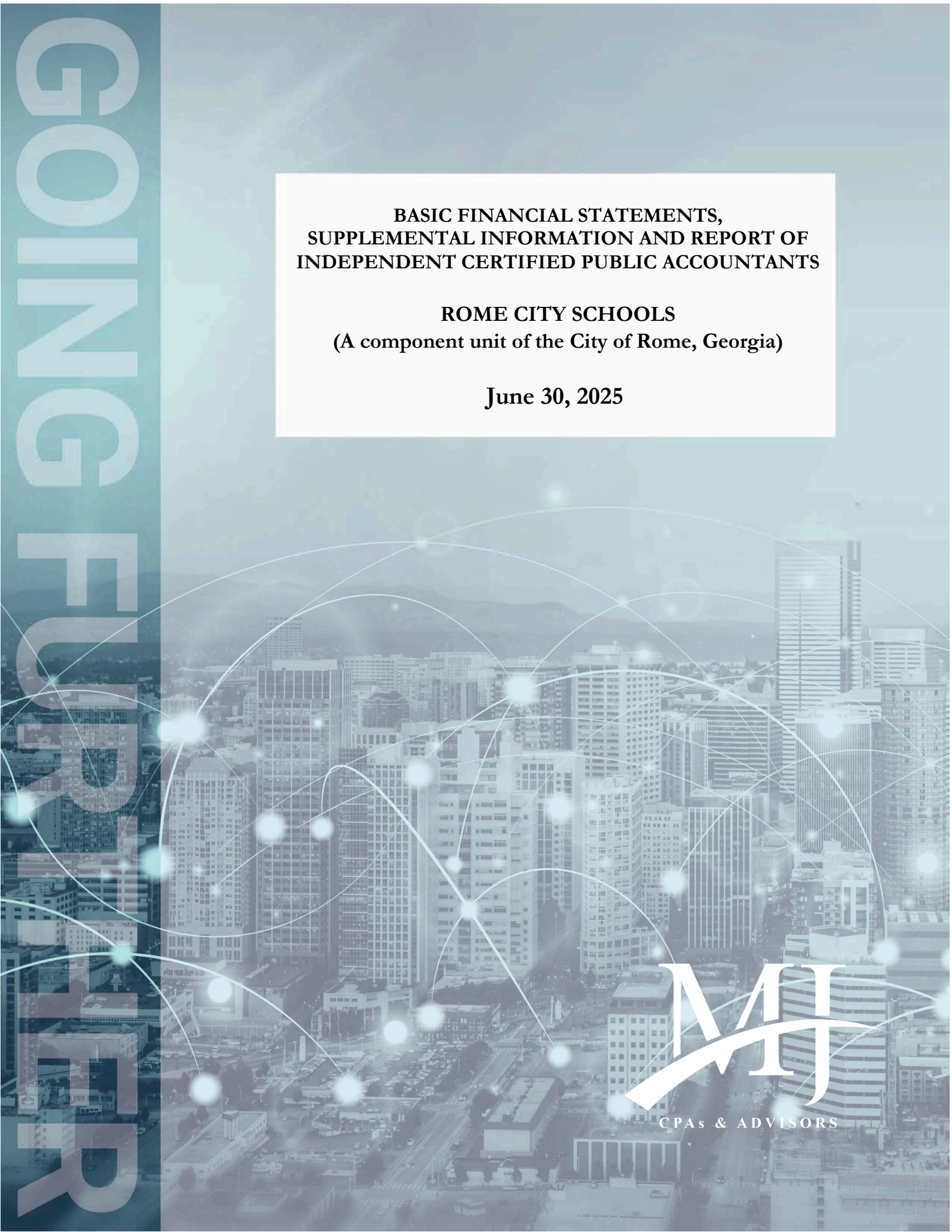
GOING FURTHER

BASIC FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ROME CITY SCHOOLS

(A component unit of the City of Rome, Georgia)

June 30, 2025



MJ

CPAs & ADVISORS

BASIC FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ROME CITY SCHOOLS
(A component unit of the City of Rome, Georgia)

June 30, 2025

Rome City Schools
(A component unit of the City of Rome, Georgia)
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Rome City Schools
(A component unit of the City of Rome, Georgia)
LIST OF PRINCIPAL OFFICIALS

June 30, 2025

BOARD MEMBERS

Ms. Faith Collins	Chairperson
Mr. Will Byington	Vice Chairperson
Ms. Toni Blanchard	Member
Ms. Brenda Boyd	Member
Ms. Marquita Davis	Member
Ms. Pascha Burge	Member
Mr. Alvin L. Jackson	Member

EXECUTIVE STAFF

Dr. Eric L. Holland	Superintendent

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the City of Rome Board of Education
Rome, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Rome City Schools, a component unit of the City of Rome, Georgia** (the "School System"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School System's basic financial statements. The combining and individual nonmajor fund statements, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, and the accompanying 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* (the "supplementary information"), 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the List of Principal Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2026 on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School System's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 14, 2026

Rome City Schools
(A component unit of the City of Rome, Georgia)
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

INTRODUCTION

This discussion and analysis provides an overview of the financial activities and condition of Rome City Schools (the "School System") for the fiscal year ended June 30, 2025. The intent of this section is to present the School System's financial performance in a clear and understandable format for citizens, taxpayers, board members, and other stakeholders. Readers are encouraged to review the accompanying financial statements and notes to gain a more comprehensive understanding of the School System's financial position.

FISCAL YEAR 2025 AT A GLANCE

- General Fund balance increased by approximately $8.7 million.
- Property tax digest growth strengthened local revenues.
- State transportation and equalization funding increased during fiscal year 2025.
- State capital grant funding supported construction of the new Rome Middle School.
- ESSER-related federal funding concluded as anticipated.
- Expenditures increased significantly due to accelerated construction activity associated with the new Rome Middle School project.
- The School System maintained strong financial stability despite inflationary and labor market pressures.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- Government-wide revenues increased by approximately $14.7 million, while fund-level revenues increased by approximately $14.4 million. These increases were primarily driven by state capital grant reimbursements associated with the construction of the new Rome Middle School.

- Government-wide expenditures increased by approximately $43.8 million and fund-level expenditures increased by approximately $57.5 million. These increases were expected as substantially more construction activity occurred during fiscal year 2025 compared to fiscal year 2024.

- General Fund balance increased by approximately $8.7 million due primarily to growth in local property tax revenues and increases in state transportation and equalization funding.

- Like many Georgia school systems, Rome City Schools continues to monitor enrollment trends, staffing challenges, healthcare cost increases, and inflationary pressures impacting school operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two levels of reporting that present different views of the School System's finances: government-wide financial statements and fund financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide both short-term and long-term information about the School System's overall financial condition.

The fund financial statements focus on individual funds and provide more detailed information regarding operations, financing, and available resources. Rome City Schools' major funds include the General Fund, the Special Purpose Local Option Sales Tax (SPLOST) Fund and the School Food Services Fund.

The financial statements also include notes and supplementary information that provide additional explanation and support for the financial statements.

Government-Wide Statements

The government-wide financial statements present a consolidated view of the School System's governmental activities. These statements help readers determine whether the School System's overall financial position improved or declined during the fiscal year.

The Statement of Net Position and Statement of Activities include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting method used by private-sector organizations. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

Changes in net position may result from factors both within and outside the School System's control, including property tax digest growth, state funding formulas, facility conditions, legislative actions, and economic conditions.

Fund Financial Statements

The School System uses multiple governmental funds to account for various financial activities and programs. The fund financial statements provide detailed information about the School System's most significant funds.

Governmental funds focus on near-term inflows and outflows of spendable resources and are reported using the modified accrual basis of accounting.

Major governmental funds include:

- General Fund – the primary operating fund used to account for daily instructional and operational activities.
- SPLOST Fund – used to account for construction, renovation, technology, and other capital expenditures funded through voter-approved SPLOST revenues.
- School Food Services Fund – accounts for federally supported breakfast and lunch programs.

FINANCIAL ANALYSIS OF THE SCHOOL SYSTEM AS A WHOLE

At June 30, 2025, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately $143.9 million. This represents an increase in the net position deficit of approximately $48.9 million compared to the prior year.

The unrestricted net position deficit does not indicate financial instability. Under Georgia law and local governance structure, substantially all school buildings and land are reported as assets of the City of Rome rather than the School System. However, related long-term obligations associated with school facilities are reflected within the School System's reporting entity.

Table 1 is a summary of the School System's net position. The table compares net position for 2025 and 2024:

Table 1
Net Position

	Governmental Activities 2025	Governmental Activities 2024	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Assets				
Current and other assets	$ 76,240,250	$ 130,175,374	$ (53,935,124)	(41.43) %
Capital assets, net	7,777,627	9,934,469	(2,156,842)	(21.71)
Total Assets	84,017,877	140,109,843	(56,091,966)	(40.03)
Deferred outflow of resources				
Pension related items	24,013,962	32,079,108	(8,065,146)	(25.14) %
OPEB related items	14,246,719	17,224,911	(2,978,192)	(17.29)
	38,260,681	49,304,019	(11,043,338)	(22.40)
Liabilities				
Current and other liabilities	24,415,613	28,462,861	(4,047,248)	(14.22)
Long-term liabilities	97,004,768	101,920,521	(4,915,753)	(4.82)
Net pension Liability	72,140,101	90,925,971	(18,785,870)	(20.66)
Net OPEB liability	43,896,530	44,340,399	(443,869)	(1.00)
Total Liabilities	237,457,012	265,649,752	(28,192,740)	(10.61)
Deferred inflow of resources				
Pension related items	14,047,435	483,495	13,563,940	2,805.39 %
OPEB related items	14,714,578	18,272,526	(3,557,948)	(19.47)
	28,762,013	18,756,021	10,005,992	53.35
Net position (deficit)				
Net investment in capital assets	7,777,627	9,934,469	(2,156,842)	(21.71)
Restricted	47,216,377	109,909,838	(62,693,461)	(57.04)
Unrestricted (deficit)	(198,934,471)	(214,836,218)	15,901,747	(7.40)
Total Net Position (deficit)	**$ (143,940,467)**	**$ (94,991,911)**	**$ (48,948,556)**	51.53 **%**

Government-wide revenues increased by approximately $14.7 million, or 12.09%, during fiscal year 2025. Capital grants and contributions increased significantly due to state facility grant reimbursements associated with the new Rome Middle School project. Property tax revenue increased by approximately $3.2 million, while SPLOST revenues increased by approximately $762,000.

