

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 10, 2024

NEW ISSUE
BOOK ENTRY ONLY

RATINGS†:
Moody's: Aa1 (State Intercept Enhanced)
Moody's: A2 (Underlying)
(See "MISCELLANEOUS – Ratings")

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Code"), and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In the further opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State of Georgia. See "TAX MATTERS" for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based.



\$16,175,000*
Monroe County Public Facilities Authority
(Monroe County School District Projects)
Revenue Bonds, Series 2024

Dated: Date of Issuance

Due: August 1, as shown on inside cover

ISSUER: Monroe County Public Facilities Authority (the "Authority").

SECURITIES OFFERED: \$16,175,000* Monroe County Public Facilities Authority (Monroe County School District Projects) Revenue Bonds, Series 2024 (the "Series 2024 Bonds" or the "Bonds"). Maturities, principal amounts, interest rates, prices or yields, CUSIPs, and certain other information are set forth on the inside front cover.

INTEREST PAYMENT DATES: February 1 and August 1 of each year, commencing February 1, 2025. The Bonds bear interest from their date of delivery.

DENOMINATIONS: \$5,000 and any integral multiple thereof.

FORM AND DEPOSITORY: The Bonds will be delivered solely in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC").

REDEMPTION: The Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

USE OF PROCEEDS OF THE BONDS: The proceeds from the sale of the Series 2024 Bonds will be used to finance (i) renovations to the Monroe County School District's (the "School District") Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the "Projects") located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds. See "PLAN OF FINANCING–Project Description" herein.

LIMITED OBLIGATION OF THE BONDS: The Series 2024 Bonds are limited obligations of the Authority, payable solely from payments to be made by the School District pursuant to an Intergovernmental Contract (the "Contract"), to be dated as of the date of issuance of the Bonds, between the Authority and the School District. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE CONTRACT: Under the Contract, the Authority has agreed to, among other things, issue the Bonds and acquire, construct, and equip the Projects, and the School District has agreed to, among other things, (a) acquire and operate the Projects from the Authority following their completion, (b) pay the Authority the purchase price for the Projects in installments consisting of the principal of, premium, if any, and interest due on the Series 2024 Bonds, upon maturity, redemption, or otherwise (the "Contract Payments"), and (c) levy an ad valorem property tax, limited to 20 mills (or such higher rate as may hereafter be authorized), on all property in the School District subject to such tax in order to make such Contract Payments.

ADDITIONAL BONDS: The Authority may, under certain circumstances, issue additional bonds ranking as to lien on the Contract, the Contract Payments, and the moneys and investments on deposit in the funds created in the Bond Resolution (defined herein), on a parity with the lien thereon securing the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Bonds."

UNDERWRITING: The Bonds will be offered when, as and if issued by the Authority, subject to the approving opinion of Butler Snow LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Vaughn Sundeen, P.C. Certain legal matters will be passed upon for the School District by Butler Snow LLP, as its Disclosure Counsel. It is expected that the Bonds will be available for delivery on or about November 12, 2024.

The cover page and inside cover page are for quick reference only and are not a summary of this issue. Investors should read this entire Official Statement, including the appendices, to obtain information essential to making an informed investment decision.

RAYMOND JAMES®

Dated: _____, 2024

† For an explanation of the rating, see "MISCELLANEOUS–Rating" herein.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELD, PRICE AND CUSIPS[§]

\$16,175,000*
Monroe County Public Facilities Authority
(Monroe County School District Projects) Revenue Bonds,
Series 2024

<u>Year</u> <u>(August 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP[§]</u>
2025	\$580,000	—.%	—.	—
2026	700,000	—.	—.	—
2027	820,000	—.	—.	—
2028	955,000	—.	—.	—
2029	1,045,000	—.	—.	—
2030	1,095,000	—.	—.	—
2031	1,150,000	—.	—.	—
2032	1,205,000	—.	—.	—
2033	1,270,000	—.	—.	—
2034	1,330,000	—.	—.	—
2035	1,400,000	—.	—.	—
2036	1,465,000	—.	—.	—
2037	1,540,000	—.	—.	—
2038	1,620,000	—.	—.	—

[§] The CUSIP numbers are included in this Official Statement for the convenience of the holders and potential holders of the Bonds. No assurance can be given that the CUSIP numbers for a particular maturity of Bonds will remain the same after the date of issuance and delivery of the Bonds. Neither the Authority nor the School District assumes any responsibility for the accuracy of such numbers.

*Preliminary, subject to change.

MONROE COUNTY PUBLIC FACILITIES AUTHORITY

Members

Gregory V. Tapley, Chairman
Eddie Rowland, Vice Chairman
Lamarcus Davis
John Ambrose
George Emami

COUNSEL TO THE AUTHORITY

Vaughn Sundeen, P.C.
Forsyth, Georgia

MONROE COUNTY SCHOOL DISTRICT, GEORGIA

Board of Education

Stuart Pippin, Chairman
Dr. Priscilla Doster, Vice Chairman
Sherrye Battle
Greg Head
Jeremy Goodwin
Robert Jenkins
Eva Bilderback

Superintendent

Dr. Jim Finch

Assistant Superintendent for Personnel & Finance

Lance W. Rackley

Director of Financial Services

Chris J. Johnson

COUNSEL TO THE SCHOOL DISTRICT

Vaughn Sundeen, P.C.
Forsyth, Georgia

BOND COUNSEL AND DISCLOSURE COUNSEL

Butler Snow LLP
Macon, Georgia

UNDERWRITER

Raymond James & Associates, Inc.
Atlanta, Georgia

AUDITOR

Georgia Department of Audits and Accounts
Atlanta, Georgia

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the Authority, the School District, public documents, records and other sources considered to be reliable. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed this Official Statement in accordance with, and as part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the School District or the Authority since the date hereof.

NO REGISTRATION STATEMENT RELATING TO THE BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the Authority and the School District and the terms of the offering, including the merits and risks involved.

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

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

For purposes of compliance with Rule 15c2-12 of the SEC, as amended (the “**Rule 15c2-12**”) and in effect on the date of this Preliminary Official Statement, this document constitutes a Preliminary Official Statement of the Authority and the School District with respect to the Bonds that has been deemed “final” by the Authority and the School District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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OFFICIAL STATEMENT

Relating to:

\$16,175,000*

**Monroe County Public Facilities Authority
(Monroe County School District Projects)
Revenue Bonds, Series 2024**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by the Authority of \$16,175,000* Monroe County Public Facilities Authority (Monroe County School District Projects) Revenue Bonds, Series 2024 (the “**Series 2024 Bonds**” or the “**Bonds**”). Capitalized terms used but not defined herein shall have the meanings assigned to them in Appendix A – “FORM OF THE BOND RESOLUTION AND FORM OF THE CONTRACT.”

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

The Authority and the School District

The Authority is a political subdivision of the State of Georgia, duly created and validly existing pursuant to the Monroe County Public Facilities Authority Act (Ga. L. 2008, p. 4432) (the “**Act**”). See “THE AUTHORITY.”

The School District is a political subdivision of the State of Georgia, duly created and validly existing under the Constitution and laws of the State of Georgia. See “THE SCHOOL DISTRICT.”

Purpose of the Bonds

The proceeds derived from the sale of the Series 2024 Bonds will be used to finance (i) the Projects and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds. See “PLAN OF FINANCING–Project Description” herein.

Security and Sources of Payment for the Bonds

The Series 2024 Bonds are limited obligations of the Authority, payable solely from payments to be made by the School District pursuant to an Intergovernmental Contract (the “**Contract**”), to be dated as of the date of issuance of the Bonds, between the Authority and the School District. Under the Contract, the Authority has agreed to, among other things, issue the Bonds and acquire, construct, and equip the Projects, and the School District has agreed to, among other things, (a) acquire and operate the Projects from the Authority following their completion, (b) pay the Authority the purchase price for the Projects in installments consisting of the principal of, premium, if any, and interest due on the Series 2024 Bonds, upon maturity, redemption, or otherwise (the “**Contract Payments**”), and (c) levy an ad valorem property tax, limited to 20 mills (or such higher rate as may hereafter be authorized), on all property in the School District subject to such tax in order to make such Contract Payments.

