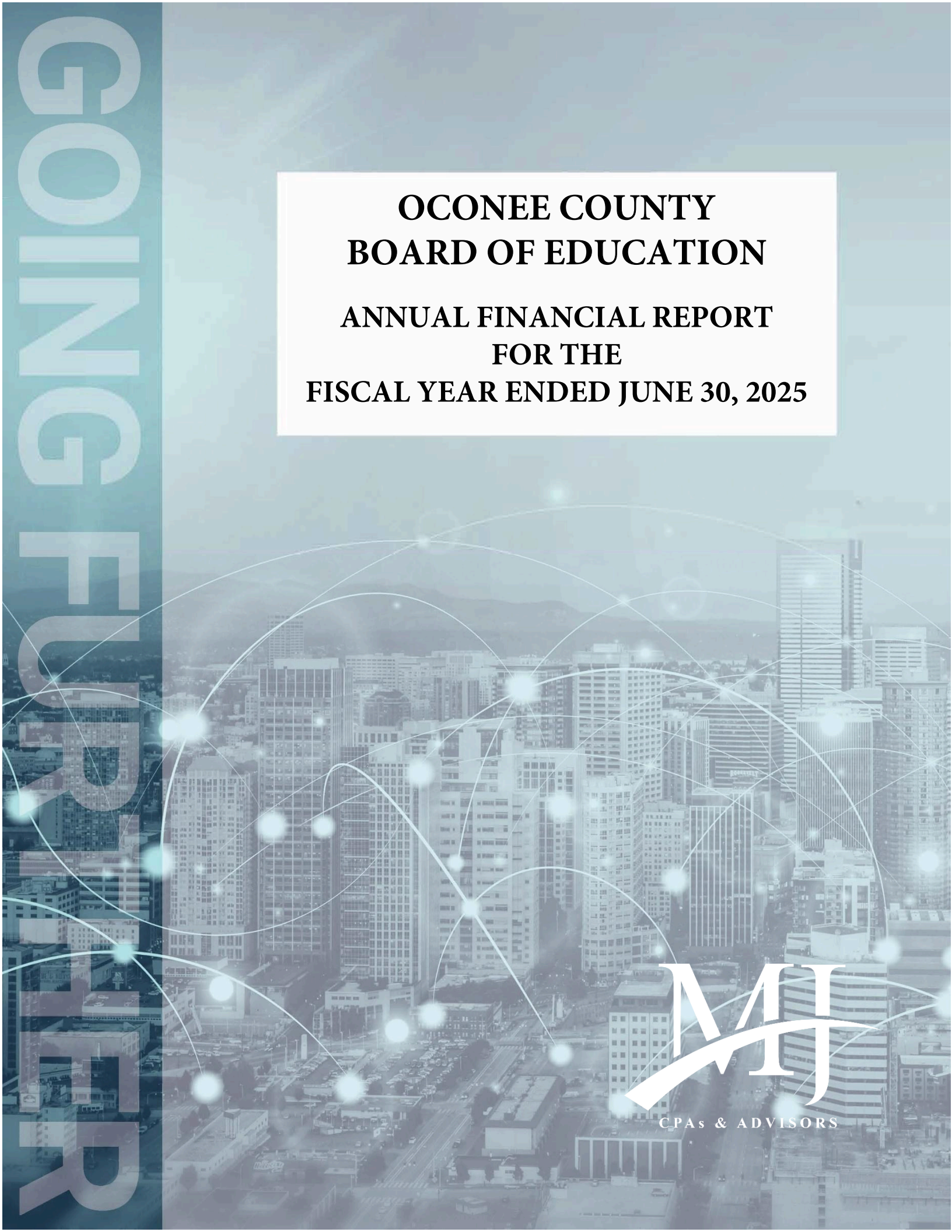
GOING FURTHER

OCONEE COUNTY BOARD OF EDUCATION

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



CPAs & ADVISORS

OCONEE COUNTY
BOARD OF EDUCATION

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

OCONEE COUNTY BOARD OF EDUCATION

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

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Oconee County Board of Education
Watkinsville, Georgia

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oconee County Board of Education 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards 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 February 12, 2026 on our consideration of the Oconee County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Oconee County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oconee County Board of Education's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 12, 2026

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

INTRODUCTION

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

FINANCIAL HIGHLIGHTS

Key financial highlights for FY 2025 are as follows:

On the District-wide financial statements:

- The District's net position at June 30, 2025 was $115.0 million. Net position reflects the difference between all assets and deferred outflows of resources of the District (including capital assets, net of depreciation) and all liabilities, both short term and long term, and deferred inflows of resources. The net position at June 30, 2025 of $115.0 million represented an increase of $13.1 million when compared to the prior year.

- The School District had approximately $132.1 million in expenses relating to governmental activities; about $74.4 million of these expenses were offset by program specific charges for services, grants and contributions. However, general revenues (primarily property and sales taxes) of $70.8 million were adequate to provide for these programs.

- As stated above, general revenues accounted for $70.8 million or about 48.8% of all revenues totaling almost $145.2 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the balance of these.

On the fund financial statements:

- Among major funds, the General Fund had roughly $132.5 million in revenues and $125.4 in expenditures. The General Fund balance of $58.1 million at June 30, 2025 increased by roughly $7 million from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three parts; management's discussion and analysis (this section), the basic financial statements including notes to the financial statements and required supplementary information. The basic financial statements include two levels of statements that

present different views of the School District. These include the district-wide and fund financial statements.

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

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The "Governmental Funds" statements disclose how basic services are financed in the short-term as well as what remains for future spending. The "Fiduciary Funds" statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. In the case of the Oconee County Board of Education, the General Fund, Capital Projects Funds, and Debt Service Funds are all considered to be major funds. The District has no funds reported as nonmajor funds as defined by generally accepted accounting principles.

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

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

The School District uses many funds or sub-funds to account for a multitude of financial transactions during the fiscal year. The fund financial statements presented in this report provide detail information about the School District's significant or major funds. As discussed previously, the District has no nonmajor funds as defined by generally accepted accounting principles.

The District has two kinds of funds as discussed below:

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

In the case of the Oconee County Board of Education, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $115.0 million at June 30, 2025. To better understand the District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $115.0 million of net position, almost $14.5 million was restricted for debt service and capital projects. Accordingly, these funds were not available to meet the District's ongoing obligations to citizens and creditors.

In addition, the District had just over $176 million (net of related debt) invested in capital assets (e.g., land, buildings, and equipment). The District uses these capital assets to provide educational services to students within geographic boundaries served by the District. Because of the very nature and ongoing use of the assets being reported in this component of net position, it must be recognized that this portion of the net position is *not* available for future spending.

The remaining balance of unrestricted net position is $75.5 million deficit. The negative unrestricted net position is due to the adoption of GASB 68 for pension plans and GASB 75 for other postemployment benefit plans (OPEB). The liability for the District's portion of TRS (Teacher Retirement System) pension, including related deferred outflows and inflows of resources, is $78.2 million. The liability for the District's portion of OPEB, including related deferred outflows and inflows of resources, is $55.6 million. The remaining balance of $58.2 million may be used to meet the District's ongoing obligations to citizens and creditors. In fiscal year 2015, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions.* The provisions of this statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. In fiscal year 2018, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The provisions of this statement establish accounting and financial reporting standards for a cost-sharing multiple employer defined benefit

postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health.