Overall program expenses increased by approximately $43.8 million, or 31.01%, primarily due to increased construction activity related to the new Rome Middle School project. Interest expense also increased following the issuance of the Series 2023 revenue bonds.

Table 2 reflects the operating activities of the School System as a whole:

Table 2
Change in Net Position
2025 vs 2024

	Governmental Activities 2025	Governmental Activities 2024	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Program revenues				
Charges for services	$ 77,456	$ 103,618	$ (26,162)	(25.25) %
Operating grants and contributions	76,028,791	80,709,433	(4,680,642)	(5.80)
Capital grants and contributions	16,097,783	440,550	15,657,233	3,554.02
	92,204,030	81,253,601	10,950,429	13.48
General Revenues				
Property taxes	31,933,714	28,726,225	3,207,489	11.17
Special local option sales taxes	9,689,280	8,926,858	762,422	8.54
Interest on investments	2,328,884	2,558,215	(229,331)	(8.96)
	43,951,878	40,211,298	3,740,580	9.30
Total revenues	136,155,908	121,464,899	14,691,009	12.09
Program expenses				
Instruction	138,909,521	97,018,869	41,890,652	43.18
Support services				
Pupil services	5,703,029	5,333,066	369,963	6.94
Improvement of instruction	2,651,027	2,651,859	(832)	(0.03)
Educational and media services	1,122,001	1,306,738	(184,737)	(14.14)
General administration	2,280,118	2,087,633	192,485	9.22
School administration	5,820,020	5,177,054	642,966	12.42
Business administration	715,986	1,810,404	(1,094,418)	(60.45)
Maintenance and operation	11,802,792	10,231,407	1,571,385	15.36
Student transportation	4,387,932	5,109,866	(721,934)	(14.13)
Central support services	1,050,731	957,739	92,992	9.71
Other support services	118,517	76,578	41,939	54.77
Food services	6,043,596	6,489,541	(445,945)	(6.87)
Community services operations	392,928	329,219	63,709	19.35
Interest on long-term debt	4,106,266	2,708,495	1,397,771	51.61
Total expenses	185,104,464	141,288,468	43,815,996	31.01
Change in net position	(48,948,556)	(19,823,569)	(29,124,987)	146.92
Net position, beginning of year	(94,991,911)	(75,168,342)	(19,823,569)	26.37
Net position, end of year	$ (143,940,467)	$ (94,991,911)	$ (48,948,556)	51.53 %

COMPARISON OF FUND LEVEL FINANCIAL STATEMENTS

The Statement of Revenues, Expenditures and Changes in Fund Balances is prepared on the modified accrual basis of accounting. Table 3 below uses that information to compare operating results for fiscal years 2025 and 2024.

Table 3
Comparison of Operating Results
2025 vs 2024

	2025	2024	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Revenues				
State funds	$ 74,521,685	$ 52,024,656	$ 22,497,029	43.24 %
Federal funds	14,308,329	26,417,807	(12,109,478)	(45.84)
Local and other funds	45,187,099	40,924,439	4,262,660	10.42
Investment earnings	2,329,554	2,558,214	(228,660)	(8.94)
Total revenues	136,346,667	121,925,116	14,421,551	11.83
Expenditures				
Instruction	60,405,333	58,420,075	1,985,258	3.40
Support services	33,244,556	32,607,673	636,883	1.95
Food services	5,830,002	6,406,591	(576,589)	(9.00)
Community services operations	374,732	329,219	45,513	13.82
Capital outlay	77,381,451	29,692,525	47,688,926	160.61
Debt service	14,872,971	7,150,428	7,722,543	108.00
Total expenditures	192,109,045	134,606,511	57,502,534	42.72
Excess of revenues over expenditures	$ (55,762,378)	$ (12,681,395)	$ (43,080,983)	339.72
Other Financing Sources (Uses)				
Proceeds from sale of assets	23,550	-	23,550	100.00
Issuance of lease liability	168,997	-	168,997	100.00
Proceeds from bond issuance	-	98,250,000	(98,250,000)	(100.00)
Premium on bond issuance	-	7,762,526	(7,762,526)	(100.00)
Transfers in	16,414,239	7,275,547	9,138,692	125.61
Transfers out	(16,414,239)	(7,275,547)	(9,138,692)	125.61
Total Other Financing Sources (Uses)	192,547	106,012,526	(105,819,979)	(99.82)
Net Change in Fund Balance	(55,569,831)	93,331,131	(148,900,962)	(159.54)
Fund Balance, Beginning of Year	113,255,013	19,923,881	93,331,132	468.44
Fund Balance, End of the Year	$ 57,685,182	$ 113,255,012	$ (55,569,830)	(49.07) %

Fund-level revenues increased primarily due to increased state transportation and equalization funding, growth in the local tax digest, and state capital grant reimbursements.

State revenues increased by approximately $22.5 million during fiscal year 2025. Federal revenues decreased by approximately $12.1 million, primarily due to the expiration of Elementary and Secondary School Emergency Relief (ESSER) funding.

Fund-level expenditures increased significantly during fiscal year 2025 due to construction costs associated with the new Rome Middle School project, along with increased benefit costs related to the Teachers Retirement System and State Health Benefit Plan.

The School System continues to maintain a strong General Fund balance, providing financial flexibility to address inflationary pressures, operational uncertainties, and future strategic priorities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School System prepares its annual budget in accordance with Georgia law. The General Fund represents the most significant operating fund within the budget.

Rome City Schools continues to utilize a site-based budgeting model designed to provide flexibility at the school level while maintaining overall fiscal control and accountability.

The School System also continues to use conservative revenue and expenditure estimates in response to economic uncertainty and rising operational costs.

CAPITAL ASSETS

At June 30, 2025, the School System reported approximately $7.8 million invested in capital assets related to governmental activities. Capital assets decreased by approximately $2.2 million, or 21.71%, compared to the prior year primarily due to depreciation expense and fewer capital asset acquisitions outside of an addition of a right-to-use asset for equipment.

Title to substantially all land and School System buildings is held by the City of Rome.

Table 4
Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities Fiscal Year **2025**	Governmental Activities Fiscal Year **2024**	Dollar Change Increase (Decrease)	Percent Change Increase (Decrease)
Land	$ 1,314,003	$ 1,314,003	$ -	- %
Buildings and improvements	1,492,349	1,590,971	(98,622)	(6.20)
Equipment and right-to-use assets	3,680,401	5,064,864	(1,384,463)	(27.33)
Vehicles	1,290,874	1,964,631	(673,757)	(34.29)
	$ 7,777,627	$ 9,934,469	$ (2,156,842)	(21.71) %

Additional information regarding capital assets is presented in Note E to the financial statements.

DEBT ADMINISTRATION

Because the School System cannot directly issue bonded debt, facility-related debt is either reported by the City or issued through the Rome Building Authority, which is a blended component unit of the School System.

In November 2023, the Rome Building Authority issued approximately $98.25 million in Series 2023 bonds to fund construction of a new middle school, security improvements, school buses and vehicles, technology improvements, and facility renovations.

These bonds will be repaid using SPLOST proceeds. Through fiscal year 2025, approximately $4.0 million in principal payments had been made.

Additional information regarding long-term debt is presented in Note F to the financial statements.

CURRENT ISSUES AND FUTURE OUTLOOK

Rome City Schools continues to operate in an environment impacted by inflationary pressures, labor shortages, healthcare cost increases, and evolving state and federal funding conditions.

Key areas of focus include:

- Managing rising employee benefit costs, particularly related to the Teachers Retirement System and State Health Benefit Plan.
- Recruiting and retaining qualified employees in highly competitive labor markets.
- Completing major capital projects, including the new Rome Middle School, while maintaining long-term financial stability.
- Planning for future capital maintenance and technology needs throughout the district.

Despite these challenges, the School System maintains a strong financial position and healthy General Fund balance. Conservative budgeting practices and careful financial planning continue to support long-term operational and financial stability.

CONTACTING THE SCHOOL SYSTEM'S FINANCIAL MANAGEMENT

This report is intended to provide citizens, taxpayers, investors, creditors, and other stakeholders with a general overview of the School System's financial condition and accountability.