The Authority may, under certain circumstances, issue additional bonds ranking as to lien on the Contract, the Contract Payments, and the moneys and investments on deposit in the funds created in the Bond Resolution

* Preliminary, subject to change.

(defined herein), on a parity with the lien thereon securing the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Bonds.”

Description of the Bonds

Redemption. The Bonds will be subject to optional and mandatory sinking fund redemption prior to their respective maturities. See “DESCRIPTION OF THE BONDS—Redemption Provisions.”

Denominations. The Bonds will be issuable in denominations of \$5,000 and any integral multiple thereof.

Registration, Transfers and Exchanges. The Bonds will be issued in fully registered form. When in book-entry form, the purchasers of the Bonds (the “**Beneficial Owners**”) will not receive certificates representing their ownership interest in the Bonds. Instead, such Bonds will be held by a securities depository, initially DTC and registered in the name of DTC or its nominee, Cede & Co. Any transfer or exchange of the ownership interest in Bonds held in book-entry form will be made through computerized book-entry changes on the books of DTC through DTC’s Direct and Indirect Participants (as hereinafter defined) as described under “DESCRIPTION OF THE BONDS—Book-Entry System of Registration.”

Payments. Interest on the Bonds is payable initially on February 1, 2025 and semiannually thereafter on February 1 and August 1 of each year until maturity (each an “**Interest Payment Date**”). When in book-entry form, payment of the principal of and interest on the Bonds will be made by Regions Bank, Atlanta, Georgia, as paying agent (the “**Paying Agent**”) directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants (as hereinafter defined) and thereafter to Beneficial Owners of the Bonds. See “DESCRIPTION OF THE BONDS—General.”

When not in book-entry form, interest on the Bonds is payable by check or draft mailed to the registered owners thereof at the addresses which appear on the bond registration books of Regions Bank, Atlanta, Georgia, as bond registrar (the “**Bond Registrar**”) as of the close of business on the fifteenth calendar day of the month preceding each Interest Payment Date (the “**Record Date**”). The principal of and premium, if any, on the Bonds are payable at the corporate trust office of Regions Bank, Atlanta, Georgia, as Paying Agent and Bond Registrar. See “DESCRIPTION OF THE BONDS—General.”

Tax Matters

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “**Code**”), and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In the further opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State of Georgia. See “TAX MATTERS” for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based. Also, see Appendix E for the proposed form of opinion of Bond Counsel.

Professionals Involved in the Offering

Certain legal matters pertaining to the Authority and its authorization and issuance of the Bonds are subject to the approving opinions of Vaughn Sundeen, P.C., Counsel to the Authority, and Butler Snow LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel.

Regions Bank, Atlanta, Georgia will act as Paying Agent and Bond Registrar for the Bonds. The principal corporate trust office of the Paying Agent is 1180 West Peachtree Street Suite 1200, Atlanta, Georgia 30309.

Raymond James & Associates, Inc. is acting as the Underwriter (the “**Underwriter**”).

The financial statements of the School District for the fiscal year ended June 30, 2023, have been audited by Georgia Department of Audits and Accounts, Atlanta, Georgia, to the extent and for the period indicated in their report included therein. See “MISCELLANEOUS – Independent Auditors.”

Authority for Issuance

The Bonds are being issued in accordance with and pursuant to the Constitution of the State of Georgia and laws of the State of Georgia including (i) the Act, (ii) Article IX, Section V, Paragraph III of the Constitution of the State of Georgia and Official Code of Georgia Annotated Section 36-82-60 et seq. (as amended, the “**Revenue Bond Law**”), (iii) a resolution of the Authority adopted on or about October 15, 2024 (the “**Bond Resolution**”). The Contract will be executed and delivered pursuant to the Constitution of the State of Georgia, the Act, the Bond Resolution, and a resolution adopted by the Board of Education of Monroe County (the “**Board of Education**”) on or about October 15 (the “**School Board Resolution**”). See “DESCRIPTION OF THE BONDS—Legal Authority for Issuance.”

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued by the Authority, subject to prior sale and to the withdrawal or modification of the offer without notice, and subject to approval of legality by Bond Counsel. The Bonds in definitive form are expected to be delivered through DTC on or about November 12, 2024.

Continuing Disclosure

The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds, and the Authority will not provide any such information. The School District has undertaken all responsibilities for any continuing disclosure to beneficial owners of the Bonds as described below, and the Authority will have no liability to the beneficial owners of the Bonds or any other person with respect to such disclosures.

The School District has covenanted in the Contract and a Continuing Disclosure Certificate (the “**Disclosure Certificate**”) for the benefit of the beneficial owners of the Bonds to provide certain financial information and operating data, including financial statements, relating to the School District on an annual basis (the “**Annual Report**”) by not later than one year after the end of each fiscal year of the School District, commencing with the fiscal year ended June 30, 2024, and to provide notice of the occurrence of certain enumerated events (the “**Material Event Notices**”) to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“**EMMA**”). The obligations of the School District under the Disclosure Certificate terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. The Disclosure Certificate may be amended or modified without the consent of the owners of the Bonds under certain circumstances. The School District’s undertaking to provide the Annual Report and Material Event Notices pursuant to the Disclosure Certificate is described in Appendix D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The covenants related to the Disclosure Certificate have been made in order to comply with Securities and Exchange Commission Rule 15c-12.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement, including the Appendices, contains brief descriptions of, among other matters, the Authority, the School District, the Bonds, the Bond Resolution, the Contract and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Contract, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references to the

Bonds are qualified in their entirety to the form of bond included in the Bond Resolution. Copies of the Bond Resolution, the Contract, and other documents and information are available, upon request and upon payment to the School District of a charge for copying, mailing and handling, from: Monroe County Schools, 25 Brooklyn Avenue, Forsyth, Georgia 31029.

PLAN OF FINANCING

Estimated Sources and Uses of Funds*

The sources and applications of funds in connection with the issuance of the Series 2024 Bonds are estimated below.

<u>Sources:</u>	
Par Amount of Series 2024 Bonds	\$16,175,000*
Net [Premium/Discount]	
Total	\$
 <u>Uses:</u>	
Construction Fund Deposit	\$
Costs of Issuance ¹	
Total	\$

¹ Includes rating agency fees, initial Bond Registrar and Paying Agent fees, printing costs, validation court costs, underwriting discount, legal and accounting fees, and other costs of issuance.

Project Description

The proceeds from the sale of the Series 2024 Bonds will be used for the purpose of financing (i) all or a portion of the costs the Projects and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds. Following completion, the Projects will conveyed by the Authority to the School District and be owned by the School District and located on land owned by the School District in the County.

The proceeds of the Series 2024 Bonds will be deposited in the “Monroe County Public Facilities Authority Construction Fund 2024” (the “**Construction Fund**”), a trust fund held by United Bank, Forsyth, Georgia, as construction fund custodian (“**Construction Fund Custodian**”). Prior to the expenditure of the Bond proceeds deposited in the Construction Fund, such moneys will be invested in Permitted Investments. Pursuant to the Bond Resolution and the Contract, the School District will direct the investment of moneys on deposit in the Construction Fund. See Appendix A – “FORM OF THE BOND RESOLUTION AND FORM OF THE CONTRACT– Authorized Investments – Construction Fund Money.”

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* Preliminary; subject to change.

Debt Service Schedule*

The following table sets forth the annual debt service requirements on the Bonds during each Fiscal Year:

Year Ending <u>August 1</u>	Series 2024 Bonds			Combined Debt Service <u>Requirements</u>
	<u>Principal</u>	<u>Interest</u>	Total Debt Service <u>Requirements</u>	
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				

THE AUTHORITY

The Authority is a public body corporate and politic of the State of Georgia deemed to be a political subdivision of the State and a political corporation duly created and validly existing under the Constitution and the laws of the State of Georgia and specifically the Act. The Authority is governed by the members of the Monroe County Board of Commissioners. The Authority shall consist of the five (5) Commissioners who shall be residents of the County and who shall be elected at large by the voters of the County. The Members of the Board of Commissioners shall be elected from each district of the County to serve a term of four years. By virtue of being Members of the Monroe County Board of Commissioners, the Members of the Monroe County Board of Commissioners are also members of the Board of the Monroe County Public Facilities authority and their terms on both boards are concurrent. The current members, the expiration of their term of office and their principal occupation are as follows:

<u>Name</u>	<u>Title</u>	<u>Principal Occupation</u>	<u>Term Expires¹</u>
Gregory V. Tapley	Chairman	Chairman, Board of Commissioners	12/31/2024
Eddie Rowland	Vice Chairman	Real Estate Agent/HVAC	12/31/2024
Lamarcus Davis	Member	Georgia Power Employee	12/31/2024
John Ambrose	Member	Retired	12/31/2026
George Emami ²	Member	Realtor, Broker	11/4/2024

¹ Pursuant to the Act, a member of the Authority whose term has expired serves until a successor is appointed.