Table 1
Net Position

	Governmental Activities	
	FY 2025	FY 2024
Assets		
Current and Other Assets	$ 90,428,076	$ 79,507,278
Capital Assets, Net	213,744,889	215,661,714
Total Assets	304,172,965	295,168,992
Deferred Outflows of Resources	45,852,824	54,348,202
Total Assets and Deferred Outflows of Resources	350,025,789	349,517,194
Liabilities		
Current and Other Liabilities	23,736,305	24,827,002
Long-Term Liabilities	180,690,686	198,691,720
Total Liabilities	204,426,991	223,518,722
Deferred Inflows of Resources	30,549,692	24,046,232
Total Liabilities and Deferred Inflows of Resources	234,976,683	247,564,954
Net Position		
Net Investment in Capital Assets	176,033,440	170,057,110
Restricted	14,547,805	11,463,181
Unrestricted	(75,532,139)	(79,568,051)
Total Net Position	$ 115,049,106	$ 101,952,240

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

Total net position increased $13.1 million in fiscal year 2025 from the prior year due to an increase in total assets of approximately $9 million. There was a decrease in liabilities and deferred inflows and outflows of resources of approximately $5.4 million primarily due to a change in net pension/OPEB liability and deferred inflows and outflows resulting in an overall increase from prior year ($2 million), a decrease in contracts and retainage payable ($3.4 million), a decrease in

bonds payable ($5.6 million), an increase in accounts payable and salaries benefits payable of ($2.2 million).

	Governmental Activities	
	FY 2025	FY 2024
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 6,464,250	$ 6,573,949
Operating Grants and Contributions	67,078,006	62,428,104
Capital Grants and Contributions	810,107	1,738,499
Total Program Revenues	74,352,363	70,740,552
General Revenues:		
Property Taxes, Maintenance and Operations	53,896,676	51,689,281
Sales Taxes	13,076,878	11,181,920
Intangible Recording and Real Estate Transfer	1,124,447	860,430
Investment Earnings	2,711,867	2,988,064
Gain on Sale of Capital Assets	-	259,170
Total General Revenues	70,809,868	66,978,865
Total Revenues	$ 145,162,231	$ 137,719,417
Program Expenses		
Instruction	$ 92,182,146	$ 90,690,231
Support Services		
Pupil Services	4,051,632	3,396,833
Improvement of Instructional Services	1,490,320	1,615,070
Educational Media Services	1,565,917	1,638,535
Federal Grant Administration	79,301	77,837
General Administration	917,868	809,070
School Administration	8,701,117	7,803,708
Business Administration	1,206,178	1,594,569
Maintenance and Operation of Plant	8,599,087	8,004,879
Student Transportation Services	5,895,281	5,682,104
Central Support Services	891,687	898,228
Other Support Services	30,706	34,786
Operations of Non-Instructional Services		
Miscellaneous Non-Instructional Services	1,790,555	1,448,207
Food Services	4,266,111	3,535,076
Interest on Short-Term and Long-Term Debt	397,459	429,357
Total Expenses	132,065,365	127,658,490
Increase in Net Position	$ 13,096,866	$ 10,060,927

Cost of Providing Services

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

Table 3
Cost of Services

	Total Cost of Services		Net Cost of Services	
	FY 2025	FY 2024	FY 2025	FY 2024
Instruction	$ 92,182,146	$ 90,690,231	$ 38,256,127	$ 39,889,466
Support Services				
Pupil Services	4,051,632	3,396,833	3,577,581	2,699,593
Improvement of Instructional Services	1,490,320	1,615,070	873,066	996,055
Educational Media Services	1,565,917	1,638,535	95,398	230,134
Federal Grant Administration	79,301	77,837	79,301	77,756
General Administration	917,868	809,070	(1,295,630)	(1,219,927)
School Administration	8,701,117	7,803,708	5,485,262	4,816,485
Business Administration	1,206,178	1,594,569	1,161,188	1,581,514
Maintenance and Operation of Plant	8,599,087	8,004,879	4,911,037	4,139,148
Student Transportation Services	5,895,281	5,682,104	3,279,354	3,804,222
Central Support Services	891,687	898,228	864,152	870,695
Other Support Services	30,706	34,786	30,073	33,266
Operations of Non-Instructional Services				
Miscellaneous Non-Instructional Services	1,790,555	1,448,207	(1,403,984)	(2,276,667)
Food Services	4,266,111	3,535,076	1,402,618	846,841
Interest on Short-Term and Long-Term Debt	397,459	429,357	397,459	429,357
Total Expenses	$ 132,065,365	$ 127,658,490	$ 57,713,002	$ 56,917,938

Expenses increased about $4.4 million from the prior year, while net costs of services increased about $0.8 million from the prior year. The increase in expenses is primarily due to the increase in salary improvements for all staff and state health contribution cost. The increase in the net cost of services is primarily due to the increase in salary improvements for all staff, state health contribution cost, and decrease in capital grants and contributions.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Page 17 of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues of approximately $146.6 million and total expenditures of approximately $132.5 million in fiscal year 2025. Total governmental fund balances are $71.8 million at June 30, 2025, which is an increase of approximately $12.3 million from the prior year primarily due to General Fund and Debt Service Fund.

General Fund Budget Highlights

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

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

For the General Fund, the final actual revenues of $132.5 million were more than the final budget by approximately $8.3 million. The District does not include revenues in the final budget for school activity accounts.

For the General Fund, the final actual expenditures of approximately $125.4 million were more than the final budget by $2.9 million. The District does not include expenditures in the final budget for the school activity accounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At fiscal year ended June 30, 2025, the School District had $213.1 million invested in capital assets, net of accumulated depreciation, all in governmental activities. These assets are made up of a broad range of items including: buildings; land; land improvements; and food service, transportation, and maintenance equipment. Table 4 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

(Net of Depreciation)

	Governmental Activities	
	FY 2025	FY 2024
Land	$ 5,765,554	$ 5,765,554
Construction in Progress	743,695	18,431,553
Land Improvements	13,036,649	13,088,668
Buildings and Improvements	183,621,564	168,204,764
Equipment	9,587,780	8,812,271
Subscription Assets	989,647	1,358,904
Total	$ 213,744,889	$ 215,661,714

Additional information about the School District's capital assets can be found in Note 6 to the financial statements.

Long-Term Debt

At June 30, 2025, the School District had just over $36.5 million in bond and other debt outstanding. Table 5 summarizes the School District's debt as compared to the prior fiscal year.