Questions regarding this report or requests for additional financial information should be directed to:

Greg Studdard
Chief Financial Officer
Rome City Schools
508 East Second Street
Rome, Georgia 30161
706-236-5050
greg.studdard@rcs.rome.ga.us

Rome City Schools
(A component unit of the City of Rome, Georgia)

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash	$ 46,380,885
Receivables	423,230
Due from other governments	29,188,291
Inventory	247,844
Total current assets	76,240,250
Capital assets, net of accumulated depreciation	
Land	1,314,003
Buildings and improvements	1,492,349
Computers and equipment	3,544,265
Right-to-use assets - equipment	136,136
Vehicles	1,290,874
Total capital assets	7,777,627
Total assets	84,017,877
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	24,013,962
OPEB related items	14,246,719
Total deferred outflows of resources	38,260,681
LIABILITIES	
Current Liabilities	
Accounts payable	684,485
Contracts payable	3,196,441
Retainage payable	4,318,570
Salaries and benefits payable	10,355,572
Accrued interest payable	1,570,417
Lease payable	55,128
Bonds payable	4,235,000
Total current liabilities	24,415,613
Long-Term Liabilities, net of current portion	
Bonds payable	96,921,809
Lease payable	82,959
Net pension liability	72,140,101
Net OPEB liability	43,896,530
Total long-term liabilities, net of current portion	213,041,399
Total liabilities	237,457,012
DEFERRED INFLOWS OF RESOURCES	
Pension related items	14,047,435
OPEB related items	14,714,578
Total deferred inflows of resources	28,762,013
NET POSITION	
Investment in capital assets	7,777,627
Restricted for:	
Capital projects	46,305,904
Food services	910,473
Unrestricted	(198,934,471)
TOTAL NET POSITION	$ (143,940,467)

The accompanying notes are an integral part of this statement.

Rome City Schools
(A component unit of the City of Rome, Georgia)

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

Functions/Program Activities	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 138,909,521	$ 39,160	$ 57,215,954	$ 7,730,625	$ (73,923,782)
Support services					
Pupil services	5,703,029	-	1,676,350	151,455	(3,875,224)
Improvement of instructional services	2,651,027	-	2,525,786	-	(125,241)
Educational media services	1,122,001	-	1,071,848	-	(50,153)
General administration	2,280,118	-	1,692,789	42,479	(544,850)
School administration	5,820,020	-	2,106,552	40,085	(3,673,383)
Business administration	715,986	-	13,398	-	(702,588)
Maintenance and operation of facilities	11,802,792	-	2,413,774	3,594,923	(5,794,095)
Student transportation services	4,387,932	-	1,510,449	3,983,277	1,105,794
Central support services	1,050,731	-	14,274	51,450	(985,007)
Other support services	118,517	-	98	62,142	(56,277)
Food service operation	6,043,596	38,296	5,787,519	-	(217,781)
Community services operation	392,928	-	-	441,347	48,419
Interest on long-term debt	4,106,266	-	-	-	(4,106,266)
Total governmental activities	$ 185,104,464	$ 77,456	$ 76,028,791	$ 16,097,783	(92,900,434)
General revenues:					
Taxes					
Property taxes, levied for general purposes					31,933,714
Special purpose local option sales taxes, levied for capital projects and debt services					9,689,280
Interest and investment earnings					2,328,884
Total general revenues					43,951,878
Change in net position					(48,948,556)
Net position - beginning of year					(94,991,911)
Net position - end of year					$ (143,940,467)

The accompanying notes are an integral part of this statement.

Rome City Schools
(A component unit of the City of Rome, Georgia)
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2025

	General	SPLOST	School Food Services	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	$ 15,206,032	$ 29,389,747	$ 927,003	$ 858,103	$ 46,380,885
Due from other governments	10,767,333	16,916,607	40,805	1,463,546	29,188,291
Due from other funds	520,189	-	-	-	520,189
Accounts receivable	422,097	-	-	1,133	423,230
Inventory	-	-	247,844	-	247,844
Total assets	$ 26,915,651	$ 46,306,354	$ 1,215,652	$ 2,322,782	$ 76,760,439
Liabilities					
Accounts payable	$ 549,747	$ 450	$ 288	$ 134,000	$ 684,485
Due to other funds	-	-	-	520,189	520,189
Contracts payable	-	3,196,441	-	-	3,196,441
Retainage payable	-	4,318,570	-	-	4,318,570
Salaries and benefits payable	8,947,491	-	304,891	1,103,190	10,355,572
Total liabilities	9,497,238	7,515,461	305,179	1,757,379	19,075,257
Fund Balances					
Nonspendable:					
Inventory	-	-	247,844	-	247,844
Restricted For:					
Capital projects	-	38,790,893	-	-	38,790,893
Food services	-	-	662,629	-	662,629
Committed:					
School activities	-	-	-	565,403	565,403
Unassigned	17,418,413	-	-	-	17,418,413
Total fund balances	17,418,413	38,790,893	910,473	565,403	57,685,182
Total liabilities and fund balances	$ 26,915,651	$ 46,306,354	$ 1,215,652	$ 2,322,782	$ 76,760,439

The accompanying notes are an integral part of this statement.

Rome City Schools
(A component Unit of the City of Rome, Georgia)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances - governmental funds		$ 57,685,182
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported as assets in governmental funds.		7,777,627
Long-term liabilities, specifically compensated absences and bonds are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds.		
	Bonds payable	(94,225,000)
	Bond premium, net of amortization	(6,931,809)
	Leases payable	(138,087)
	Accrued interest	(1,570,417)
The net pension liability and related pension items and the net OPEB liability and deferred items are not a financial liability in governmental fund activities, and are, therefore, not reported in governmental funds.		
	Net pension liability	(72,140,101)
	Pension related deferred outflows of resources	24,013,962
	Pension related deferred inflows of resources	(14,047,435)
	Net OPEB liability	(43,896,530)
	OPEB related deferred outflows of resources	14,246,719
	OPEB related deferred inflows of resources	(14,714,578)
Total net position - governmental activities		$ (143,940,467)

The accompanying notes are an integral part of this statement.

Rome City Schools
(A component unit of the City of Rome, Georgia)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

	General	SPLOST	School Food Services	*(Previously Major)* State Stabilization	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
State funds	$ 56,888,264	$ 16,097,783	$ 171,091	$ -	$ 1,364,547	$ 74,521,685
Federal funds	79,895	-	5,579,150	-	8,649,284	14,308,329
Local and other funds	33,853,723	9,689,280	38,296	-	1,605,800	45,187,099
Investment earnings	-	2,328,885	669	-	-	2,329,554
Total revenues	90,821,882	28,115,948	5,789,206	-	11,619,631	136,346,667
Expenditures						
Current:						
Instruction	52,795,176	-	-	-	7,610,157	60,405,333
Support services:						
Pupil services	4,877,273	-	-	-	726,793	5,604,066
Improvement of instructional services	229,616	-	-	-	2,385,020	2,614,636
Educational media services	1,103,805	-	-	-	-	1,103,805
General administration	2,186,253	4,080	-	-	82,635	2,272,968
School administration	5,812,890	-	-	-	383	5,813,273
Business administration	679,559	36	-	-	-	679,595
Maintenance and operation of facilities	9,453,804	986,110	-	-	-	10,439,914
Student transportation services	3,653,183	-	-	-	53,521	3,706,704
Central support services	901,538	-	-	-	-	901,538
Other support services	575	-	-	-	107,482	108,057
Food service operation	83,083	-	5,746,919	-	-	5,830,002
Community services operations	139,162	-	-	-	235,570	374,732
Capital outlay	301,774	75,991,013	-	-	1,088,664	77,381,451
Debt service:						
Principal	30,910	-	-	-	9,785,000	9,815,910
Interest and fees	4,545	-	-	-	5,052,516	5,057,061
Total expenditures	82,253,146	76,981,239	5,746,919	-	27,127,741	192,109,045
Excess (deficiency) of revenues over expenditures	8,568,736	(48,865,291)	42,287	-	(15,508,110)	(55,762,378)
Other financing sources (uses)						
Proceeds from sale of assets	23,550	-	-	-	-	23,550
Issuance of lease liability	168,997	-	-	-	-	168,997
Transfers in	463,085	-	-	-	15,951,154	16,414,239
Transfers out	(507,658)	(15,220,987)	(1,730)	-	(683,864)	(16,414,239)
Total other financing sources (uses)	147,974	(15,220,987)	(1,730)	-	15,267,290	192,547
Net change in fund balance	8,716,710	(64,086,278)	40,557	-	(240,820)	(55,569,831)
Fund balances, beginning of year	8,701,703	102,877,171	869,916	-	806,223	113,255,013
Fund balances, end of year	$ 17,418,413	$ 38,790,893	$ 910,473	$ -	$ 565,403	$ 57,685,182

The accompanying notes are an integral part of this statement.

Rome City Schools
(A component unit of the City of Rome, Georgia)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

Net change in fund balances - total governmental funds	$	(55,569,831)
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Change in accrued interest		187,083
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. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Outlay		738,098
Depreciation Expense		(2,854,479)
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 assets. This amount is the net effect of these differences on the treatment of long-term debt and related items.		
Amortization of bond premium		763,712
Principal payments - bonds payable		9,785,000
Issuance of lease payable		(168,997)
Principal payments - lease payable		30,910
The net effect of miscellaneous transactions involving capital assets is as follows:		
Net book value of assets disposed		(40,461)
In the governmental funds, current year expenditures related to pensions and OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions and OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and OPEB related items.		(1,819,591)
Change in net position of governmental activities	$	(48,948,556)

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Rome City Schools (the "School System") have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") as applicable to governmental units. The more significant of the School System's accounting principles are summarized below.