² George Emami’s term normally would have ended 12/31/2026. However, he has submitted his resignation to Governor Kemp and Governor Kemp has accepted it effective November 4, 2024. A special election is scheduled for November 5, 2024 to fill his term.

The Authority is issuing the Bonds pursuant to powers granted under the Act and the Revenue Bond Law and pursuant to the Bond Resolution.

DESCRIPTION OF THE BONDS

General

The Bonds will be dated their date of issuance and will mature in the amounts and bear interest at the rates specified on the cover page of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months) from the Interest Payment Date preceding their date of authentication to which interest has been

paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date, or unless the date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest will be payable semiannually on each Interest Payment Date, commencing February 1, 2025.

When in book-entry form, payment of the principal of, premium if any, and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds. See “DESCRIPTION OF THE BONDS—Book-Entry System of Registration.” When not in book-entry form, interest on the Bonds is payable by check or draft mailed by first class mail to the registered owner of record as of the Record Date immediately preceding the applicable Interest Payment Date, at such owner’s address as it appears on the books of registry kept by the Paying Agent. When not in book-entry form, the principal of the Bonds will be payable upon the presentation and surrender of the Bonds at the principal corporate trust office of the Paying Agent.

Registration Provisions; Transfer and Exchange

The Bonds will be issued in fully registered form. Ownership of the Bonds will be registered on the registration books of the School District maintained by the Bond Registrar. When in book-entry form, ownership of the Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, may be transferred or exchanged in accordance with the rules of DTC. See “THE BONDS – Book-Entry System of Registration.”

When not in book-entry form, ownership of any Bond is transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Bond or Bonds registered in the name of the transferee in any authorized denomination in the same aggregate principal amount, maturity, and interest rate as the Bonds surrendered for such transfer. When not in book-entry form, the Bonds may be exchanged for a like principal amount of Bonds of the same maturity and interest rate but of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Bonds.

Redemption*

Optional Redemption of the Bonds. The Bonds maturing on or prior to ___ 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after ___ 1, 20__ are subject to redemption prior to their stated respective maturities, at the option of the Authority, in whole or in part on any date, in either case on or after ___ 1, 20__, at a redemption price of 100 percent of the principal amount of the Bonds being redeemed plus accrued interest to the redemption date.

Mandatory Redemption of the Series 2024 Bonds. The Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption prior to their stated maturity at a redemption price equal to the 100 percent of the principal amount of the Series 2024 Bonds being redeemed, plus accrued interest, on _____ 1, 20__ of the following years and in the following amounts:

<u>August 1,</u>	<u>Principal Amount</u>
20__	\$ _____
20__	_____

The Series 2024 Bonds maturing on _____ 1, 20__ are subject to mandatory sinking fund redemption prior to their stated maturity at a redemption price equal to the 100 percent of the principal amount of

* Preliminary, subject to change.

the Bonds being redeemed, plus accrued interest, on _____ 1, 20__ of the following years and in the following amounts:

<u>August 1,</u>	<u>Principal Amount</u>
20__	\$ _____
20__	_____

Notice of Redemption. Notice of any redemption of the Bonds pursuant to the Bond Resolution shall be given by the Authority, at the direction of the School District, to the Bond Registrar and Paying Agent at least forty-five days prior to the date fixed for redemption and shall be given one time not less than thirty days nor more than sixty days prior to the date fixed for redemption to the holders of each of the Bonds being called for redemption by first class, registered or certified mail as the Paying Agent shall determine is necessary at the address shown on the register of the Bond Registrar as of forty-five days prior to the date fixed for redemption. Said notice shall also be given by certified mail, return receipt requested, or by electronic means not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System or as may be required by applicable law or regulation at the time of giving such notice. No transfer or exchange of any Bonds so called for redemption shall be allowed. In the event any holder of any Bond being redeemed pursuant to the provisions of the Bond Resolution shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bonds shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Paying Agent to give such notice shall not affect the validity of the proceedings for the redemption of any bond as to which no such failure occurred. Any notice mailed or delivered as provided in the Bond Resolution shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Manner of Redemption. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the registered owner thereof, without charge therefor, fully registered Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of the Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed in the Bond Resolution, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Bond Resolution, the Bonds or the portion thereof so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution and the owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such bond paid or redeemed in part only, the Authority shall execute and the Bond Registrar shall deliver to the owner thereof, at the expense of the Authority, a new Bond or Bonds of the same type,

of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

Defeasance

The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (“**Government Obligations**”), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) United States Treasury Securities - State and Local Government Series, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, “**Defeasance Securities**”), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the Bond Resolution and shall no longer be deemed to be outstanding under the Bond Resolution, and the registered owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

Book-Entry System of Registration

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of the Bonds, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C – Book-Entry Only System of Registration.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the School District nor the Bond Registrar and Paying Agent will have any responsibility or obligation to DTC’s Direct Participants or Indirect Participants (each as defined in Appendix C), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix C to this Official Statement.

Legal Authority for Issuance

The Bonds are being issued pursuant to and in accordance with the Constitution and laws of the State of Georgia, including the Act, the Revenue Bond Law, and the Bond Resolution.

The Contract is being executed and delivered pursuant to and in accordance with the Constitution of the State of Georgia and the Act. Article IX, Section III, Paragraph I of the Constitution of the State of Georgia authorizes any municipality or other political subdivision of the State of Georgia to contract for any period not exceeding 50 years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, if such contract deals with activities, services, or facilities

which the contracting parties are authorized by law to undertake or provide. The Act authorizes the Authority to finance the Projects, and the Constitution of the State of Georgia authorizes the School District to provide the Projects. The execution, delivery, and performance of the Contract by the Authority has been authorized and approved pursuant to the Bond Resolution. The execution, delivery, and performance of the Contract by the School District has been authorized and approved pursuant to the School Board Resolution.

Disbursement and Investment of Bond Proceeds and Other Moneys

For a description of the manner in which the proceeds of the sale of the Bonds will be disbursed, see “PLAN OF FINANCING – Project Description” herein and Appendix A “FORM OF THE BOND RESOLUTION AND FORM OF THE CONTRACT – Disbursements for Acquisition, Construction, and Equipping of the Projects.” Prior to such use, said proceeds may be invested pending their disbursement. See Appendix A “FORM OF THE BOND RESOLUTION AND FORM OF THE CONTRACT – Authorized Investments.”

Ga. Code Ann. § 45-8-14 provides that the School District shall designate one or more solvent banks, insured federal savings and loan associations, or insured state-chartered building and loan associations as depositories of moneys belonging to the School District. Ga. Code Ann. § 45-8-12 prohibits the School District from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, with a face value of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Ga. Code Ann. § 45-8-11 allows the Superintendent or the Comptroller of the School District, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The School District presently deposits its general funds with United Bank, Forsyth, Georgia. The School District may, in its discretion, but subject to the provisions of State law described in the above paragraph, deposit these funds with other financial institutions.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds do not constitute direct obligations of the Authority or the School District and are not directly secured by the general faith and credit or the taxing power of the School District, the Authority, the State of Georgia or any other political subdivision or municipal corporation thereof, and the Bonds will not be deemed to constitute a debt of the State of Georgia, the School District, or the Authority or any other political subdivision or municipal corporation of the State of Georgia within the meaning of any pertinent constitutional or statutory limitation on indebtedness. No owner of any Bonds shall, by virtue of being such an owner and without regard to any rights such owner may have under other instruments and agreements, including the Contract, ever have the right to compel the exercise of the taxing power of the State of Georgia or any political subdivision or municipal corporation thereof, including the Authority and the School District, to pay the Bonds or the interest thereon, or to enforce the payment thereof against any property of the Authority (other than property assigned and pledged under the Bond Resolution), the State of Georgia, or any political subdivision or municipal corporation thereof, including the School District. The Authority has no taxing power. However, the School District’s taxing power has been pledged to the payment of the Contract Payments.