Table 5
Change in Long-Term Debt

	Governmental Activities	
	FY 2025	FY 2024
General Obligation Bonds	$ 31,490,000	$ 35,850,000
Bond Premiums Unamortized	4,550,018	5,791,881
Compensated Absences	193,371	183,671
SBITAs	294,963	482,749
Total	$ 36,528,352	$ 42,308,301

Additional information about the School District's debt can be found in Note 9 to the financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The School District is financially stable. Oconee County School Districts' priority on academic instruction continues to attract new residents into the county due to the school system's focus on quality instructional programs. The District consistently ranks within the top ten (10) achieving school systems in Georgia.

- Oconee County continues to maintain a stable collection of the assessed taxes. This consistent collection of property taxes has assisted the local school district to meet financial obligations.

- The School District plans to fund additional capital outlays with the one percent local sales tax revenue and state capital outlay grants.

- The Oconee County School System will remain optimistic about the ability to maximize all of the financial resources to provide an exceptional educational experience for our students. The challenge will be to balance revenue streams with occurring increases in expenses (personnel, employer paid benefits, and operational costs). In spite of these challenges, the School District will continue to be a good steward of tax dollars while providing a quality educational opportunity.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen's taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Peter Adams, CFO, at the Oconee County Board of Education, P.O. Box 146, Watkinsville, Georgia 30677. You may also email your questions to padams@oconeeschools.org.

BASIC FINANCIAL STATEMENTS

OCONEE COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 72,955,554
Investments	5,399,734
Receivables:	
Taxes	2,411,193
Intergovernmental	9,449,849
Other	162,620
Inventory	31,662
Prepaid items	17,464
Capital assets (nondepreciable)	6,509,249
Capital assets (depreciable, net of accumulated depreciation)	207,235,640
Total assets	304,172,965
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	32,183,673
OPEB related items	13,669,151
Total deferred outflows of resources	45,852,824
LIABILITIES	
Accounts payable	3,683,027
Salaries and benefits payable	14,545,138
Accrued interest payable	500,283
Construction contracts payable	71,812
Retainage payable	28,873
Bonds payable, due within one year	4,535,000
Bonds payable, due in more than one year	31,505,018
SBITA liability, due within one year	198,138
SBITA liability, due in more than one year	96,825
Compensated absences, due within one year	174,034
Compensated absences, due in more than one year	19,337
Net pension liability	95,212,919
Net OPEB liability	53,856,587
Total liabilities	204,426,991
DEFERRED INFLOWS OF RESOURCES	
Pension related items	15,143,420
OPEB related items	15,406,272
Total deferred inflows of resources	30,549,692
NET POSITION	
Net investment in capital assets	176,033,440
Restricted for:	
Capital projects	1,422,804
Debt service	13,125,001
Unrestricted	(75,532,139)
Total net position	$ 115,049,106

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

OCONEE COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 92,182,146	$ 1,561,356	$ 51,767,197	$ 597,466	$ (38,256,127)
Support services:					
Pupil services	4,051,632	-	462,336	11,715	(3,577,581)
Improvement of instructional services	1,490,320	-	617,254	-	(873,066)
Educational media services	1,565,917	-	1,470,519	-	(95,398)
Federal grant administration	79,301	-	-	-	(79,301)
General administration	917,868	-	2,213,224	274	1,295,630
School administration	8,701,117	-	3,215,807	48	(5,485,262)
Business administration	1,206,178	-	34,750	10,240	(1,161,188)
Maintenance and operation of facilities	8,599,087	264,670	3,395,025	28,355	(4,911,037)
Student transportation services	5,895,281	-	2,464,596	151,331	(3,279,354)
Central support services	891,687	-	23,426	4,109	(864,152)
Other support services	30,706	-	633	-	(30,073)
Operations of noninstructional services:					
Miscellaneous noninstructional services	1,790,555	3,190,803	-	3,736	1,403,984
Food services operation	4,266,111	1,447,421	1,413,239	2,833	(1,402,618)
Interest on long-term debt	397,459	-	-	-	(397,459)
Total governmental activities	$ 132,065,365	$ 6,464,250	$ 67,078,006	$ 810,107	$ (57,713,002)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	$ 53,896,676
Sales taxes	13,076,878
Other taxes	1,124,447
Unrestricted investment earnings	2,711,867
Total general revenues	70,809,868
Change in net position	13,096,866
Net position, beginning of year	101,952,240
Net position, end of year	$ 115,049,106

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

OCONEE COUNTY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 59,129,133	$ 137,730	$ 13,688,691	$ 72,955,554
Investments	5,399,734	-	-	5,399,734
Receivables:				
Taxes	1,312,673	-	1,098,520	2,411,193
Intergovernmental	9,449,849	-	-	9,449,849
Other	132,894	-	29,726	162,620
Due from other funds	14,000	1,237,989	-	1,251,989
Prepaid items	17,464	-	-	17,464
Inventory	31,662	-	-	31,662
Total assets	$ 75,487,409	$ 1,375,719	$ 14,816,937	$ 91,680,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 2,407,244	$ 1,275,783	$ -	$ 3,683,027
Salaries and benefits payable	14,545,138	-	-	14,545,138
Construction contracts payable	61,085	10,727	-	71,812
Retainage payable	-	28,873	-	28,873
Due to other funds	46,336	14,000	1,191,653	1,251,989
Total liabilities	17,059,803	1,329,383	1,191,653	19,580,839
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - property taxes	289,450	-	-	289,450
Total deferred inflows of resources	289,450	-	-	289,450
FUND BALANCES				
Nonspendable:				
Inventory	31,662	-	-	31,662
Prepaid items	17,464	-	-	17,464
Restricted for:				
Capital projects	-	46,336	-	46,336
Debt service	-	-	13,625,284	13,625,284
Assigned for:				
Appropriation for next year's budget	1,370,545	-	-	1,370,545
Unassigned	56,718,485	-	-	56,718,485
Total fund balances	58,138,156	46,336	13,625,284	71,809,776
Total liabilities, deferred inflows of resources, and fund balances	$ 75,487,409	$ 1,375,719	$ 14,816,937	$ 91,680,065

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

OCONEE COUNTY BOARD OF EDUCATION

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

Total fund balances - governmental funds			$ 71,809,776
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.			
Cost	$ 279,581,451		
Less accumulated depreciation	(65,836,562)		213,744,889
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.			
Property taxes			289,450
The net pension liability and related deferrals are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Net pension liability	$ (95,212,919)		
Pension related deferred outflows of resources	32,183,673		
Pension related deferred inflows of resources	(15,143,420)		(78,172,666)
The net OPEB liability and related deferrals are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Net OPEB liability	$ (53,856,587)		
OPEB related deferred outflows of resources	13,669,151		
OPEB related deferred inflows of resources	(15,406,272)		(55,593,708)
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Bonds payable	$ (31,490,000)		
Premium, net of amortization	(4,550,018)		
Accrued interest	(500,283)		
Compensated absences	(193,371)		
SBITA liability	(294,963)		
			(37,028,635)
Net position of governmental activities			$ 115,049,106