1. Reporting Entity

The accompanying basic financial statements report all activities of Rome City Schools. The School System is the basic level of government which has oversight responsibility and control over all activities related to public school education in the City of Rome, Georgia. The School System receives funding from local, state and federal government sources and must comply with the requirements of these funding sources. The School System's fiscal year is July 1 to June 30, as required by state law. All activities of the School System are included in the accompanying financial statements. Rome City Schools is reported as a component unit in the City of Rome, Georgia's Annual Comprehensive Financial Report (ACFR) since the City has certain financial responsibilities for the School System. The ACFR should be read in conjunction with these statements.

All bonded debt attributable to the School System is reported as long-term debt in the Statement of Net Position of the City of Rome, Georgia Annual Comprehensive Financial Report, since the bonds are in the name of the City and the City is contractually liable for their payment. Property taxes levied by the City are used to repay the debt.

The City of Rome School Building Authority (the "Authority") is included as a blended component unit of the School System. The Authority is fiscally dependent on Rome City Schools and provides services exclusively to the School System. The Authority is reported as a special revenue fund.

The accounting policies of the School System conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the School System's significant policies.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School System. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School System does not consider any of its activities to be business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements report on all the financial activities of the primary government and are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The City bills all property taxes and provides an allocation of the taxes to the School System monthly regardless of actual collections by the City. The School System recognizes this allocation as revenue as collected which would be for the year it was intended to fund. Grants and similar items are recognized as revenue when all requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within one fiscal year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, grant revenue, State Quality Basic Education (QBE) revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period, if availability criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the School System.

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

The School System reports the following as major governmental funds:

The *General Fund* is the School System's primary operating fund. The General Fund is used to account for all financial transactions of the School System except those required to be accounted for in another fund.

The *SPLOST Fund* was established to account for expenditures, which include but are not limited to construction and renovation of schools using Special Purpose Local Option Sales Tax funds. These funds are restricted by the SPLOST referendum.

The *School Food Services Fund* is used to account for the school breakfast and lunch programs which are funded and restricted primarily by the Federal government.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the School System reports the following fund types:

The *Special Revenue Funds* are used to account for Federal and State funded grants which are restricted by the Federal and State governments. These grants are awarded to the School System for the purpose of accomplishing specific educational tasks as defined in the grant agreements. These funds also contain several locally funded programs whose expenditures are limited and committed to specified purposes.

The effect of interfund activity has been eliminated from the government-wide financial statements.

4. Inventories

Inventories are recorded using the consumption method and are valued at cost by the first-in, first-out method of accounting. Donated food commodities are presented at their federally assigned value.

5. Prepaid Items

Payments made to vendors for services that will benefit periods subsequent to June 30, 2025, are recorded as prepaid items. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

6. Capital Assets

Capital assets, which include property, plant, equipment, buildings and right-to-use assets are reported in the governmental activities in the government-wide statement of net position and depreciated over their estimated useful lives in the government-wide statement of activities. Capital assets are defined by the School System as assets with a useful life of more than two years having an aggregate purchase price of at least $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Assets that are fully depreciated or amortized and no longer in use are removed from the books.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Legal title to most of the land, buildings, and building improvements used by the schools are in the name of the City of Rome, Georgia; therefore, the related amounts are not reported in the accompanying financial statements.

Property, plant, equipment, buildings and right-to-use assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Vehicles	7
Office and computer equipment	5
Right-to-use equipment	3-5

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Leases

Lessee

The School System is a lessee for a noncancellable lease of equipment. The School System recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The School System recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

- The School System uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School System generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the School System is reasonably certain to exercise.

8. 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 System has four (4) 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 System's actual contributions to the pension and OPEB plan during the fiscal year ended June 30, 2025 which are subsequent to the measurement date of the net pension liability and and will be recognized in fiscal year 2026; (2) a deferred outflow of resources for experience gains or losses related to the pension and OPEB 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 and OPEB plans, which will be amortized over the remaining service period and (4) a deferred outflow of resources for the change in the School System's proportionate share based on actual contributions towards the pension and 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School System has four (4) 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 change in the School System's proportionate share based on actual contributions towards the pension and OPEB plan, which will be amortized over the remaining service period; (2) 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; (3) a deferred inflow of resources for experience gains or losses related to the pension and OPEB plan which will be amortized over the remaining service period and (4) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five year period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Long-Term Debt and Obligations

The School System issues general obligation bonds to provide funds for the construction and improvement of buildings as well as a lease payable for the right-to-use office equipment. 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.

Proceeds from the School System's outstanding general obligation bonds are used to construct and/or purchase capital assets that ultimately are recorded on the City of Rome's annual comprehensive financial report. Thus, outstanding bonds payable and any capital work financed with the bonds are excluded from the School System's investment in capital assets.

10. Fund Equity/Net Position

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 and liabilities 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 System is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***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 Members of the School System (the "Board") 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 through the adoption of a resolution. Only the Board may modify or rescind the commitment through a majority vote.
- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board has authorized the Board's Superintendent and Finance Director 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 Board reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Fund Equity/Net Position (Continued)

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

- Committed
- Assigned
- Unassigned

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

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

11. Interfund Transactions

During the course of its operations, the School System makes transfers between funds to finance operations, provide services and acquire assets. To the extent that certain transfers between funds had not been received as of fiscal year end, balances of interfund amounts receivable or payable have been recorded.

12. Use of Estimates in the Preparation of Financial Statements

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

13. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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, 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, 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.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The budget for Rome City Schools is prepared in accordance with provisions of the State Quality Basic Education Act, OCGA Section 20-2-167. After the Board of Education has tentatively adopted the annual appropriated budget, such budget is advertised twice in a newspaper of general circulation in the locality. At the next regular meeting of the Board of Education after advertisement, the Board of Education revises the budget as necessary and adopts the final school budget.

Encumbrances represent obligations to purchase goods or services as documented by purchase orders or contracts. Appropriations lapse at fiscal year end and encumbrances outstanding at that time are appropriately provided for in the subsequent fiscal year's budget. There were no outstanding encumbrances at June 30, 2025.

NOTE C – DEPOSITS

The School System's cash includes interest bearing checking accounts and savings accounts. Official Code of Georgia Annotated Section 45-8-14 authorizes the School System to deposit its funds in one or more solvent banks or insured federal savings and loan associations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School System 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 deposit and investment (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 institutions holding School System's deposits that are in excess of FDIC insurance and require collateralization are participants in the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and 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 System's cash accounts were insured and/or collateralized as defined by GASB Standards.

NOTE D – DUE FROM OTHER GOVERNMENTS

Accounts receivable consists of grant reimbursements due from federal, state or other grantors, and from the City of Rome for expenditures made but not yet reimbursed. The following is a summary of accounts receivable at June 30, 2025:

Georgia Department of Education	$ 8,405,693
City of Rome, Georgia	3,865,991
Georgia Department of Revenue	16,916,607
	$ 29,188,291

NOTE E – CAPITAL ASSETS

The School System's policy is to capitalize assets with a minimum aggregate purchase price of $5,000 and to write off fully depreciated assets which are no longer in use. The following is a summary of changes in capital assets during the fiscal year ended June 30, 2025:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not being depreciated/amortized				
Land	$ 1,314,003	$ -	$ -	$ 1,314,003
Total capital assets not being depreciated	1,314,003	-	-	1,314,003
Capital assests being depreciated/amortized				
Buildings and improvements	3,475,264	-	-	3,475,264
Computers and equipment	23,324,798	534,485	-	23,859,283
Right-to-use asset - equipment	-	168,997	-	168,997
Vehicles	6,452,688	34,616	(704,753)	5,782,551
Total capital assets being depreciated/amortized	33,252,750	738,098	(704,753)	33,286,095
Less accummulated depreciation/amortization for				
Buildings and improvements	(1,884,293)	(98,622)	-	(1,982,915)
Computers and equipment	(18,259,934)	(2,055,084)	-	(20,315,018)
Right-to-use asset - equipment	-	(32,861)	-	(32,861)
Vehicles	(4,488,057)	(667,912)	664,292	(4,491,677)
Total accumulated depreciation/amortization	(24,632,284)	(2,854,479)	664,292	(26,822,471)
Total capital assets, net	$ 9,934,469	$ (2,116,381)	$ (40,461)	$ 7,777,627

Depreciation/amortization expense was charged to functions as follows:

Instruction	$ 1,337,734
Pupil services	26,179
General administration	7,150
School administration	6,747
Maintenance and operations	527,032
Transportation	663,032
Central support services	149,193
Other support services	10,460
School food services	126,952
	$ 2,854,479

Legal title to most land, buildings and building improvements used by the schools are in the name of the City of Rome, Georgia. The School System does not capitalize any of these costs as they are considered capital outlay. For the year ended June 30, 2025, the School System incurred $75,884,628 of costs for capital assets which are capital assets of the City of Rome.

NOTE F – LONG-TERM DEBT AND OBLIGATIONS

The changes in long-term debt and obligations during the fiscal year were as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Direct Borrowings:					
General Obligation Bonds	$ 104,010,000	$ -	$ 9,785,000	$ 94,225,000	$ 4,235,000
Bond Premiums	7,695,521	-	763,712	6,931,809	-
Lease Payable	-	168,997	30,910	138,087	55,128
Total Bonds and Lease Payable	111,705,521	-	10,548,712	101,156,809	4,235,000
Net Pension Liability	90,925,971	15,738,043	34,523,913	72,140,101	-
Net OPEB Liability	44,340,399	7,227,063	7,670,932	43,896,530	-
Total	$ 246,971,891	$ 22,965,106	$ 52,743,557	$ 217,193,440	$ 4,235,000

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

Bonds Payable

Through an intergovernmental agreement (See Note L), the School System became liable for $16,490,000 of Rome Building Authority Revenue Bonds which bear an interest rate of 5.00% and mature on August 1, 2024. The proceeds of the bonds are being used to pay the costs of: (i) completing the Main Elementary School, (ii) acquiring, constructing, and equipping the College and Career Academy and (iii) constructing, equipping, renovating, and improving certain school facilities, including the technology and security therein. Payments for this debt have been made from current Special Purpose Local Option Sales Tax proceeds. In addition, repayment of this debt is guaranteed by the full faith and credit and taxing power of the City of Rome and the School System.