Pledge and Assignment

The Series 2024 Bonds are special limited obligations of the Authority, payable solely from and secured by the Contract Payments and the moneys on deposit in the Sinking Fund and the Construction Fund. The Bonds do not constitute a charge, lien, or encumbrance, legal or equitable, on any real or personal property of the School District or the Authority.

Contract Payments

Under the Contract, the Authority has agreed to, among other things, issue the Bonds and acquire, construct, and equip the Projects, and the School District has agreed to, among other things, (a) acquire and operate the Projects from the Authority following their completion, (b) pay the Authority the Contract Payments, and (c) levy an ad valorem property tax, limited to 20 mills (or such higher rate as may hereafter be authorized), on all property in the School District subject to such tax in order to make such Contract Payments. Using the calendar year 2023 maintenance and operations millage rate (16.212 mills), the School District has 3.788 mills available (the “**Available Millage**”) under the 20-mill limitation assuming there are no decreases in the School District’s tax digest, increases in operating costs or reductions in funding from the State of Georgia. A 3.788 mill tax levy, assuming a collection rate of 96.56% (the actual collections rate from fiscal year 2023), produces approximately \$5,638,240. See “SCHOOL DISTRICT AD VALOREM TAXATION.” The amount of Available Millage may decrease due to, among other things, changes in the School District’s tax digest, increases in operation costs or reductions in funding from the State of Georgia.

Under the Contract, all payments of Contract Payments and all money in the Sinking Fund and the Construction Fund shall be pledged to the payment of the principal of, premium, if any, and interest on the Bonds and shall be subject to and shall be created thereon a first and prior charge or lien for the purpose of paying the principal of, premium, if any, and interest on the Bonds. The Authority will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a charge or lien on the Contract Payments prior to the charge or lien herein created for the payment of the Bonds. No subordinate bonds shall be issued by the Authority with respect to the Contract or the Projects.

The School District’s obligation to make the Contract Payments at the times and in the manner specified is absolute and unconditional and such payments may not be abated or reduced for any reason. See “FORM OF THE CONTRACT” in Appendix A.

Debt Service Coverage*

The following table sets forth the approximate debt service coverage of the maximum annual debt service on the Series 2024 Bonds, based on a levy of the Available Millage (3.788 mills).

Debt Service Coverage Based on Available Millage

2024 Net M&O Digest	\$1,684,551,860
Estimated Revenues Generated by a Levy of the Available Millage (3.788 mills; assumes 96.56% collection rate) ^{1,2}	\$6,161,573
Maximum Annual Debt Service on the Series 2024 Bonds ³	\$1,701,250

Debt Service Coverage Ratio **3.62**

¹ The Available Millage is calculated by subtracting the School District’s current maintenance and operations millage rate (16.212 mills) from the 20-mill millage limitation to which such levy is subject. See “SCHOOL DISTRICT AD VALOREM TAXATION – “Millage Rates.” The collection rate of 96.56% is the actual rate of collections made by the School District in fiscal year 2023. See “SCHOOL DISTRICT AD VALOREM TAXATION – Property Tax Levies and Collections.”

² The amount of Available Millage may decrease due to, among other things, changes in the School District’s tax digest, increases in operating costs or reductions in State funding. See “CERTAIN BONDHOLDERS’ RISKS”.

³ See “THE SERIES 2024 BONDS – Principal and Interest Requirements.”

Parity Bonds

Parity Bonds (defined as “any revenue bonds which may be issued on parity with the Bonds in accordance with the terms of the Bond Resolution”) may be issued by the Authority, from time to time, ranking on parity with the Series 2024 Bonds, provided all of the following conditions are met:

(a) The payments covenanted to be made under the Bond Resolution have been and are being made as required.

(b) The Authority and School District shall enter into a contract reaffirming and extending through the final maturity of the Parity Bonds then proposed to be issued all applicable covenants, terms, and provisions of the Contract. Under the terms of such contract, the School District shall obligate itself to pay to the Authority amounts sufficient to pay the principal of, premium, if any, and the interest on the Bonds then outstanding and on the Parity Bonds then proposed to be issued, and for the payment of the reasonable fees and charges of the Paying Agent and Bond Registrar, if any, less the interest and principal requirements on any bonds or obligations to be paid or redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued

(c) The Authority shall pass proper proceedings reciting that the above requirements have been met and authorizing the issuance of such Parity Bonds and shall provide in such proceedings, among other things, for the date, the rate or rates of interest, maturity dates, and redemption provisions, if any, which such Parity Bonds shall bear. The interest on any such Parity Bonds shall fall due on the Interest Payment Dates in each year, and the Parity Bonds shall mature in annual installments on either Interest Payment Date, but not necessarily in each year or in equal installments.

(d) Any such proceeding or proceedings shall require the payments then being made for deposit into the Sinking Fund to be increased to the extent necessary to pay the principal of, premium, if any, and interest on the Outstanding Bonds and on the Parity Bonds proposed to be issued, less the principal and interest requirements on any bonds or obligations to be redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued. Any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of the Bond Resolution

(e) Such Parity Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(f) The maximum amount capable of being produced by the School District's Tax Moneys (using the most recent tax digest and Millage Limitation), less all Operating Expenses for the current fiscal year, is at least 1.1x the amount needed to pay the maximum annual debt service payments on the Parity Bonds proposed to be issued.

Definitions for this subsection (f) are as follows:

"Millage Limitation" means the 20-mill limitation on the levy of ad valorem property taxes for maintenance and operations prescribed by law or such higher rate as may hereafter be authorized.

"Operating Expenses" means all expenses intended to be covered by the Tax Moneys, including, without limitation, the Contract Payments and payments on any additional Parity Bonds then outstanding.

"Tax Moneys" means the moneys produced from the levy of ad valorem property taxes for maintenance and operations purposes.

Bond Resolution

To secure its obligations under the Series 2024 Bonds, the Authority has adopted the Bond Resolution, pursuant to which the Authority has collaterally assigned and pledged for the benefit of the owners of the Series 2024 Bonds all of the Authority's right, title, interest and remedies (except Retained Rights) in and to the Contract, including all payments to be made by the School District thereunder. The Bond Resolution provides that the lien of this pledge is valid and binding against the Authority and against all parties having claims of any kind against the Authority, whether such claims arise in contract, tort or otherwise and irrespective of whether such parties have notice of the lien created by the Bond Resolution. The Authority has covenanted in the Bond Resolution not to create or permit to be created any lien, security interest or charge upon the funds in the Sinking Fund or the Construction Fund or upon the Contract, other than the pledge and assignment created by the Bond Resolution. See "COPY OF THE BOND RESOLUTION" in Appendix A.

The Authority has not granted any lien on or security interest in the Projects, any assets of the Authority or the revenues therefrom (other than the funds in the Sinking Fund and the Construction Fund, including the Contract Payments made by the School District to the Authority under the Contract) to secure the Series 2024 Bonds.

Enforceability of Remedies

The realization of value from the pledge of the property assigned and pledged under the Bond Resolution and the taxing power of the School District under the Contract upon any default will depend upon the exercise of various remedies specified by the Bond Resolution and Contract. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. A court may decide not to order the specific performance of the covenants contained in the Bond Resolution or the Contract.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no municipality or political subdivision created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any municipality or political subdivision created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

No Acceleration. The remedy of acceleration is not available to holders of the Series 2024 Bonds upon an Event of Default. The sole remedies available to holders of the Series 2024 Bonds are (a) specific performance of any covenant or agreement and (b) the enforcement of any proper legal or equitable remedy that the holders shall deem most effectual to protect and enforce their rights.