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

OCONEE COUNTY BOARD OF EDUCATION

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

	General	District-Wide Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 53,959,227	$ -	$ -	$ 53,959,227
Sales taxes	-	-	13,076,878	13,076,878
Other taxes	1,124,447	-	-	1,124,447
State funds	63,815,480	721,997	-	64,537,477
Federal funds	4,267,017	-	-	4,267,017
Investment income	2,852,016	33	352,691	3,204,740
Charges for services	3,273,447	-	-	3,273,447
Miscellaneous	3,188,723	2,080	-	3,190,803
Total revenues	132,480,357	724,110	13,429,569	146,634,036
EXPENDITURES				
Current:				
Instruction	84,649,101	-	-	84,649,101
Support services:				
Pupil services	3,868,975	-	-	3,868,975
Improvement of instructional services	1,458,336	-	-	1,458,336
Educational media services	1,534,716	-	-	1,534,716
Federal grant administration	79,301	-	-	79,301
General administration	948,511	-	-	948,511
School administration	8,666,246	-	-	8,666,246
Business administration	968,165	-	-	968,165
Maintenance and operation of facilities	9,260,293	21,502	-	9,281,795
Student transportation services	5,434,243	1,012,742	-	6,446,985
Central support services	934,233	-	-	934,233
Other support services	31,000	-	-	31,000
Miscellaneous noninstructional services	1,513,403	-	-	1,513,403
Food services operation	4,352,573	-	-	4,352,573
Capital outlay	1,532,570	1,923,390	-	3,455,960
Debt service:				
Principal retirement	187,786	-	4,360,000	4,547,786
Interest and fees	22,206	-	1,675,250	1,697,456
Total expenditures	125,441,658	2,957,634	6,035,250	134,434,542
Excess (deficiency) of revenues over expenditures	7,038,699	(2,233,524)	7,394,319	12,199,494
OTHER FINANCING SOURCES (USES)				
Transfers in	30,799	2,279,860	-	2,310,659
Transfers out	-	-	(2,310,659)	(2,310,659)
Proceeds from sale of capital assets	10,500	-	-	10,500
Total other financing sources (uses)	41,299	2,279,860	(2,310,659)	10,500
Net change in fund balances	7,079,998	46,336	5,083,660	12,209,994
FUND BALANCES, beginning of year	51,058,158	-	8,541,624	59,599,782
FUND BALANCES, end of year	$ 58,138,156	$ 46,336	$ 13,625,284	$ 71,809,776

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

OCONEE 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			$ 12,209,994
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period is as follows:			
Capital outlay	$ 4,813,128		
Depreciation expense	(6,719,265)		(1,906,137)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			
Sales of capital assets			(10,688)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
Property taxes			(62,551)
In the governmental funds, current year expenditures related to pension and OPEB plans are comprised solely of amounts contributed to the plans for the current year. However, in the statement of activities, expenses related to pension and OPEB plans include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions, OPEB and related items.			
Pension related items	$ (3,247,187)		
OPEB related items	1,495,131		(1,752,056)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal payments - bonds	$ 4,360,000		
Principal payments - SBITAs	187,786		4,547,786
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Amortization of bond premium	$ 1,241,863		
Change in compensated absences	(9,700)		
Change in accrued interest	58,134		1,290,297
Change in net position of governmental activities			$ 14,316,645

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

OCONEE COUNTY BOARD OF EDUCATION

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 51,186,553	$ 52,771,175	$ 53,959,227	$ 1,188,052
Other taxes	700,000	700,000	1,124,447	424,447
State funds	61,072,624	61,032,812	63,815,480	2,782,668
Federal funds	6,223,749	5,917,654	4,267,017	(1,650,637)
Charges for services	1,216,000	1,216,000	3,273,447	2,057,447
Investment income	51,500	2,061,484	2,852,016	790,532
Miscellaneous	487,100	487,100	3,188,723	2,701,623
	120,937,526	124,186,225	132,480,357	8,294,132
EXPENDITURES				
Current:				
Instruction	85,054,219	83,361,195	84,649,101	(1,287,906)
Support services:				
Pupil services	4,219,810	4,014,817	3,868,975	145,842
Improvement of instructional services	1,710,470	1,741,242	1,458,336	282,906
Educational media services	1,417,667	1,439,667	1,534,716	(95,049)
Federal grant administration	69,906	71,298	79,301	(8,003)
General administration	958,919	963,517	948,511	15,006
School administration	7,963,645	7,913,645	8,666,246	(752,601)
Business administration	1,011,076	1,049,076	968,165	80,911
Maintenance and operation of facilities	8,785,927	9,445,927	9,260,293	185,634
Student transportation services	6,059,599	5,874,759	5,434,243	440,516
Central support services	1,096,117	1,096,117	934,233	161,884
Other support services	31,000	31,000	31,000	-
Miscellaneous noninstructional services	-	-	1,513,403	(1,513,403)
Food services operation	3,962,179	3,962,179	4,352,573	(390,394)
Capital outlay	-	1,600,000	1,532,570	67,430
Debt service:				
Principal payments	-	-	187,786	(187,786)
Interest	-	-	22,206	(22,206)
Total expenditures	122,340,534	122,564,439	125,441,658	(2,877,219)
Excess (deficiency) of revenues over expenditures	(1,403,008)	1,621,786	7,038,699	5,416,913
OTHER FINANCING SOURCES				
Transfer in	-	-	30,799	30,799
Proceeds from sale of capital assets	-	-	10,500	10,500
Total other financing sources	-	-	41,299	41,299
Net change in fund balances	(1,403,008)	1,621,786	7,079,998	5,458,212
FUND BALANCES, beginning of year	51,058,158	51,058,158	51,058,158	-
FUND BALANCES, end of year	$ 49,655,150	$ 52,679,944	$ 58,138,156	$ 5,458,212

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

OCONEE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2025

ASSETS	Club and Athletics Fund
Cash	$ 2,860
Total assets	2,860
NET POSITION	
Restricted for individuals and organizations	$ 2,860

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

OCONEE COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2025

	Club and Athletics Fund
DEDUCTIONS	
Supplies	$ 188
Intergovernmental expense	1,735
Total deductions	1,923
Change in net position	(1,923)
NET POSITION	
Beginning of year	4,783
End of year	$ 2,860

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

Note 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements of the Oconee County Board of Education.

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include: (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Fund Financial Statements (Continued)*:**

The School District reports the following major governmental funds:

- *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- *District-Wide Capital Projects Fund* accounts for financial resources including Special Purpose Local Option Sales Tax (SPLOST) projects, Bond Proceeds, and grants from Georgia State Financing and Investment Commission to be used for the acquisition, construction, or renovation of major capital facilities.
- *Debt Service Fund* accounts for taxes (property and special purpose local option sales) legally restricted for the payment of general long-term debt principal, interest, and paying agent's fees.

The School District also reports the following fund types:

- *Custodial Fund* accounts for assets held by the School District as a fiduciary for various individual school clubs and activities in which the School District has no administrative involvement.