In November 2023, the School System, through an intergovernmental agreement with the City of Rome (See Note L), issued $98,250,000 of Series 2023 Building Authority Revenue Bonds, which bear an interest rate of 5.00% and mature on March 1, 2044. The proceeds of the bonds are being used to pay the costs of: (i) acquiring, constructing and equipping a new middle school campus to be owned by the City of Rome, Georgia and to be operated by the School System (ii) to pay capitalized interest on the bonds and (iii) pay the cost of issuance of the bonds. In addition, repayment of this debt is guaranteed by the full faith and credit and taxing power of the City of Rome and the School System.

As of June 30, 2025, principal and interest payments due by fiscal year on the Series 2023 Bonds by the School System are as follows:

Year Ending June 30:	Principal	Interest	Total
2026	$ 4,235,000	$ 4,711,250	$ 8,946,250
2027	4,445,000	4,499,500	8,944,500
2028	4,670,000	4,277,250	8,947,250
2029	4,900,000	4,043,750	8,943,750
2030	3,520,000	3,798,750	7,318,750
2031-2035	20,425,000	16,171,250	36,596,250
2036-2040	26,075,000	10,527,000	36,602,000
2041-2043	25,955,000	3,323,500	29,278,500
Total	$ 94,225,000	$ 51,352,250	$ 145,577,250

NOTE F – LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

Lease Payable

The School System has entered into an agreement with a third party to lease office equipment for general departmental use, terminating in November of 2027. As the lease does not reflect a stated interest rate, the School System utilized its incremental borrowing rate as calculated at the inception of the lease agreement of 5.00%. Monthly payments are $5,065 over the duration of the lease. The outstanding balance of the lease payable for equipment as of June 30, 2025 was $138,087.

As of June 30, 2025, principal and interest payments due by fiscal year on the School System lease payable are as follows:

Year Ending June 30:	Principal	Interest	Total
2026	$ 55,128	$ 5,652	$ 60,780
2027	57,948	2,832	60,780
2028	25,011	314	25,325
Total	$ 138,087	$ 8,798	$ 146,885

NOTE G – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at June 30, 2025 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 520,189	$ -
Nonmajor Governmental Funds:		
Title VIB Special Education Fund	-	30,121
Vocational Education	-	883
Title I	-	485,763
Title II	-	3,422
	$ 520,189	$ 520,189

The purpose of interfund receivables and payables is to meet temporary cash flow requirements.

NOTE G – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

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

	Transfers In	Transfers Out
General Fund	$ 463,085	$ 507,658
SPLOST Fund	-	15,220,987
School Food Services Fund	-	1,730
Nonmajor Governmental Funds:		
Title I Fund	565,815	-
Title III Fund	-	69,973
ROTC Fund	157,309	-
JTPA Fund	13,966	19,233
CIS Local Assistance Fund	-	5,682
Lottery Fund	110,636	-
Barron Fund	184,339	-
Education for Economic Security Act (Title II) Fund	-	317,012
GNETS Fund	-	4,820
Title IV Fund	-	237,063
Title VI-B Fund	67,351	30,081
Vocational Education	14,222	-
School Building Authority	14,837,516	-
	$ 16,414,239	$ 16,414,239

Transfers are used to move the local share of grants from the General Fund to the Special Revenue Funds. Transfers were used to move SPLOST proceeds from the SPLOST Fund to the Special Revenue Funds to record a debt service payment on the General Obligation bonds as allowed in the referendum and to supplement an allowable SPLOST project expenditure paid out of the General Fund. Transfers were also used to move federal funds from the Education for Economic Security Act Title II and Title IV Funds to supplement Title I funding.

NOTE H – RISK MANAGEMENT

The School System is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School System has a private insurance carrier to cover any claims that exceed money held in the fund. The School System purchases commercial insurance for all other risks of loss. Settled claims have not exceeded purchased commercial insurance coverage in any of the past three years. There was no significant reduction in insurance coverage from last fiscal year.

NOTE I – NONMONETARY TRANSACTIONS

The School System received from the United States Department of Agriculture through the Georgia Department of Education $415,411 in donated food commodities for its lunchroom programs. The federally assigned value of these commodities is reflected as revenues.

NOTE J – SIGNIFICANT COMMITMENTS

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

Project	Amount
New Rome Middle School	$ 22,056,623

The amount described in this note is not reflected as a liability in the basic financial statements.

NOTE K – RETIREMENT PLAN

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

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

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 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 System's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School System payroll. School System contributions to TRS, excluding contributions funded by the State on behalf of the School System, were $9,188,435 for the year ended June 30, 2025.

NOTE K – RETIREMENT PLAN (CONTINUED)

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

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

School System's proportionate share of the net pension liability	$	72,140,101
State of Georgia's proportionate share of the net pension liability associated with the School System		353,393
Total	$	72,493,494

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

The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard rollforward techniques. The School System'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 System's proportion was 0.287015%, which was a decrease of 0.020955% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School System recognized pension expense of $12,031,651 and revenue of $90,055 for support provided by the State of Georgia for certain support personnel. At June 30, 2025, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	$ 8,163,154	$ 215,611
Assumption changes	5,018,437	-
Net difference between projected and actual earnings on pension plan investments	-	10,057,887
Changes in proportion and differences between School System contributions and proportinate share of contributions	1,643,936	3,773,937
School System contributions subsequent to the measurement date	9,188,435	-
	$ 24,013,962	$ 14,047,435

NOTE K – RETIREMENT PLAN (CONTINUED)

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

School System contributions subsequent to the measurement date of $9,188,435 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2026	$	925,466
2027		8,821,789
2028		(5,219,721)
2029		(3,749,442)
Total	$	778,092

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

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Postretirement benefit increases	1.5% 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.

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 on the following page:

NOTE K – RETIREMENT PLAN (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	1.50%
U.S. Large Stock	46.40	9.10
U.S. Small Stocks	1.10	13.00
International developed market equities	13.60	9.10
International emerging market equities	3.90	11.10
Alternatives	5.00	10.60
Total	100.00%	

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School System's proportionate share of the net pension liability	$ 124,167,554	$ 72,140,101	$ 29,669,774

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 PSERS 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.

NOTE K – RETIREMENT PLAN (CONTINUED)

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

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

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

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

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

Pension Liabilities and Pension Expense

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

State of Georgia's proportionate share of the Net Pension Liability associated with the School System	$ 435,397

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

For the year ended June 30, 2025, the School System recognized pension expense of $100,704 and revenue of $100,704 for support provided by the State of Georgia.

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

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

NOTE K – RETIREMENT PLAN (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, with the exception of the assumed investment rate of return.

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

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

* Net of inflation

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

NOTE L – AGENCY AGREEMENTS

In May of 2004, the School Building Authority was created by an act of the General Assembly of the State of Georgia. This Authority is a separate legal entity whose sole purpose is to issue bonds for the School System.

In November 2023, the City of Rome, through the City of Rome School Building Authority, entered into an agency agreement with the School System.

The 2023 agreement authorizes the School System as the agent of the Building Authority for the specific purpose of constructing the school improvement projects as outlined in the agreement. The School System became liable for $98,250,000 of Revenue Bonds that bear an interest rate of 5.00% and mature on March 1, 2044. The proceeds of the Bonds were used to provide funds to pay the costs of: (i) acquiring, constructing and equipping a new middle school campus to be owned by the City of Rome, Georgia and to be operated by the School System (ii) to pay capitalized interest on the bonds and (iii) pay the cost of issuance of the bonds. In addition, repayment of this debt is guaranteed by the full faith and credit and taxing power of the City of Rome and the School System.

NOTE M – OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

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

Benefits:

The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and 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 System were $2,581,566 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund.

NOTE M – OTHER 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 System reported a liability of $43,896,530 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 rollforward techniques. The School System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the School System's proportion was 0.385181%, which was a decrease of 0.019628% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School System recognized OPEB expense of $1,557,941. At June 30, 2025, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,152,610	$ 7,926,122
Net difference between projected and actual earnings on OPEB plan investments	-	285,755
Changes in proportion and differences between School System contributions and proportionate share of contributions	4,394,017	2,157,491
Changes in plan assumptions	5,118,526	4,345,210
School System contributions subsequent to the measurement date	2,581,566	-
Total	$ 14,246,719	$ 14,714,578

School System contributions subsequent to the measurement date of $2,581,566 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	$ (929,748)
2027	(1,862,911)
2028	(451,380)
2029	424,053
2030	(200,591)
2031	(28,848)
Total	$ (3,049,425)

NOTE M – OTHER 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 increase	3.00 - 8.75% including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Single equivalent interest rate	3.98%
Healthcare cost trend rate:	
Initial 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.

- 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. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection Scale applied generationally. Postretirement 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. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 106% for males and 158% for females) with the MP-2019 Projection Scale applied generationally.