State Aid Interception

Prior to the issuance of the Bonds, the Board of Education, pursuant to Ga. Code Ann. § 20-2-480, will notify the State Board of the proposed issuance of the Bonds and authorize and direct the State Board to withhold from the School District sufficient moneys from any State appropriation to which the School District may be entitled and to apply so much of such moneys as shall be necessary to the payment of the principal of and interest on the Bonds then due. Thereafter, if the Paying Agent for the Bonds notifies the State Board that the School District has failed to punctually pay the principal of or interest on the Bonds, the State Board will be authorized to and shall withhold from any State appropriation to which the School District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on the Bonds then due.

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

The State paid to the School District approximately \$26,083,763 during fiscal year 2023 and has committed to pay to the School District approximately \$28,825,397 during fiscal year 2024 for general operating purposes. The State disburses the amount committed to the School District for each fiscal year in twelve approximately equal installments on or before the last day of each month of such fiscal year. The timing of the payment of any amounts subject to interception by the State Board to the Paying Agent for the benefit of the owners of the Bonds will depend upon the ability of the State Board to promptly liquidate investments of money appropriated but not disbursed by the General Assembly of the State to the School District. No assurance can be given concerning the timing or amounts of future appropriations by the General Assembly of the State to the School District or the timing of the payment of any amounts subject to interception by the State Board to the Paying Agent.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Series 2024 Bonds may involve certain risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

Millage Limitation

Article VIII, Section VI, Paragraph I of the Constitution of the State of Georgia provides that the boards of education of certain school systems located within the State, including the School District, are permitted to levy an ad valorem property tax not greater than 20 mills per dollar for the maintenance and operation of education. The School District currently levies 16.212 mills for maintenance and operation. There are 3.788 mills remaining under the millage limitation to levy an ad valorem property tax to make the Contract Payments. There can be no assurances given that the School District will not increase the millage levied for maintenance and operations in future years to offset decreases in the tax digest, increases in operating costs or reductions in State funding. This would lead to a reduction in the millage available to make the Contract Payments.

Property Tax Digest Decreases

The Great Recession of 2008-2012 negatively impacted local governmental entities, including the School Districts, in a variety of ways. One of the most significant was declines in the property tax digests of the School District during such period, which led to the same millage rate producing substantially lower tax revenues. Since 2012, the School District's property tax digests have rebounded significantly; the gross digest increased from \$1,666,144,151 in calendar year 2020 to \$1,967,671,568 in calendar year 2024. See "SCHOOL DISTRICT AD VALOREM TAXATION – Ad Valorem Property Tax Digests." There can be no assurances given that the School District's property tax digests will remain at their current levels or continue to grow. In the event that the School District's property tax digests declined from their current level, it would be necessary for the School District to increase the maintenance and operations millage rate in order to produce similar levels of tax revenues. This would lead to a reduction in the millage available to make the Contract Payments.

Enforceability of Lien

The School District has created a lien on the Tax Moneys pursuant to the Contract in favor of the holders of the Series 2024 Bonds to secure its obligations under the Contract. In the event that the School District levied up to the maximum permitted by applicable law (20 mills) and the Tax Moneys were insufficient to pay both the entire cost of operating the School District and the Contract Payments, the Contract Payments are required to be made prior to disbursing any other amounts. No assurances can be given, however, that a court would enforce the lien or respect its priority by siding with the interests of the holders of the Series 2024 Bonds over the cost of maintaining and operating the schools and facilities of the School District for the benefit of school children. Furthermore, no opinion will be rendered with respect to the enforceability or priority of the lien on the Tax Moneys created pursuant to the Contract.

THE SCHOOL DISTRICT

Introduction

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

The School District's school system serves all of the area within the County. Funds for the general maintenance and operation of the School District are derived from local, state, and federal sources. Local revenues consist primarily of ad valorem property taxes. See "SCHOOL DISTRICT AD VALOREM TAXATION." Funds received from the State are determined by certain formulas, generally based upon the number of students served and the relative wealth of the school system in relation to other school systems in Georgia, established by the Georgia Department of Education. Funds received from the federal government are primarily for programs for disadvantaged and handicapped students and for the school food service program.

All schools in the school system are accredited by COGNIA and the Georgia Accrediting Commission. In addition, all schools in the School District meet the Standards for Public Schools in Georgia. Monroe County Middle School and Monroe County High School are also accredited by the Southern Association of Colleges and School.

Board of Education

Under State law, the School District is confined to the control and management of the Board of Education. The Board of Education is composed of seven members serving four-year terms. The names, expiration of terms of office and years in office of all Board members is set forth below:

<u>Name</u>	<u>Title</u>	<u>Expiration of Current Term</u>	<u>Principal Occupation</u>	<u>Years in Office as of January 1, 2024</u>
Stuart Pippin	Chairman	December 31, 2024	Banking Industry	7
Dr. Priscilla Doster	Vice-Chairman	December 31, 2024	Retired Teacher, Administrator	6
Sherrye Battle	Member	December 31, 2026	Retired Teacher	1
Greg Head	Member	December 31, 2026	Self-Employed Heating/Air	5
Jeremy Goodwin	Member	December 31, 2024	Family Physician	3
Robert Jenkins	Member	December 31, 2026	Retired, Georgia Power Co.	1
Eva Bilderback	Member	December 31, 2026	Retired, U.S. Postal Service	18

School District Management

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

Dr. Jim Finch. Jim Finch is in his second year as Superintendent and 31st year overall. Dr. Finch spent 15 years as the principal at Mary Persons High School and is in his 18th year overall in Monroe County Schools. Dr. Finch received his Bachelor of Science in Education degree from Georgia Southern University in 1994 and a Master of Education in Educational Leadership degree from Georgia College and State University in 2001. In 2015, Dr. Finch defended his dissertation, The Effect of the Self-contained Ninth Grade Campus on Student Achievement Indicators, and received his Doctorate in Educational Leadership degree from Valdosta State University.

Dr. Finch began his teaching career in 1994 as a math teacher and coach at Peach County High School in Fort Valley, GA. While at Peach County, Dr. Finch taught math for ten years and served as the math department chair for the last five of those. He served as assistant principal during his last two years at Peach County High. In addition to his instructional and supervisory duties, Dr. Finch coached football, basketball, baseball, tennis, and golf during his 12 years in Fort Valley. Dr. Finch coached in the 1998, 2003, and 2005 AAA state championship football games, serving as defensive coordinator in those latter two games and winning the AAA state championship in 2005. At the conclusion of the 2005-2006 school year, Dr. Finch made the transition to principal.

Dr. Finch is a member of the Georgia School Superintendents Association (GSSA), the Professional Association of Georgia Educators (PAGE), and the Georgia Association of Educational Leaders (GAEL). He was a member of the PAGE Principal Leadership Network in 2010-2012. Dr. Finch also serves on the Board of Control for the Middle Georgia RESA.

Dr. Finch has served and continues to serve on many other statewide associations. Dr. Finch has served on the Board of Trustees for the Georgia High School Association (GHSA) since 2016, and in 2024, was re-elected as the GHSA President for a second term. Additionally, Dr. Finch has served on the Board of Directors for the Georgia Association of Educational Leaders (GAEL, 2018-2020) and for the Georgia Association of Secondary School Principals (GASSP, 2016-2021). Dr. Finch served as President, Vice President, Past President, and State Coordinator for GASSP and was Georgia's advocacy delegate in Washington, D.C. to NASSP during the 2014-2017 school years. He has served as a lecturer and guest presenter for local RESA's as well as the Georgia Association of Educational Leaders.

Assistant Superintendent for Personnel & Finance. The Assistant Superintendent for Personnel & Finance (the “**Assistant Superintendent**”) of the School District provides financial leadership, which includes developing the general fund budget, making investment and borrowing recommendations, recommending the mileage rate for school taxes, and providing financial direction to the Superintendent and the Board of Education. The Assistant Superintendent also directs the finance, auditing, and purchasing activities of the School District to ensure fiscal responsibility.

Lance Rackley. Mr. Rackley is the Assistant Superintendent for Personnel & Finance for the School District and has been employed in the position since July 2023. Mr. Rackley earned his Bachelor of Business Administration degree in Banking and Finance from the University of Georgia in 1998 and a Master of Education from UGA in 2003. He received his Education Specialist in Leadership from Georgia College and State University in 2007. Prior to working for Monroe County Schools, Mr. Rackley served as a High School and Elementary School Principal in Jones County.