Basis of Accounting/Measurement Focus

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; however, intergovernmental revenues reported in the governmental funds are considered to be available if they are collected within 120 days after year end.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting/Measurement Focus (Continued)

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

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

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

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

Cash and Cash Equivalents

COMPOSITION OF DEPOSITS

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

COMPOSITION OF INVESTMENTS
Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. Both participating interest-earning contracts and money market investments with a maturity at purchase greater than one year are reported at fair value. The O.C.G.A. §36-83-4 authorizes the School District to invest its funds. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity. Funds may be invested in the following:

(1) Obligations issued by the State of Georgia or by other states,

(2) Obligations issued by the United States Government,

(3) Obligations fully insured or guaranteed by the United States Government or a United States Government agency,

(4) Obligations of any corporation of the United States Government,

(5) Prime bankers' acceptances,

(6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,

(7) Repurchase agreements, and

(8) Obligations of other political subdivisions of the State of Georgia.

The School District does not have a formal policy regarding investments that addresses credit risks, custodial credit risks, concentration of credit risks, interest rate risks, or foreign currency risks.

Receivables and Payables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on federal, state, or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements are reported net of an allowance for uncollectible receivables when necessary.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

The Oconee County Tax Commissioner levied the property tax for the 2024 tax digest year (calendar year) on July 9, 2024 (levy date). Taxes were due on November 15, 2024 (lien date). Taxes collected within the current fiscal year or within 60 days after year end on the 2024 tax digest are reported as revenue in the governmental funds for fiscal year 2025. The Oconee County Tax Commissioner bills and collects the property taxes for the School District, withholds 2% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2025, for maintenance and operations amounted to $49,875,423.

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

School Maintenance and Operations	14.25 mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $4,083,804 for the General Fund during the fiscal year ended June 30, 2025.

Sales Taxes

Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $13,076,878 and was authorized by local referendum and the sales tax must be reauthorized at least every five years.

Inventories

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

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

Prepaid Items

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase (including ancillary charges). On the School District-wide financial statements, all purchased capital assets are valued at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at estimated acquisition value on the date donated. Disposals are deleted at depreciated recorded cost. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. Depreciation and amortization are computed using the straight-line method. The School District does not capitalize book collections or works of art. Depreciation and amortization are used to allocate the actual or estimated historical cost of all capital assets over estimated useful lives.

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	$ 25,000	70 years
Buildings and Improvements	$ 25,000	15 to 70 years
Machinery and Equipment	$ 5,000	5 to 25 years
Intangible Assets	$ 25,000	3 to 50 years

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has eight (8) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental activities report: (1) a deferred outflow of resources for the School District's actual contributions to the pension plan during the fiscal year ended June 30, 2025 which are subsequent to the measurement date of the net pension liability and will be recognized in fiscal year 2026; (2) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (3) a deferred outflow of resources for the changes in actuarial assumptions for the pension plan will be amortized over the remaining service period; (4) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (5) a deferred outflow of resources for the School District's actual contributions to the OPEB plan during the fiscal year ended June 30, 2025 which are subsequent to the measurement date of the net OPEB liability and will be recognized in fiscal year 2026; (6) a deferred outflow of resources for experience gains or losses related to the pension plan which will be amortized over the remaining service period; (7) a deferred outflow of resources for the changes in actuarial assumptions for the OPEB plan which will be amortized over the remaining service period; and (8) a deferred outflow of resources for the change in the School District's proportionate share based on actual contributions towards the OPEB plan, which will be amortized over the remaining service period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has one type of deferred inflow 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 property taxes and this amount is deferred and will be recognized as an inflow of resources in the period in which the amount becomes available. The School District has six (6) items that qualify for reporting in this category which occurs only in the governmental activities. Governmental activities report: (1) a deferred inflow of resources for the changes in experience differences in relation to the pension plan which will be amortized over the remaining service period; (2) a deferred inflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension plan, which will be amortized over the remaining service period; (3) a deferred outflow of resources for the net difference between projected and actual investment earnings on the pension assets, which will be amortized over a five-year period; (4) a deferred inflow of resources for the changes in experience differences in relation to the OPEB plan which will be amortized over the remaining service period; and (5) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period; and (6) a deferred outflow of resources for the net difference between projected and actual investment earnings on the OPEB assets, which will be amortized over a five-year period.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Obligation Bonds

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

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

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

Use of Estimates

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

Compensated Absences

All 12-month personnel of Oconee County Board of Education earn 15 annual vacation days per year from July 1 through June 30. Annual vacation leave is credited to 12-month employees at the rate of 1.25 days per month, for a total of 15 days per year between July 1 and June 30. Employees may carryforward a maximum of 7.5 vacation days at July 1 of each year. Compensated absences liabilities are shown as long-term liabilities on the statement of net position. A fund liability is accrued only for the matured portion of compensated absences at fiscal year end. Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the individual school districts. Otherwise, sick leave does not vest with the employee, and no liability is reported in the School District's financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

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

Other Postemployment Benefits (OPEB)

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

Subscription-Based Information Technology Arrangements (SBITAs)

The School District is a subscriber to multiple subscription-based information technology arrangements (SBITAs). The School District pays total subscription amounts up front for some SBITAs and only recognizes intangible right-to-use SBITAs in the government-wide financial statements.

At the commencement of a lease, the School District initially measures the SBITA liability at the present value of payments expected to be made during the contract term. The SBITA asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the right-to-use subscription asset is amortized on a straight-line basis over its useful life.

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

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged is not specified, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the lease receivable are composed of fixed payments due to the School District over the term of the lease and residual value guarantee payments that are fixed in substance.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

The School District monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription liability and right-to-use asset if certain changes occur that are expected to significantly affect the amount of the SBITA liability and right-to-use asset.

Fund Balance

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

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education through the adoption of a resolution. Only the Board of Education may modify or rescind the commitment, also through a resolution.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Education has authorized the Superintendent or his or her designee to assign fund balances.
- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The School District reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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

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

Note 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund and Debt Service Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, O.C.G.A. §20-2-167 and in accordance with U.S. generally accepted accounting principles. The legal level of budgetary control was established by the Board and the aggregate function level. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

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

General Fund		
Current:		
Instruction	$	1,287,906
Support services:		
Educational media services		95,049
Federal grant administration		8,003
School administration		752,601
Miscellaneous noninstructional services		1,513,403
Food services operation		390,394
Debt service:		
Principal payments		187,786
Interest		22,206

The excess of expenditures over budget that are noted above were primarily funded by greater than anticipated revenues.

Note 4: DEPOSITS AND INVESTMENTS

CATEGORIZATION OF INVESTMENTS

The investment in the local government investment pool, consist of funds in the amount of $45,507,324 which are on deposit in the "Georgia Fund 1," the State of Georgia investment pool created by O.C.G.A. §36-83-8, which is a stable asset value investment pool which follows Standard & Poor's criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share 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 value as of year end and the School District's investment in the Georgia Fund 1 is reported at fair value. The School District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

INTEREST RATE RISK

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

FAIR VALUE MEASUREMENTS

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

The School District's certificates of deposit are considered nonparticipating interest-earning investment contracts and, accordingly, are valued at cost.