NOTE M – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial assumptions (Continued):

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 period ended July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation. The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

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

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

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

*Net of Inflation

Discount rate:

The discount rate was 3.98%, an increase from the prior year's rate of 3.68%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.98% was used as the discount rate. The plans 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 the total OPEB liability. This is comprised mainly of the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.93% per the Muncicpal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer 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.

NOTE M – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School System's proportionate share of the net OPEB liability	$ 49,663,211	$ 43,896,530	$ 39,033,400

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

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

	1% Decrease	Current Discount Rate	1% Increase
School System's proportionate share of the net OPEB liability	$ 37,929,107	$ 43,896,530	$ 51,229,805

NOTE N – ACCOUNTING CHANGES

Change Within the Financial Reporting Entity

Change in Major Funds:

In the current year, the School System's State Stabilization Fund meets the definition of a nonmajor fund. The State Stabilization Fund reported $0 fund balance as of June 30, 2024 and, therefore, the only impact is the movement of the fund as a nonmajor governmental fund.

REQUIRED SUPPLEMENTARY INFORMATION

Rome City Schools
(A component unit of the City of Rome, Georgia)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budget Basis)	Variances
REVENUES				
State funds	$ 54,415,000	$ 54,415,000	$ 56,888,264	$ 2,473,264
Federal funds	380,000	380,000	79,895	(300,105)
Local	28,858,000	28,858,000	33,853,723	4,995,723
Total revenues	83,653,000	83,653,000	90,821,882	7,168,882
EXPENDITURES				
Current				
Instruction	55,525,000	55,525,000	52,795,176	2,729,824
Support services:				
Pupil services	5,300,000	5,300,000	4,877,273	422,727
Improvement of instructional services	260,000	260,000	229,616	30,384
Educational media services	1,025,000	1,025,000	1,103,805	(78,805)
General administration	1,950,000	1,950,000	2,186,253	(236,253)
School administration	5,450,000	5,450,000	5,812,890	(362,890)
Business administration	750,000	750,000	679,559	70,441
Maintenance and operation of facilities	8,465,000	8,465,000	9,453,804	(988,804)
Student transportation services	3,650,000	3,650,000	3,653,183	(3,183)
Central support services	875,000	875,000	901,538	(26,538)
Community Services	-	-	139,162	(139,162)
Other support services	-	-	575	(575)
Capital outlay	-	-	301,774	(301,774)
Food service operation	-	-	83,083	(83,083)
Debt service:				
Principal	-	-	30,910	(30,910)
Interest and fees	-	-	4,545	(4,545)
Total expenditures	83,250,000	83,250,000	82,253,146	996,854
Excess of revenues over expenditures	403,000	403,000	8,568,736	8,165,736
Other financing sources (uses)				
Proceeds from sale of assets	-	-	23,550	23,550
Issuance of lease liability	-	-	168,997	168,997
Transfers in	-	-	463,085	463,085
Transfers out	-	-	(507,658)	(507,658)
Net change in fund balance	403,000	403,000	8,716,710	8,313,710
Fund balance, beginning of the year	8,701,703	8,701,703	8,701,703	-
Fund balance, end of the year	$ 9,104,703	$ 9,104,703	$ 17,418,413	$ 8,313,710

Rome City Schools
(A component unit of the City of Rome, Georgia)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SCHOOL FOOD SERVICES FUND
For the Fiscal Year Ended June 30, 2025

	Original and Final Budget	Actual (Budget Basis)	Variances
Revenues			
State funds	$ 130,000	$ 171,091	$ 41,091
Federal funds	5,080,500	5,579,150	498,650
Local	91,000	38,296	(52,704)
	14,400	669	(13,731)
Total revenues	5,315,900	5,789,206	473,306
Expenditures			
Current			
Food service operation	5,651,226	5,746,919	(95,693)
Total expenditures	5,651,226	5,746,919	(95,693)
Excess (deficiency) of revenues over expenditures	(335,326)	42,287	377,613
Other financing uses			
Transfers out	-	(1,730)	(1,730)
Net change in fund balance	(335,326)	40,557	375,883
Fund balance, beginning of the year	869,916	869,916	-
Fund balance, end of the year	$ 534,590	$ 910,473	$ 375,883

Rome City Schools
(A component unit of the City of Rome, Georgia)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA

For the Fiscal Year Ended June 30

	2025	2024	2023	2022	2021
School System's proportion of the net pension liability	0.287015%	0.307970%	0.296863%	0.290327%	0.291807%
School System's proportionate share of the net pension liability	$ 72,140,101	$ 90,925,971	$ 96,397,154	$ 25,677,487	$ 70,687,077
State of Georgia's proportionate share of the net pension liability associated with the School System	353,393	306,462	351,022	99,057	226,494
Total	$ 72,493,494	$ 91,232,433	$ 96,748,176	$ 25,776,544	$ 70,913,571
School System's covered payroll	$ 44,752,372	$ 44,889,890	$ 40,125,755	$ 37,774,035	$ 37,622,105
School System's proportionate share of the net pension liability as a percentage of its covered payroll	161.20%	202.55%	240.24%	67.98%	187.89%
Plan fiduciary net position as a percentage of the total pension liability	80.86%	76.29%	72.85%	92.03%	77.01%

	2020	2019	2018	2017	2016
School System's proportion of the net pension liability	0.278278%	0.270055%	0.276234%	0.275873%	0.278119%
School System's proportionate share of the net pension liability	$ 59,837,295	$ 50,127,993	$ 51,338,940	$ 56,915,676	$ 42,340,856
State of Georgia's proportionate share of the net pension liability associated with the School System	145,573	175,969	466,305	1,012,369	690,865
Total	$ 59,982,868	$ 50,303,962	$ 51,805,245	$ 57,928,045	$ 43,031,721
School System's covered payroll	$ 33,927,579	$ 32,278,292	$ 32,020,999	$ 30,801,176	$ 29,836,054
School System's proportionate share of the net pension liability as a percentage of its covered payroll	176.37%	155.30%	160.33%	184.78%	141.91%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

Rome City Schools
(A component unit of the City of Rome, Georgia)
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	$ 9,188,435	$ 8,941,524	$ 8,969,000	$ 7,948,912	$ 7,199,731
Contributions in relation to the contractually required contributions	9,188,435	8,941,524	8,969,000	7,948,912	7,199,731
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	$ 44,217,685	$ 44,752,372	$ 44,889,890	$ 40,125,755	$ 37,774,035
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	$ 7,953,313	$ 7,090,864	$ 5,425,981	$ 4,569,401	$ 4,395,332
Contributions in relation to the contractually required contributions	7,953,313	7,090,864	5,425,981	4,569,401	4,395,332
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered payroll	$ 37,622,105	$ 33,927,579	$ 32,278,292	$ 32,020,999	$ 30,801,176
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%

Rome City Schools
(A component unit of the City of Rome, Georgia)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021
School System's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School System's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	435,397	851,903	962,075	89,705	489,336
Total	$ 435,397	$ 851,903	$ 962,075	$ 89,705	$ 489,336
School System's covered-employee payroll	$ 2,168,044	$ 2,160,587	$ 2,457,867	$ 1,857,672	$ 1,714,298
School System'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%	67.44%	98.00%	84.45%

	2020	2019	2018	2017	2016
School System's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School System's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School System	405,620	388,818	347,165	486,621	319,024
Total	$ 405,620	$ 388,818	$ 347,165	$ 486,621	$ 319,024
School System's covered-employee payroll	$ 1,593,851	$ 1,181,398	$ 1,189,010	$ 1,207,722	$ 1,173,080
School System'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%

Rome City Schools
(A component unit of the City of Rome, Georgia)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
SCHOOL OPEB FUND

	2025	2024	2023	2022	2021
School System's proportion of the net OPEB liability	0.385181%	0.404809%	0.388410%	0.360793%	0.358568%
School System's proportion of the net OPEB liability	$ 43,896,530	$ 44,340,399	$ 38,464,949	$ 39,076,867	$ 52,665,289
School System's covered-employee payroll	$ 50,754,687	$ 45,620,892	$ 45,120,567	$ 42,347,461	$ 41,385,196
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	86.49%	97.19%	85.25%	92.28%	127.26%
Plan fiduciary net position as a percentage of the total OPEB liability	6.88%	6.05%	6.17%	6.14%	3.99%

	2020	2019	2018
School System's proportion of the net OPEB liability	0.341574%	0.330303%	0.319036%
School System's proportion of the net OPEB liability	$ 41,918,458	$ 41,980,498	$ 44,824,429
School System's covered-employee payroll	$ 37,358,527	$ 35,272,546	$ 34,684,724
School System's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	112.21%	119.02%	129.23%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

Notes to the Schedule:

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

Rome City Schools
(A component unit of the City of Rome, Georgia)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND

	2025	2024	2023	2022	2021
Contractually required contribution	$ 2,581,566	$ 1,575,311	$ 1,556,264	$ 1,404,392	$ 1,342,088
Contributions in relation to the contractually required contribution	2,581,566	1,575,311	1,556,264	1,404,392	1,342,088
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School System's covered-employee payroll	$ 49,749,893	$ 50,754,687	$ 45,620,892	$ 45,120,567	$ 42,347,461
Contributions as a percentage of covered-employee payroll	5.19%	3.10%	3.41%	3.11%	3.17%

	2020	2019	2018
Contractually required contribution	$ 1,212,595	$ 1,839,612	$ 1,711,929
Contributions in relation to the contractually required contribution	1,212,595	1,839,612	1,711,929
Contribution deficiency (excess)	$ -	$ -	$ -
School System's covered-employee payroll	$ 41,385,196	$ 37,358,527	$ 35,272,546
Contributions as a percentage of covered-employee payroll	2.93%	4.92%	4.85%

Notes to the Schedule:

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

NOTE A – BUDGET RECONCILIATION

The Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis) - General Fund presents actual and budget for the General Fund. The Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis) – School Food Services Fund presents actual and budget for the School Food Services Fund. To facilitate comparison with the budget, adjustments have been made to actual revenues and expenditures to reflect actual amounts on the budget basis.