Director of Financial Services. The Director of Financial Services of the School District provides financial leadership, which includes developing the general fund budget, making investment and borrowing recommendations, recommending the mileage rate for school taxes, and providing financial direction to the Superintendent and the Board of Education. The Director of Financial Services also directs the finance, auditing, and purchasing activities of the School District to ensure fiscal responsibility.

Chris Johnson. Mr. Johnson is the Director of Financial Services for the School District and has been employed in the position since June 2016. Mr. Johnson earned his Bachelor of Business Administration degree in Accounting from Georgia College & State University in 1987. Prior to working for the School District, Mr. Johnson worked as a Senior Auditor at the Georgia Department of Audits and Accounts.

Schools and Enrollment

The following table provides information about the School District's school buildings and enrollment.

<u>Name of School</u>	<u>Grades</u>	<u>Enrollment</u> ¹	<u>Size of Site (acres)</u>	<u>Number of Classrooms</u> ²	<u>Percent Occupied</u>
Katherine B. Sutton Elementary School	PK-5	712	37.00	47	95.70%
Samuel E. Hubbard Elementary School	PK-5	731	14.10	59	78.70
T.G. Scott Elementary School	PK-5	836	42.00	61	89.80
Monroe County Middle School ³	6-8	1,056	41.30	58	122.40
Mary Persons High School ⁴	9-12	1,251	50.00	61	126.20
Total		4,586	184.40	286	

¹ As of March 7, 2024 (FTE 2024-3).

² Includes cafeterias, libraries, shops, gymnasiums, auditoriums, and art and music classrooms.

³ Construction of a new freshman campus and college/career academy, which is expected to open in August 2025, is expected to help alleviate overcrowding at Monroe County Middle School by relocating certain middle schools students to space that is currently used by ninth grade students.

⁴ Enrollment data includes students enrolled in dual enrollment and early release programs as well as students enrolled in the Monroe County Achievement Center.

Enrollment

Set forth below is information concerning enrollment in the School District’s school system over the past five full school years. Enrollment is counted twice per year – typically once in October and once in March – and State funding of school systems in Georgia is primarily based on enrollment count (often referred to as “full-time equivalent” or “FTE”).

School Year	Pre-K	Kinder-garten	1	2	3	4	5	6	7	8	9	10	11	12	Total
19-20 ¹	223	325	297	302	274	352	293	319	285	341	331	266	276	288	4,172
20-21 ²	217	283	351	288	308	273	353	300	322	284	361	301	241	302	4,184
21-22 ³	218	330	299	370	303	325	290	367	312	337	347	292	271	256	4,317
22-23 ⁴	219	337	331	327	389	317	343	314	373	328	380	302	282	292	4,534
23-24 ⁵	215	295	348	350	341	391	339	355	316	385	370	334	251	296	4,586

¹ As of March 5, 2020 (FTE 2020-3).

² As of March 4, 2021 (FTE 2021-3).

³ As of March 4, 2022 (FTE 2022-3).

⁴ As of March 2, 2023 (FTE 2023-3).

⁵ As of March 7, 2024 (FTE 2024-3).

Employees, Employee Relations, and Labor Organizations

During the 2024-2025 school year, there were 640 full-time and 11 part-time personnel serving 4,645 students in the various schools. Specialists are available in the fields of speech, hearing, vision, and psychological testing, as well as for learning-disabled, intellectually disabled, hospital/home-bound, and gifted children. The 2023-2024 estimated pupil-teacher ratio for the School District was approximately 14.6 to 1, including non-teaching personnel such as counselors and media specialists.

All teachers in the school system hold bachelor’s degrees, many have master’s degrees, and some have specialist’s or doctoral degrees. All staff is required to seek professional and personal growth through formal study and staff development workshops.

The School District’s employees are further categorized as follows:

<u>Category of Employee</u>	<u>Number Employed As of July, 2024</u>
Classroom Teachers	309
Administrators and Supervisors	29
Media Specialists, Social Workers, Psychologists, Guidance Counselors, Nurses, Speech Language Pathologists	32
Paraprofessionals	68
Clerical	39
Transportation and Maintenance	89
Food Service and Custodians	68
Professional/Technical Support	8
Other	<u>9</u>
Total	651

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

SCHOOL DISTRICT DEBT STRUCTURE

Summary of Debt by Category*

Set forth below is information concerning other long-term debt of the School District. The information set forth below should be read in conjunction with the School District's financial statements included as Appendix B hereto.

<u>Category of Obligation</u>	<u>Amount Authorized but Unissued</u>	<u>Amount Outstanding</u>	<u>Amount to be Outstanding Upon Issuance of the Bonds</u>
General Obligation Bonds ¹	—	\$25,000,000 ³	\$25,000,000
Intergovernmental Contracts ²	—	<u>0</u>	<u>16,175,000*</u>
TOTAL	—	\$25,000,000	\$41,175,000*

¹ General obligations of the School District to which its full faith and credit and taxing power are pledged.

² Represents contractual obligations of the governmental entity to which its full faith and credit and taxing power are pledged, but do not constitute debt for purposes of the constitutional debt limit. For the School District, includes the Contract.

³ Consisting of the School District's Series General Obligation Bonds, Series 2023, issued on March 8, 2023, which are scheduled to mature on February 1, 2029.

Proposed Debt

Because the School District anticipates continued student population growth, the School District expects to issue additional general obligation bonds and intergovernmental contract supported revenue bonds within the next five years in order to finance the costs of new school construction, renovations to existing schools and other facilities, and land and equipment purchases. The School District also expects to periodically enter into lease-purchase contracts for computer equipment.

Limitations on School District Debt*

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

also incur general obligation debt up to the ten percent limitation. In addition, refunded obligations and amounts deposited into a sinking fund cease to count against the School District’s debt limitations.

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation and intergovernmental obligations are not subject to the legal limitations described above; provided, however, the total combined payments for lease, installment purchase obligations and intergovernmental contracts cannot exceed seven and one-half percent of the total local revenue collected in the prior fiscal year for maintenance and operation of the School District. In addition, refunded obligations and amounts deposited into a sinking fund cease to count against the School District’s debt limitations.

As computed in the table below, based upon the 2024 assessed value and after the issuance of the Bonds, the School District could incur (upon necessary voter approval) approximately \$143,455,186* in additional long-term obligations payable out of general property taxes (or general obligation bonds).

Computation of Legal Debt Margin*

Assessed Value of Taxable Property as of 2024	\$1,967,671,568
Less: M&O Bond Exemptions ¹	<u>283,119,708</u>
Net General Obligation Bond Tax Digest	1,684,551,860
Debt Limit (10% of Net General Obligation Bond Digest)	168,455,186
Amount of Debt Applicable to Debt Limit	<u>25,000,000*</u>
Legal Debt Margin	<u>\$143,455,186*</u>

¹ G.O. Bond Exemptions were not calculated. Accordingly, M&O Exemptions have been used as an estimate.

Overlapping Debt

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

<u>Name of Overlapping Entity</u> ⁵	2023		Outstanding G.O. Debt Attributable to the School District ²	
	<u>Assessed Valuation</u> ¹	<u>Outstanding G.O. Debt</u>	<u>Percent</u>	<u>Amount</u>
Monroe County, Georgia ³	\$1,816,407,090	\$33,274,565	100.00%	\$33,274,565
Forsyth, Georgia ⁴	172,686,018	<u>8,475,182</u>	100.00	<u>8,475,182</u>
Total:		\$41,749,747		\$41,749,747

¹ Real & Personal Property include the following: residential, residential transitional, agricultural, preferential, conservation use, forest land conservation use, commercial, industrial, timber (100%), and heavy equipment.

² The percentage of each entity’s outstanding debt attributable to the School District is calculated by comparing the assessed valuation of the portion overlapping the School District to the total assessed valuation of the overlapping entity. To the extent the School District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the County are responsible will also change.

³ The debt of the County consists of the following: Public Facilities Authority Revenue Bonds, Series 2019 and Series 2020; Financed Purchases; and the Water Fund incurred debt to the Georgia Environmental Finance Authority. As of December 31, 2023.