Investment	Maturity	Fair Value
Certificate of Deposit	December 8, 2025	$ 5,399,734
Certificate of Deposit	December 8, 2025	5,203,525
Georgia Fund One	51 days	45,507,324
		$ 56,110,583

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

Note 4: DEPOSITS AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

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

Note 5: NONMONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2025, the commodities usage is recorded at their federally assigned value of $177,961.

Note 6: CAPITAL ASSETS

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

	Balances June 30, 2024	Increases	Decreases	Transfers	Balances June 30, 2025
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,765,554	$ -	$ -	$ -	$ 5,765,554
Construction in progress	18,431,553	694,941	-	(18,382,799)	743,695
Total	24,197,107	694,941	-	(18,382,799)	6,509,249
Capital assets, being depreciated:					
Building improvements	210,854,924	849,308	-	18,310,467	230,014,699
Equipment	23,583,363	3,099,929	(793,462)	72,332	25,962,162
Land improvements	15,382,859	168,950	-	-	15,551,809
Subscription assets	1,543,532	-	-	-	1,543,532
Total	251,364,678	4,118,187	(793,462)	18,382,799	273,072,202
Less accumulated depreciation for:					
Building improvements	(42,650,160)	(3,742,975)	-	-	(46,393,135)
Equipment	(14,771,092)	(2,386,064)	782,774	-	(16,374,382)
Land improvements	(2,294,191)	(220,969)	-	-	(2,515,160)
Subscription assets	(184,628)	(369,257)	-	-	(553,885)
Total	(59,900,071)	(6,719,265)	782,774	-	(65,836,562)
Total capital assets, being depreciated, net	191,464,607	(2,601,078)	(10,688)	18,382,799	207,235,640
Governmental activities capital assets, net	$ 215,661,714	$ (1,906,137)	$ (10,688)	$ -	$ 213,744,889

Depreciation expense was charged to functions as follows:

Instruction	$ 5,528,588
Support services:	
Pupil services	108,447
General administration	2,380
School administration	448
Business Administration	94,792
Maintenance and operation of facilities	300,507
Student transportation services	585,250
Central support services	38,038
Operations of non-instructional services:	
Food services	26,230
Other enterprise operations	34,585
	$ 6,719,265

Note 7: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables/payables as of June 30, 2025, consisted of the following:

Interfund Payable	Interfund Receivable	Total
District-Wide Capital Projects	General	$ 14,000
General	District-Wide Capital Projects	46,336
Debt Service	District-Wide Capital Projects	1,191,653

The interfund balances above represents expenditures incurred by the District-Wide Capital Projects Fund for certain capital projects, which will be repaid with future collections of sales tax or bond proceeds.

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

Transfer From	Transfer To	Total
Debt Service	District-Wide Capital Projects	$ 2,279,860
Debt Service	General Fund	30,799

Transfers are used to move SPLOST proceeds between the Debt Service Fund and the District-Wide Capital Projects Fund to fund SPLOST projects as allowed in the referendum.

Note 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors or omissions; job-related illness or injuries to employees; acts of God; and unemployment compensation and vision plan.

The School District has obtained commercial insurance for risk of loss associated with torts, assets, and errors or omissions. The School District has neither significantly reduced coverage for these risks or incurred losses (settlements) which exceeded the School District's insurance coverage in any of the past three years.

The School District has obtained commercial insurance for all losses related to acts of God. The School District has not experienced any losses related to this risk in the past three years.

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

The School District pays an annual premium for its general insurance coverage. The School District has purchased surety bonds to provide additional insurance coverage as follows:

Position Covered	Amount
Superintendent	$100,000
Driver Education	$10,000

Note 9: LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 35,850,000	$ -	$ (4,360,000)	$ 31,490,000	$ 4,535,000
Unamortized bond premium	5,791,881	-	(1,241,863)	4,550,018	-
Bonds payable, net	41,641,881	-	(5,601,863)	36,040,018	4,535,000
Compensated absences *	183,671	9,700	-	193,371	174,034
SBITA	482,749	-	(187,786)	294,963	198,138
Net pension liability	109,525,982	7,704,134	(22,017,197)	95,212,919	-
Net OPEB liability	51,570,527	8,037,080	(5,751,020)	53,856,587	-
Governmental activity Long-term liabilities	$ 203,404,810	$ 15,750,914	$ (33,557,866)	$ 185,597,858	$ 4,907,172

* The change in the compensated absences is presented as a net change.

For governmental activities, the net pension liability and net OPEB liability are being liquidated primarily by the General Fund.

GENERAL OBLIGATION DEBT OUTSTANDING
General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Outstanding Balance at June 30, 2025
General Government - Series 2021	4.00% - 5.00%	$ 31,490,000
		$ 31,490,000

In June 2021, the Oconee County School District issued $37,200,000 of General Obligation Bonds Series 2021. The 2021 Bonds were issued to: (i) finance certain capital outlay projects, (ii) paying capitalized interest, and (iii) paying the cost of issuing the Series 2021 Bonds. Interest on the bonds is payable semiannually, on March 1 and September 1 of each year, commencing September 1, 2021.

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

Fiscal Year Ending June 30	General Obligation Bonds Principal	Interest	Total
2026	$ 4,535,000	$ 1,500,850	$ 6,035,850
2027	4,765,000	1,274,100	6,039,100
2028	5,000,000	1,035,850	6,035,850
2029	3,115,000	785,850	3,900,850
2030	3,275,000	630,100	3,905,100
2031-2033	10,800,000	911,150	11,711,150
Total	$ 31,490,000	$ 6,137,900	$ 37,627,900

Note 9: LONG-TERM DEBT (Continued)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) LIABILITIES

The School District has entered into three (3) SBITAs for education support software subscriptions, each bearing an imputed interest rate of 4.60%. Principal and interest requirements to maturity for the SBITAs as of June 30, 2025 are as follows:

Fiscal Year Ending June 30	SBITAS Principal	Interest	Total
2026	$ 198,138	$ 13,568	$ 211,706
2027	96,825	4,454	101,279
Total	$ 294,963	$ 18,022	$ 312,985

Note 10: SIGNIFICANT COMMITMENTS

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

Project	Amount
OCHS Parking Addition	$ 1,000
Maintenance Paving	9,727
Generator Replacement	61,085

The amounts described in this note are not reflected in the basic financial statements.

Note 11: SIGNIFICANT CONTINGENT LIABILITIES

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

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable, but is not believed to be material to the basic financial statements.

Note 12: RETIREMENT PLANS

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

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll. School District contributions to TRS were $13,111,367 for the year ended June 30, 2025.

Note 12: RETIREMENT PLANS (Continued)

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

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

School District's proportionate share of the net pension liability	$	95,212,919
State of Georgia's proportionate share of the net pension liability associated with the School District		400,646
Total	$	95,613,565

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 District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.378812%, which was an increase of 0.007843% from its proportion measured as of June 30, 2023.