The primary differences between the School System's budget basis and generally accepted accounting principles are:

(a) Salaries and employee benefits paid to teachers under contract are recorded when paid (budget) rather than when the liability is incurred (USGAAP).

(b) State revenue relating to Quality Basic Education expenditures is recorded when received (budget) rather than when susceptible to accrual (USGAAP).

(c) Certain transfers among funds are recorded when paid (budget) rather than when susceptible to accrual (USGAAP).

(d) Payments made by the State on behalf of the School System are not budgeted.

(e) City revenue is budgeted on a cash basis rather than when susceptible to accrual (USGAAP).

Adjustments necessary to convert the General Fund's excess of expenditures over revenues and other sources and other uses from the USGAAP basis to the budget basis are as follows:

USGAAP basis revenues over expenditures	$	8,568,736
Adjustments for:		
Salaries and employee benefits		249,662
State revenue		(218,438)
City revenue		(31,224)
	$	8,568,736

No adjustments were necessary to convert the School Food Services Fund from USGAAP basis to the budget basis.

The following departments in the following funds exceeded their budget:

General Fund		
Support Services:		
Educational media services	$	78,805
General administration		236,253
School administration		362,890
Maintenance and operation of facilities		988,804
Student transportation services		3,183
Central support services		26,538
Community services		139,162
Other support services		575
Capital outlay		301,774
Food service operation		83,083
Debt service - principal		30,910
Debt service - interest		4,545

School Food Services Fund		
Food service operations	$	95,693

NOTE B - PENSIONS AND OPEB

Teachers Retirement System of Georgia:

***Changes of assumptions*:** On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases.

Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%.

On May 13, 2020, 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, and withdrawal.

Effective with the June 30, 2021 valuation, the long-term assumed rate of return on assets (discount rate) 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 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 assumption utilized by the System based on the experience study prepared for the five-year period ended June 30, 2019. Primary among the changes were the updates to rates or mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

School OPEB Fund:

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

Changes of assumptions: June 30, 2023 valuation: Medicare health care trent 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 3.57% as of June 30, 2022, to 3.68% as of June 30, 2023, and to 3.98% as of June 30, 2024.

SUPPLEMENTAL INFORMATION

Rome City Schools
(A component unit of the City of Rome, Georgia)
NONMAJOR GOVERNMENTAL FUNDS

Nonmajor governmental funds include special revenue funds which are used to account for funds received from other governmental agencies that are legally restricted or committed to be expended for specified purposes. These funds also account for resources transferred from the General Fund when these funds are inadequate to finance the specified activities. The following special revenue funds are included in the Nonmajor governmental fund category:

SPECIAL REVENUE FUNDS

Title VIB Special Education Fund includes funds from the Individuals with Disabilities Education Act – Part B – Special Education Grants to States for the purpose of providing special education programs for children in pre-kindergarten through the twelfth grade.

Vocational Education Fund was established to account for federal categorical grant funds flowing through the State Department of Education, for the purpose of providing vocational education training to high school students.

Title I Fund was established to account for federal grant funds for the purpose of improving teaching and learning of children who are at risk of not meeting academic standards and who reside in areas with higher concentrations of children from lower income families.

Education for Economic Security Act (Title II) Fund was established to account for federal categorical grant funds flowing through the State of Georgia Department of Education, for the purpose of training teachers in the math, science, foreign language and computer science programs.

Title III Fund was established to improve the education of limited English proficient children and youths by helping them learn English and meet challenging State academic content and student academic achievement standards. The program also provides enhanced instructional opportunities for immigrant children and youths.

Title IV Fund was established to improve the education of students through programs such as STEM and other effective uses of technology.

GNETS Fund was established to account for state and federal funds for services within the Georgia Network for Educational and Therapeutic Support program for students with disabilities.

ROTC Fund was established to account for federal funds received for the purpose of providing a ROTC program to high school students.

Principals Fund was established to account for revenues and expenditures of funds, which belong primarily to the schools and their student bodies, but are supervised and audited by the School System's Finance Department.

Job Training Partnership Act (JTPA) Fund was established to account for federal categorical grant funds flowing through the Department of Education and Department of Labor, State of Georgia, for the purpose of providing vocational training to post-secondary students.

Communities In Schools (CIS) Local Asst. was established for the purpose of providing accountable and personalized delivery of services for communities in schools of Rome-Floyd's students and families.

Lottery Fund was established to account for the State categorical grant funds received from the State of Georgia Lottery, for the purpose of providing various educational needs for schools in the State of Georgia.

Barron Fund was created to account for funds received from the use of the Barron Stadium.

School Building Authority was created by the General Assembly of the State of Georgia to issue Revenue Bonds for the School System.

Principals Student Fund is used to account for the activities of the student body club and class activities.

State Stabilization Fund is used to account for the collection and expenditures of federal grants for coronavirus relief.

Rome City Schools
(A component unit of the City of Rome, Georgia)
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue Funds								
ASSETS	**Title VIB Special Education**	**Vocational Education**	**Title I**	**Education for Economic Security Act (Title II)**	**Title III**	**Title IV**	**GNETS**	**ROTC**	**Principals**
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350,722
Accounts receivable	-	1,133	-	-	-	-	-	-	-
Due from other governments	324,222	-	1,135,902	-	3,422	-	-	-	-
Total assets	$ 324,222	$ 1,133	$ 1,135,902	$ -	$ 3,422	$ -	$ -	$ -	$ 350,722
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	$ 114,404	$ 250	$ 3,354	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	30,121	883	485,763	-	3,422	-	-	-	-
Salaries and benefits payable	179,697	-	646,785	-	-	-	-	-	-
Total liabilities	324,222	1,133	1,135,902	-	3,422	-	-	-	-
Fund balances									
Committed for school activities	-	-	-	-	-	-	-	-	350,722
Total fund balances	-	-	-	-	-	-	-	-	350,722
Total liabilities and fund balances	$ 324,222	$ 1,133	$ 1,135,902	$ -	$ 3,422	$ -	$ -	$ -	$ 350,722

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Rome City Schools
(A component unit of the City of Rome, Georgia)
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue Funds - Continued							
ASSETS	**JTPA**	**CIS Local Asst.**	**Lottery**	**Barron**	**School Building Authority**	**Principals Student**	***(Previously Major)* State Stabilization**	**Total**
Cash	$ -	$ 5,367	$ 273,207	$ 14,126	$ -	$ 214,681	$ -	$ 858,103
Accounts receivable	-	-	-	-	-	-	-	1,133
Due from other governments	-	-	-	-	-	-	-	1,463,546
Total assets	$ -	$ 5,367	$ 273,207	$ 14,126	$ -	$ 214,681	$ -	$ 2,322,782
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ 1,866	$ 14,126	$ -	$ -	$ -	$ 134,000
Due to other funds	-	-	-	-	-	-	-	520,189
Salaries and benefits payable	-	5,367	271,341	-	-	-	-	1,103,190
Total liabilities	-	5,367	273,207	14,126	-	-	-	1,757,379
Fund balances								
Committed for school activities	-	-	-	-	-	214,681	-	565,403
Total fund balances	-	-	-	-	-	214,681	-	565,403
Total liabilities and fund balances	$ -	$ 5,367	$ 273,207	$ 14,126	$ -	$ 214,681	$ -	$ 2,322,782

Rome City Schools

(A component unit of the City of Rome, Georgia)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds								
	Title VIB Special Education	Vocational Education	*(Previously Major)* Title I	Education for Economic Security Act Title II	Title III	Title IV	GNETS	ROTC	Principals
Revenues									
State funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Federal funds	1,569,296	104,111	3,871,934	317,171	101,053	237,063	4,820	84,956	-
Local and other funds	-	450	-	-	-	-	-	-	763,293
Total revenues	1,569,296	104,561	3,871,934	317,171	101,053	237,063	4,820	84,956	763,293
Expenditures									
Current									
Instruction	1,303,448	94,009	1,562,257	-	-	-	-	242,265	771,814
Support services:									
Pupil services	130,150	-	593,572	-	2,408	-	-	-	-
Improvement of instructional services	83,167	24,739	2,246,873	-	26,133	-	-	-	-
School administration	-	35	-	-	-	-	-	-	-
General administration	82,476	-	-	159	-	-	-	-	-
Student transportation services	7,325	-	35,047	-	5,816	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-
Community services operations	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt Service:							-		
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal fees	-	-	-	-	-	-	-	-	-
Total expenditures	1,606,566	118,783	4,437,749	159	34,357	-	-	242,265	771,814
Excess (deficiency) of revenues over expenditures	(37,270)	(14,222)	(565,815)	317,012	66,696	237,063	4,820	(157,309)	(8,521)
Other financing sources (uses)									
Transfers in	67,351	14,222	565,815	-	-	-	-	157,309	-
Transfers out	(30,081)	-	-	(317,012)	(69,973)	(237,063)	(4,820)	-	-
Total other financing sources (uses)	37,270	14,222	565,815	(317,012)	(69,973)	(237,063)	(4,820)	157,309	-
Net change in fund balance	-	-	-	-	(3,277)	-	-	-	(8,521)
Fund balances, beginning of year	-	-	-	-	3,277	-		-	359,243
Fund balance, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 350,722