⁴ The debt of the City of Forsyth consists of the following: Notes Payable and Financed Purchases. As of December 31, 2022.

⁵ Outstanding debt information is unavailable for Culloden.

Tax Supported Debt Ratios*

The following table sets forth certain debt ratios following issuance of the Bonds:

	<u>Direct Tax Supported Debt</u>	<u>Overlapping Tax Supported Debt</u>	<u>Overall Tax Supported Debt</u>
Per Capita Debt ¹	\$884	\$1,476	\$2,360
Percentage of Gross Tax Digest ²	1.27%	2.12%	3.39%
Percentage of Fair Market Value ³	0.51%	0.85%	1.36%
Per Capita Debt as Percentage of Per Capita Income ⁴	1.63%	2.72%	4.35%

¹ Based upon estimated 2022 population figure of 28,287.

² Based upon 2024 Gross Tax Digest of \$1,967,671,568.

³ Based on 2024 estimated actual value of \$4,914,087,049.

⁴ Based upon 2022 per capita income figure of \$54,195.

Debt History

Set forth below is information concerning long-term and short-term liabilities of the School District outstanding as of the end of fiscal years 2019 through 2023. For a complete description of the School District's liabilities, see Appendix B – Statement of Net Position, Balance Sheet, and Notes 2, 7, 12, and 13.

<u>Category of Liabilities</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Short-Term*	\$10,936,769	\$9,372,859	\$10,373,995	\$10,796,494	\$9,982,609
Long-Term	10,348,436	8,320,699	5,575,000	3,755,000	28,678,087
Net Pension Liability ²	35,811,579	41,356,014	46,756,262	17,757,568	64,269,749
Net OPEB Liability ³	<u>34,402,597</u>	<u>33,684,094</u>	<u>40,600,542</u>	<u>30,388,594</u>	<u>28,143,061</u>
Total	<u>\$91,499,381</u>	<u>\$92,733,667</u>	<u>\$103,305,799</u>	<u>\$62,697,656</u>	<u>\$131,073,507</u>

¹ Short-term liabilities include Accounts Payable, Salaries and Benefits Payable, Payroll Withholdings Payable, Interest Payable, Claims Incurred but not Reported (IBNR), Contracts Payable, Retainages Payable, Deposits and Unearned Revenues and the portion of Long-Term Liabilities due within one year.

² Includes the School District's proportionate share of the net pension liability as a participant in the Teachers Retirement System of Georgia and Employment Retirement System of Georgia.

³ Includes the School District's proportional share of net OPEB liability.

SCHOOL DISTRICT AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the School District is ad valorem property taxes. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the School District. There are, however, certain classes of property that are exempt from taxation, including public property, religious property and places of burial, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, property used as a college or other seminary of learning, public library property, livestock and plants, qualified farm products, certain air and water pollution control property, and personal effects. In addition, there are exemptions from ad valorem taxation for school bond purposes for certain residences owned by the elderly, by the disabled or by veterans. Manufacturing and distribution businesses within the School District are allowed a "freeport" exemption for certain inventory as authorized by the Constitution of the State of Georgia.

Governmental entities are not permitted under State law to reduce or abate a company's property taxes. When a community wants to offer economic incentives to a company in order to create or retain jobs, the company's property is transferred to a development authority and leased back to the company. The development authority's fee ownership interest in the property becomes "public property" exempt from ad valorem taxation as described above. The company may or may not be taxed on the value of its leasehold interest. The School District does not have control over the willingness of the development authorities in the County to accept title to property in order to provide economic incentives. Therefore, property could be removed from the School District's digest without the School District's consent.

Save Our Homes Act

In its 2024 legislative session, the Georgia General Assembly enacted House Bill 581, generally known as the "Save Our Homes Act" ("**HB 581**"). Georgia Governor Brian Kemp signed HB 581 into law on April 18, 2024. HB 581, among other things, provides for a new homestead exemption from ad valorem taxation, including from taxes levied by the School District, for each Georgia resident, provided that a constitutional amendment is ratified by Georgia voters at an election to be held on November 5, 2024. Under HB 581, if the constitutional amendment is ratified and the exemption becomes effective, it will apply to all taxable years beginning on or after January 1, 2025 and will be granted to each person's homestead in an amount generally equal to the amount by which the current year assessed value of that homestead exceeds its previous year assessed value, as adjusted by the current inflation rate as determined by the State of Georgia Revenue Commissioner. In effect, the new exemption would limit increases in a home's value, as assessed for property tax purposes, to the rate of inflation each year. HB 581 provides that the governing authority of any Georgia political subdivision may opt out of the exemption by adopting a resolution to do the same by March 1, 2025, after providing public notice and at least three public hearings thereon.

At this time, it is unknown whether the constitutional amendment required by HB 581 will be ratified in order for the new homestead exemption to become effective. Further, the School District is currently uncertain as to the impact that the new exemption would have on the School District's ad valorem tax revenues in future years if it does become effective or whether the School District would pursue opting out of the exemption as permitted by HB 581. Considering that approximately 43% of the land use in the School District is for residential purposes, no assurance can be given that the new homestead exemption, if it becomes effective and the School District does not opt out, will not have an adverse effect on the School District's ad valorem tax revenues in future years.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. State law requires taxable tangible property to be appraised at its fair market value and to be taxed on a levy made by each respective tax jurisdiction on the assessed value which, with certain exceptions, is 40% of the property's fair market value. State law requires certain agricultural real property, certain historical property, certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued and assessed in preferential manners.

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

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office, which issues assessments. The State Board of Equalization approves the digest containing the values of the property of public utilities, issues proposed

assessments to the utilities and provides these amounts to the County Board of Tax Assessors, which issues final assessments to the utilities within 30 days of notification by the State of Georgia.

Annual Tax Levy and Limitation on Annual Tax Levy

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

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

Property Tax Collections

The County bills and collects the property taxes of the School District on behalf of the School District. Under State law, the tax collector of the County is required to pay over to the School District on a bi-weekly basis all taxes collected for school purposes, after deducting a commission for collecting the taxes. The County charges the School District a collection fee of 2.5% of taxes collected for the School District. Real and personal property taxes are levied each year based upon the assessed value as of January 1. Taxes levied by the County on January 1 are normally billed in late September and are normally payable on or before December 1 of each year. Interest on taxes paid after the due date accrue interest at an annual rate equal to the Federal Prime rate as published each January plus 3%. In addition, a penalty equal to 5% of the principal amount owed is assessed upon taxes unpaid 120 days after the due date, with an additional 5% assessed each 120 days thereafter up to a maximum aggregate penalty of 20% of the principal amount.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment constitute a perpetual lien on and against the property taxed. State law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

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

When the last day for the payment of taxes has arrived, the tax commissioner notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. The tax commissioner is not required to notify delinquent taxpayers regarding personal property taxes, and executions may be issued on the first day following the last day for payment of taxes. At any time after 30 days from giving the notice described in the preceding sentence, the Sheriff issues an execution for nonpayment of taxes. The Sheriff then publishes a notice of the sale in a local newspaper weekly for four weeks and gives the taxpayer 10 day's written notice by registered or certified mail. A public sale of the property is then made by the Sheriff at the Monroe County Courthouse on the first Tuesday of the month after the required notices are given.

Appeals

Taxpayers in Georgia must be notified in writing of increases in property valuations and have the right to appeal such revaluations. As such, property valuations are subject to review at various stages by arbitrators, boards of equalization and state courts. In addition, a county's failure to deliver its tax digest to the State, to properly appraise property pursuant to Georgia standards and procedures or to reassess properties can result in delays in the collection of ad valorem taxes on property and/or substantial penalties. To the extent that a county's tax digest is not permitted to be certified by the State of Georgia Revenue Commissioner, a county may, under certain conditions, seek an order from the superior court of such county authorizing immediate and temporary collection of taxes until such time as the matter affecting approval of the tax digest is resolved. In such cases, judges of the superior court have discretion to set the temporary millage rate of valuation based on the previous year's millage rate and valuation.

Historical Property Tax Data

The following table presents the assessed value (40% of fair market value) of taxable property within the School District for the last five calendar years.