Note 12: RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of $16,308,417 and expense of $39,830 for support provided by the State of Georgia for certain support personnel. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,774,004	$ 284,571
Changes in assumption	6,623,501	-
Net difference between projected and actual earnings on pension plan investments	-	13,274,735
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,674,801	1,584,114
School District contributions subsequent to the measurement date	13,111,367	-
Total	$ 32,183,673	$ 15,143,420

District contributions subsequent to the measurement date of $13,111,367 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal 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	$ 1,670,788
2027	12,027,331
2028	(5,563,944)
2029	(4,205,289)
Total	$ 3,928,886

Note 12: RETIREMENT PLANS (Continued)

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

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

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

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

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

Note 12: RETIREMENT PLANS (Continued)

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

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

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

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

Discount rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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 12: RETIREMENT PLANS (Continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	$ 163,880,492	$ 95,212,919	$ 39,159,160

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

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

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

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

Upon retirement, the member will receive a monthly benefit of $16.50, 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.

Note 12: RETIREMENT PLANS (Continued)

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

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

Pension Liabilities and Pension Expense

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

State of Georgia's proportionate share of the Net Pension Liability associated with the District	$ 533,057

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 State's proportion of the net pension liability associated with the District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of $123,292 and revenue of $123,292 for support provided by the State of Georgia.

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

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

Note 12: RETIREMENT PLANS (Continued)

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

Mortality rates are as follows:

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

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

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

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

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

* Net of inflation

Note 12: RETIREMENT PLANS (Continued)

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

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

Note 13: POSTEMPLOYMENT BENEFITS

GEORGIA SCHOOL PERSONNEL EMPLOYEES POSTEMPLOYMENT HEALTH BENEFIT FUND

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

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $3,307,259 for the year ended June 30, 2025. Of this amount $1,219,779 was paid on behalf of the School District by the State of Georgia, for a net contribution of $2,087,480. Active employees are not required to contribute to the School OPEB Fund.

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

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

At June 30, 2025, the School reported a liability of $53,856,587 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the School's proportion was 0.472578%, which was an increase of 0.001761% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of $1,812,128. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,641,034	$ 9,724,547
Changes in plan assumptions	6,279,912	5,331,132
Net difference between projected and actual earnings on OPEB plan investments	-	350,593
Changes in proportion and differences between District contributions and proportionate share of contributions	2,660,725	-
District contributions subsequent to the measurement date	2,087,480	-
Total	$ 13,669,151	$ 15,406,272

School contributions subsequent to the measurement date of $2,087,480 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	$ (1,213,591)
2027	(2,490,876)
2028	(1,002,743)
2029	601,288
2030	266,485
2031	14,836
Total	$ (3,824,601)

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

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

Actuarial assumptions:

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

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

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

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

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

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

- 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 adjust 104% for males and 99% for females) with the MP-2019 Project 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 with changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District 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 rate of return for the major asset class are summarized in the following table:

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

*Net of Inflation

Note 13: POSTEMPLOYMENT BENEFITS (Continued)

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

Discount rate:

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

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

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the net OPEB liability	$ 60,931,721	$ 53,856,587	$ 47,890,021

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 46,535,166	$ 53,856,587	$ 62,853,772

Note 14: TAX ABATEMENTS

For the year ended June 30, 2025, School District property tax revenues were reduced by $277,500 under agreements entered into by Oconee County Industrial Development Authority. Under the agreements, taxes on both real property and personal property are reduced based on jobs created and investments made by the corporation to whom the incentives were offered as long as the corporation meets certain investment targets.

II. REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	0.378812%	0.370969%	0.380271%	0.389064%	0.379744%
District's proportionate share of the net pension liability	$ 95,212,919	$ 109,525,982	$ 123,481,344	$ 34,410,116	$ 91,988,860
State of Georgia's proportionate share of the net pension liability associated with the District	400,646	472,979	672,818	198,025	544,796
Total	$ 95,613,565	$ 109,998,961	$ 124,154,162	$ 34,608,141	$ 92,533,656
District's covered payroll	$ 59,316,752	$ 54,072,553	$ 51,399,682	$ 51,397,041	$ 49,249,650
District's proportionate share of the net pension liability as a percentage of its covered payroll	160.52%	202.55%	240.24%	66.95%	186.78%
Plan fiduciary net position as a percentage of the total pension liability	80.86%	76.29%	72.85%	92.03%	77.01%

	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.367808%	0.355887%	0.347123%	0.343671%	0.341933%
District's proportionate share of the net pension liability	$ 79,088,666	$ 66,060,250	$ 64,513,879	$ 70,903,159	$ 52,055,904
State of Georgia's proportionate share of the net pension liability associated with the District	474,995	291,611	528,194	944,492	610,787
Total	$ 79,563,661	$ 66,351,861	$ 65,042,073	$ 71,847,651	$ 52,666,691
District's covered payroll	$ 45,157,211	$ 42,388,441	$ 39,857,744	$ 37,697,316	$ 36,092,996
District's proportionate share of the net pension liability as a percentage of its covered payroll	175.14%	155.84%	161.86%	188.09%	144.23%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

OCONEE COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 13,111,367	$ 11,851,485	$ 10,803,696	$ 10,182,277	$ 9,796,276
Contributions in relation to the contractually required contributions	13,111,367	11,851,485	10,803,696	10,182,277	9,796,276
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 63,096,088	$ 59,316,752	$ 54,072,553	$ 51,399,682	$ 51,397,041
Contributions as a percentage of covered payroll	20.78%	19.98%	19.98%	19.81%	19.06%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 10,411,376	$ 9,437,857	$ 7,125,497	$ 5,687,700	$ 5,379,407
Contributions in relation to the contractually required contributions	10,411,376	9,437,857	7,125,497	5,687,700	5,379,407
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 49,249,650	$ 45,157,211	$ 42,388,441	$ 39,857,744	$ 37,697,316
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%

OCONEE COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	533,057	829,184	1,170,898	126,194	894,167
Total	$ 533,057	$ 829,184	$ 1,170,898	$ 126,194	$ 894,167
District's covered-employee payroll	$ 3,587,772	$ 2,966,907	$ 2,788,987	$ 2,768,667	$ 2,650,117
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.02%	85.67%	81.21%	98.00%	84.45%

	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the District	769,924	727,902	661,654	946,208	606,841
Total	$ 769,924	$ 727,902	$ 661,654	$ 946,208	$ 606,841
District's covered-employee payroll	$ 2,734,268	$ 2,458,766	$ 2,363,263	$ 2,274,156	$ 1,747,927
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%

OCONEE COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.472578%	0.470817%	0.465114%	0.463345%	0.448058%
District's proportionate share of the net OPEB liability	$ 53,856,587	$ 51,570,527	$ 46,061,086	$ 50,184,097	$ 65,809,285
District's covered-employee payroll	$ 54,299,297	$ 50,416,879	$ 43,149,285	$ 42,305,077	$ 40,355,619
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	99.18%	102.29%	106.75%	118.62%	163.07%
Plan fiduciary net position as a percentage of the total OPEB liability	6.88%	6.05%	6.17%	6.14%	3.99%

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.424516%	0.402850%	0.398940%	0.202797%
District's proportionate share of the net OPEB liability	$ 52,097,221	$ 51,200,999	$ 56,050,909	$ 35,337,134
District's covered-employee payroll	$ 32,651,028	$ 33,968,564	$ 32,293,538	$ 20,509,958
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	159.56%	150.73%	173.57%	172.29%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%	N/A