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Rome City Schools

(A component unit of the City of Rome, Georgia)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds - Continued							
	JTPA	CIS Local Asst.	Lottery	Barron	School Building Authority	Principals Student	*(Previously Major)* State Stabilization	Total
Revenues								
State funds	$ -	$ -	$ 1,364,547	$ -	$ -	$ -	$ -	$ 1,364,547
Federal funds	71,432	-	-	-	-	-	2,287,448	8,649,284
Local and other funds	-	67,336	-	25,000	-	749,721	-	1,605,800
Total revenues	71,432	67,336	1,364,547	25,000	-	749,721	2,287,448	11,619,631
Expenditures								
Current								
Instruction	78,556	-	1,510,949	-	-	848,075	1,198,784	7,610,157
Support services:								
Pupil services	-	-	663	-	-	-	-	726,793
Improvement of instructional services	-	-	4,108	-	-	-	-	2,385,020
School administration	-	-	348	-	-	-	-	383
General administration	-	-	-	-	-	-	-	82,635
Student transportation services	-	-	5,333	-	-	-	-	53,521
Other support services	-	107,482	-	-	-	-	-	107,482
Community services operations	-	-	-	235,570	-	-	-	235,570
Capital outlay	-	-	-	-	-	-	1,088,664	1,088,664
Debt Service:								
Principal Retirement	-	-	-	-	9,785,000	-	-	9,785,000
Interest and fees	-	-	-	-	5,052,516	-	-	5,052,516
Total expenditures	78,556	107,482	1,521,401	235,570	14,837,516	848,075	2,287,448	27,127,741
Excess (deficiency) of revenues over expenditures	(7,124)	(40,146)	(156,854)	(210,570)	(14,837,516)	(98,354)	-	(15,508,110)
Other financing sources (uses)								
Transfers in	13,966	-	110,636	184,339	14,837,516	-	-	15,951,154
Transfers out	(19,233)	(5,682)	-	-	-	-	-	(683,864)
Total other financing sources (uses)	(5,267)	(5,682)	110,636	184,339	14,837,516	-	-	15,267,290
Net change in fund balance	(12,391)	(45,828)	(46,218)	(26,231)	-	(98,354)	-	(240,820)
Fund balances, beginning of year	12,391	45,828	46,218	26,231	-	313,035	-	806,223
Fund balance, end of year	$ -	$ -	$ -	$ -	$ -	$ 214,681	$ -	$ 565,403

Rome City Schools
(A component unit of the City of Rome, Georgia)

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX EXPENDITURES

For the Fiscal Year Ended June 30, 2025

	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	AMOUNT EXPENDED IN PRIOR YEARS (3)	AMOUNT EXPENDED IN CURRENT YEAR (3)	TOTAL
SPLOST V Projects					
Construct and equip the New Main Elementary. Renovate existing facilities to create a 6th grade academy and expansion of Rome High School. Acquire, construct and equip security improvements at all schools within the Rome School System. Acquire system-wide technology improvements and equipment. Construct, replace, add to, renovate, remove, repair, improve, and equip existing school buildings. Acquire school buses and other school-related vehicles and transportation facilities. Acquire the necessary property thereof, both real and personal. Legal and administrative costs.	$ 31,920,000	$ 38,054,794	$ 37,770,753	$ 284,041	$ 38,054,794
Total SPLOST V Projects	31,920,000	38,054,794	37,770,753	284,041	38,054,794
SPLOST VI Projects					
Construct and equip a new middle school. Add new classrooms and ancillary facilities where necessary. Construct, replace, add to, renovate, remove, repair, improve, and equip existing school buildings and other buildings and facilities maintenance center and the central office. Acquire system-wide technology improvements and equipment. Acquire, construct and equip security improvements at all schools within the Rome School System. Acquire school buses and school-related vehicles and transportation facilities. Acquire technology improvements and equipment. Update and acquire e-books and textbooks, and acquire the necessary property thereof, both real and personal, and to pay or reimburse the expenses of the Rome School System necessary to accomplish the foregoing.	54,730,000	54,730,000	18,001,392	36,728,608	54,730,000
Total SPLOST VI Projects	54,730,000	54,730,000	18,001,392	36,728,608	54,730,000
Total SPLOST Expenditures	$ 86,650,000	$ 92,784,794	$ 55,772,145	$ 37,012,649	$ 92,784,794

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

(2) The School District's current estimate of total cost for the project(s). This cost is the portion funded by SPLOST VI. The total estimated cost of the new Rome Middle School is $119,735,000.

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

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the City of Rome Board of Education
Rome, 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 Rome City Schools, a component unit of the City of Rome, Georgia (the "School System"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, and have issued our report thereon dated May 14, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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
May 14, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the City of Rome Board of Education
Rome, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the School System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year then 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 14, 2026

Rome City Schools
(A component unit of the City of Rome, Georgia)

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	245GA324N1099	$ 1,429,122
National School Lunch Program:			
Non-Cash Assistance - Commodities (1)	10.555	245GA324N1099	415,411
Cash Assistance	10.555	245GA324N1099	3,627,328
School Snack Program	10.555	245GA324N1099	41,856
Total Child Nutrition Cluster			5,513,717
State Administrative Expenses for Child Nutrition	10.560	245GA904N2533	66,102
Total U.S. Department of Agriculture			5,579,819
U.S. DEPARTMENT OF LABOR:			
Passed Through Georgia Department of Labor:			
National Dislocated Worker Grants	17.277	N/A	78,556
Total U.S. Department of Labor			78,556
U.S. DEPARTMENT OF EDUCATION:			
Passed Through the Georgia Department of Education:			
Title I, Part A Programs			
Title I-A - Improving the Academic Achievement of the Disadvantaged	84.010	S010A240010	3,870,377
Title I-A - School Improvement	84.010	S010A240010	267,345
Title I-A - School Improvement Success Grant	84.010	S010A240010	52,000
Title I-A - School Improvement Literacy Support Coaches	84.010	S010A240010	243,064
Total Title I, Part A Programs			4,432,786
Title II-A - Improving Teacher Quality	84.367	S367A240001	317,171
Title III Programs			
Title III-A - Language Instruction for English Learners	84.365	S365A240010	34,358
Total Title III Programs			34,358
Title IV Programs			
Title IV-B, Part A, Student Support and Academic Enrichment	84.424A	S424A240011	237,063
Title IV-A - Stronger Connections Grant	84.424F	S424A240011	50,505
Total Title IV Programs			287,568

(Continued)

Rome City Schools
(A component unit of the City of Rome, Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (Continued):			
Passed Through Georgia Department of Education (continued):			
Vocational Education - Program Improvement	84.048	V048A240010	91,464
Vocational Education - Perkins Plus Reserve	84.048	V048A240010	23,490
Vocational Education - Perkins Carryover	84.048	V048A240010	3,829
Total Vocational Education Programs			118,783
Special Educational Cluster (IDEA)			
Special Education - Ages 3-5	84.173	H173A240081	62,834
Special Education Flowthrough	84.027	H027A240073	1,456,574
Capacity Building Grant	84.027	H027X240073	49,998
GNETS Federal VIB Special Projects	84.027	H027X240073	4,820
Total Special Education Cluster (IDEA)			1,574,226
Education Stabilization Fund			
COVID-19 - American Rescue Plan (ARP) Act - ESSER III Funds	84.425U	S425U240012	2,287,448
COVID-19 - ARP Homeless I	84.425W	S425W240011	13,618
COVID-19 - ARP Homeless 2	84.425W	S425W240011	8,215
Total Education Stabilization Fund			2,309,281
Total Passed Through Georgia Department of Education			9,074,173
Total U.S. Department of Education			9,074,173
U.S. DEPARTMENT OF DEFENSE:			
Passed Through Georgia Department of Education:			
JR ROTC	12.U01	N/A	242,265
Total U.S. Department of Defense			242,265
Total Expenditures of Federal Awards			$ 14,974,813

See notes to the Schedule of Expenditures of Federal Awards

ROME CITY SCHOOLS
(A Component Unit of the City of Rome, Georgia)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Rome City Schools and is presented on the modified accrual basis of accounting.

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

The School System did not pass through any federal funds to subrecipients.

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.

As allowed by federal regulations, the School System elected to transfer $553,923 of program funds from its Title II-A Improving Teacher Quality Program (84.367) and Title IV-B Student Support and Academic Enrichment Program (84.424A) on allowable activities of the Title I Part A Programs (84.010). This amount is reflected in the expenditures of Title I, Part A (84.010).

NOTE 2 FOOD DONATION (COMMODITIES) PROGRAM

The amounts shown for the Food Donation Program (Non-cash assistance commodities) on the Schedule of Expenditures of Federal Awards represent the Federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School System during the current fiscal year.

ROME CITY SCHOOLS
(A Component Unit of the City of Rome, Georgia)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
84.010	Title I, Part A
10.553 & 10.555	Child Nutrition Cluster

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

ROME CITY SCHOOLS
(A Component Unit of the City of Rome, Georgia)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings and Responses

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

ROME CITY SCHOOLS
(A Component Unit of the City of Rome, Georgia)
SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section IV – Status of Prior Audit Findings

None reported.