditor's report issued on compliance for major 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:

Assistance Listing Number	Name of Federal Program or Cluster
	U.S. Department of Education: *Special Education Cluster*:
84.027/84.173	Grants to States/Preschool Grants
	U.S. Department of Education:
84.010	Title I Grants to Local Educational Agencies

COWETA COUNTY BOARD OF EDUCATION

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

SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)

Dollar threshold used to distinguish between Type A and Type B programs:	$960,841
Auditee qualified as low-risk auditee?	__X__ Yes ____ No

SECTION II
FINANCIAL STATEMENTS FINDINGS

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

COWETA COUNTY BOARD OF EDUCATION

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

None reported.