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

OCONEE COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022
Contractually required contributions	$ 3,307,259	$ 1,932,744	$ 1,810,029	$ 1,681,735
Contributions in relation to the contractually required contributions	3,307,259	1,932,744	1,810,029	1,681,735
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 54,299,297	$ 50,416,879	$ 55,300,867	$ 43,149,285
Contributions as a percentage of covered-employee payroll	6.09%	3.83%	3.27%	3.90%

	2021	2020	2019	2018
Contractually required contributions	$ 1,723,564	$ 1,515,229	$ 2,286,311	$ 2,087,933
Contributions in relation to the contractually required contributions	1,723,564	1,515,229	2,286,311	2,087,933
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 42,305,077	$ 40,355,619	$ 32,651,028	$ 33,968,564
Contributions as a percentage of covered-employee payroll	4.07%	3.75%	7.00%	6.15%

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

Teachers Retirement System of Georgia:

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

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

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

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

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

Public School Employees Retirement System of Georgia:

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

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

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

On December 17, 2020, the Board adopted recommended changes to the economic and demographic 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 or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund:

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

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

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

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

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

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

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

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

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

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

III. OTHER SUPPLEMENTARY INFORMATION

OCONEE COUNTY BOARD OF EDUCATION

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

Project	Original Estimated Cost(1)	Current Estimated Cost(2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Completion Cost	Project Status
2017 Referendum - ESPLOST V Projects:						
Acquiring, constructing and equipping new schools, administrative and service facilities and/or additions to, renovations of, repairs to, improvements to, and equipment for existing educational, administrative and services buildings, properties, and facilities of the School District, including, without limitation, athletic facilities, transportation facilities, and educational facilities; heating and air systems; technology infrastructure;	$ 40,000,000	$ 43,316,091	$ 22,488	$ 42,702,325	$ 42,724,813	Ongoing
Acquiring real and personal property for future school or administrative and services facility sites and school buses;	4,500,000	3,103,816	745,890	2,357,926	3,103,816	Ongoing
Paying expenses incidental thereto;	500,000	1,276,556	-	1,276,556	1,276,556	Ongoing
Total ESPLOST V expenditures	45,000,000	47,696,463	768,378	46,336,807	47,105,185	
2021 Referendum - ESPLOST VI Projects: Providing funds to pay the costs of:						
Acquiring, constructing and equipping new schools, administrative and service facilities and/or additions to, renovations of, repairs to, improvements to, and equipment for existing educational, administrative and services buildings, properties, and facilities of the School District, including, without limitation, athletic facilities, transportation and maintenance facilities, and administrative educational facilities; heating and air systems; network and technology infrastructure;	41,000,000	56,858,585	3,142,545	52,994,044	56,136,589	Ongoing
Acquiring real and personal property for future school or administrative and services facility sites and school buses;	4,000,000	4,000,000	-	-	-	Ongoing
Paying expenses incidental thereto;	3,500,000	3,516,901	-	3,516,901	3,516,901	Ongoing
Total ESPLOST VI expenditures	48,500,000	64,375,486	3,142,545	56,510,945	59,653,490	
Total ESPLOST expenditures	$ 93,500,000	$ 112,071,949	$ 3,910,923	$ 102,847,752	$ 106,758,675	

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

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

(3) The voters of Oconee 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.

IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Oconee County Board of Education
Watkinsville, 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 Oconee County Board of Education (the "School District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 12, 2026.

Reporting on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 12, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Oconee County Board of Education
Watkinsville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during out 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 may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 12, 2026

OCONEE COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U. S. DEPARTMENT OF AGRICULTURE:			
Passed Through Georgia Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Cash Assistance	10.553	255GA324N1199	$ 203,976
National School Lunch Program:			
Noncash Assistance - Commodities (1)	10.555	255GA324N1199	177,961
Cash Assistance	10.555	255GA324N1199	922,705
Total Child Nutrition Cluster			1,304,642
Passed Through Office of State Treasurer:			
Schools and Roads Cluster			
School and Roads - Grants to States	10.665	486Forest	32
Total Schools and Roads Cluster			32
Passed Through Georgia Department of Education:			
Food Services			
Commercial Warehouse and Storage	10.560	225GA904N2533	50,333
Total U.S. Department of Agriculture			1,355,007
U. S. DEPARTMENT OF EDUCATION			
Passed Through the Georgia Department of Education:			
Title I, Part A			
Title I Programs - Improving Academic Achievement of the Disadvantaged	84.01A	S010A240010	50,568
Title I Programs - Improving Academic Achievement of the Disadvantaged	84.01A	S010A250010	530,867
Total Title I, Part A			581,435
Title II-A - Improving Teacher Quality	84.367A	S367A240001	70,437
Title II-A - Improving Teacher Quality	84.367A	S367A250001	154,797
Total Title II-A			225,234
Title III - Immigrant	84.365A	S365A240010	5
Title III - Limited English Proficient	84.365A	S365A240010	9,127
Title III - Limited English Proficient	84.365A	S365A250010	22,213
Total Title III			31,345
Special Education Cluster (IDEA)			
IDEA 611- Special Ed Flowthrough	84.027A	H027A240073	816,020
IDEA 611- Special Ed Flowthrough	84.027A	H027A250073	1,091,209
Special Ed- Parent Mentor	84.027A	H027A250073	1,614
IDEA 619- Special Ed Ages 3-5	84.173A	H173A250081	43,307
IDEA - Capacity Building Grant	84.027A	H027A250073	50,000
Total Special Education Cluster (IDEA)			2,002,150

(Continued)

OCONEE COUNTY BOARD OF EDUCATION

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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U. S. DEPARTMENT OF EDUCATION (Continued):			
Vocational Grants - Perkins V - Program Improvement	84.048A	V048A250010	$ 42,007
Vocational Grants - Perkins V Plus Reserve	84.048A	V048A250010	18,144
Vocational Grants - Perkins V Carryover	84.048A	V048A250010	1,900
Total Vocational Grants			62,051
Title IV - Part A Student Support and Academic Enrichment	84.424A	S424A250011	41,210
Educational Stabilization Funds:			
Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	3,075
Total Educational Stabilization Funds			3,075
Total U.S. Department of Education - Passed Through Georgia Department of Education			2,946,500
U. S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMIN			
Passed Through the Georgia Department of Education:			
Economic Adjustment Assistance Grant (Why GA Works Grant)	11.307	859	$ 6,721
Total Expenditures of Federal Awards			$ 4,308,228

Notes to the Schedule of Expenditures of Federal Awards:

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

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

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

OCONEE COUNTY BOARD OF EDUCATION

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

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.027 and 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low risk auditee?	__X__ yes ____ no

OCONEE COUNTY BOARD OF EDUCATION

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

OCONEE COUNTY BOARD OF EDUCATION

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

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

OCONEE COUNTY BOARD OF EDUCATION

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

STATUS OF PRIOR YEAR FINDINGS

None reported.