<u>ASSESSED VALUES:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Real & Personal Property ¹	\$1,641,630,074	\$1,757,869,588	\$1,903,130,480	\$1,791,935,567	\$1,947,024,766
Motor Vehicles	18,446,430	15,782,620	15,094,400	15,520,850	15,258,090
Mobile Homes	2,260,968	2,128,333	2,345,787	2,191,207	1,989,725
Timber (100%)	3,785,394	4,098,334	3,900,239	6,749,810	3,394,581
Heavy Equipment	21,285	3,746	6,987	9,656	4,406
Gross Digest	\$1,666,144,151	\$1,779,882,621	\$1,924,477,893	\$1,816,407,090	\$1,967,671,568
School Bond Exemptions	-	-	-	-	-
Net Bond Digest	-	-	-	-	-
M & O Exemptions ²	\$230,397,855	\$236,018,166	\$241,025,341	\$270,273,486	\$283,119,708
Net M&O Digest ³	\$1,435,746,296	\$1,543,864,455	\$1,683,452,552	\$1,546,133,604	\$1,684,551,860
Estimated Actual Value	\$4,159,682,287	\$4,443,559,052	\$4,805,344,374	\$4,530,893,010	\$4,914,087,049

¹ Real & Personal Property include the following: residential, residential transitional, agricultural, preferential, conservation use, forest land conservation use, public utilities, commercial and industrial.

² Total assessed value, after deducting exemptions, for purposes of levying tax for the School District's general obligation bonds.

³ Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance by the School District.

Source: Monroe County Tax Commissioner.

Property Tax Levies and Collections

The following table reflects the maintenance and operations tax levy and collection record for property in the School District for the last five calendar years.

Calendar Year	Current Year's (M&O) Total Tax Levy ¹	School District's Total Tax Collections ²	Percentage of Current Year Tax Collections to Levy	Percent of Total Tax Collections to Tax Levy	Taxes Outstanding as of Calendar Year End	Percentage of Delinquent Taxes to Tax Levy ³
2019	\$21,810,514	\$21,207,349	95.59%	97.23%	\$784,393	3.60%
2020	22,030,516	22,641,471	98.24	102.77	835,459	3.79
2021	23,462,526	23,795,704	98.99	101.42	617,186	2.63
2022	24,840,335	24,902,285	99.04	100.25	649,508	2.61
2023	25,580,633	24,919,838	96.56	97.42	260,231	1.02

¹ The Tax Levy is based on the full tax digest to include Real and Personal Property, Public Utilities, Motor Vehicles, Mobile Homes, and Timber (100%) whereas the collections on behalf of the School District are based only on Real & Personal Property portion of the digest.

² Relates to the preceding calendar year tax digest and millage rates. Includes interest on delinquent taxes, broken covenants, and collections from properties that were not on the digest. Does not take into account errors and releases and 2.5% commission from the School District to the County. Collections are based on real property tax bills only.

³ Includes the percentage of delinquent tax of the Total Tax Levy for each Fiscal Year reported as of December 31 of each year of the levy. All ad valorem property taxes include ad valorem taxes on motor vehicles, but excluding motor vehicles title transfer taxes ("TAVT"); amounts shown are net of a 2.5% collection fee paid to Monroe County; the gross amount of TAVT collected by the District were for fiscal year 2023 \$2,672,687, fiscal year 2022 - \$2,283,368, for fiscal year 2021 - \$2,167,821, for fiscal year 2020 - \$1,781,372, and for fiscal year 2019 - \$1,353,650.

Source: Monroe County Tax Commissioner.

Millage Rates

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

Calendar Year	School District		County		City and State Direct Rates		
	M&O ¹	Bond	Unincorporated	Incorporated	City of Forsyth	City of Culloden	State of Georgia
2019	15.669	0.000	13.291	13.291	3.000	0.000	0.000
2020	15.546	0.000	13.187	13.187	3.000	0.000	0.000
2021	15.227	0.000	12.800	12.800	2.500	0.000	0.000
2022	15.024	0.000	12.050	12.050	2.500	0.000	0.000
2023	16.212	0.000	12.004	12.004	2.250	0.000	0.000

¹ The legal limit is 20 mills. See "SCHOOL DISTRICT AD VALOREM TAXATION – Annual Tax Levy."

Sources: Georgia Department of Revenue.

Ten Largest Taxpayers

Set forth below are the ten largest taxpayers (by property value, not acreage) and the amount of taxes levied on such taxpayers in tax year 2023, for property located in the County, by the School District, the County, and the State. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the County.

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<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Value</u> ⁴	Taxes Levied in Fiscal Year 2024 / Tax Year 2023 ^{1,3}	Percent of Total Assessed Value ¹ for Fiscal Year 2024 / Tax Year 2023 ²
Georgia Power Company	Utility	\$165,377,876	\$4,666,302	17.04%
Oglethorpe Power Corporation	Utility	127,909,033	3,609,081	13.18
Municipal Electric Authority of Ga.	Utility	87,012,217	2,455,137	8.96
Gresco Utility Supply, Inc.	Elec. Supp. Manuf.	40,195,859	1,134,166	4.14
Georgia Transmission Corp.	Utility	23,903,653	674,687	2.46
Florida Power & Light Co.	Utility	23,388,796	659,938	2.41
Gulf Power Company	Utility	23,388,796	659,938	2.41
Five Below Inc.	Retail	33,933,959	543,473	1.98
Dalton Utilities	Utility	14,036,084	396,042	1.45
Central Georgia EMC	Utility	<u>12,233,587</u>	<u>345,590</u>	<u>1.26</u>
Total		<u>\$551,379,860</u>	<u>\$15,144,355</u>	<u>55.29%</u>

¹ Taxes levied in Fiscal Year 2024 relate to the taxes levied for Tax Year 2023.

² Based on the Tax Year 2023 Tax Levy of \$27,388,576 for property located in the County by the School District, the County, and the State of Georgia.

³ Represents total bill amounts for all entities for real & personal property. Amounts reported above are also after any applicable exemptions have been applied.

⁴ The Assessed Values reflect a total net of the Freeport exemption.

Source: Monroe County Tax Commissioner.

SCHOOL DISTRICT SALES TAX

Generally

What follows is information regarding the below defined Sales Tax. The Sales Tax is available to be used by the School District as a source of revenue for the Contract Payments, but the Sales Tax is not pledged to the repayment of the Bonds, nor is the Sales Tax security for the Bonds.

Description

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

A sales and use tax for educational purposes of the School District (the “Sales Tax”) was authorized to be reimposed pursuant to an election in Monroe County held on November 8, 2022, called under resolution adopted by the Board of Education on July 19, 2022. The canvass of the election showed 8,908 “Yes” votes, 4,443 and “No” votes, an approximately 67% approval by those who voted in the election.

The resolution calling the election and the notice of the election authorized the reimposition of the Sales Tax for a maximum period of time of 20 calendar quarters for the purposes of raising not more than \$39,500,000 of net proceeds, which net proceeds shall be used by the School District for the following purposes: (i) acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment, software and safety and security equipment; (ii) adding to, renovating, repairing, improving, and equipping existing school buildings and school system facilities; (iii) acquiring band instruments and equipment, text books and library books for the school system, including electronic media; (iv) acquiring school buses, vehicles, and transportation and maintenance equipment; (v) constructing and equipping new school facilities, including a ninth grade campus, field house, and stadium improvements; (vi) acquiring land for future schools and facilities; (vii) paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax; and (viii) paying expenses incident to accomplishing the foregoing.

The Sales Tax began to be imposed on July 1, 2023 and will cease to imposed on the earlier of (1) 20 weeks after its beginning date or (2) the end of the calendar quarter during which the Revenue Commissioner determines that the Sales Tax has raised revenues sufficient to provide to the School District net proceeds equal to or greater than the amounts described in the preceding paragraph as the maximum cost of capital outlay projects to be funded.

Sales Subject to Taxation

The Sales Tax will be reimposed on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on services within Monroe County, subject to numerous exemptions, including sales to certain governmental entities and to certain non-profit organizations, professional, insurance, and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, and sales of prescription drugs, certain medical devices and equipment, and lottery tickets.

Sales Tax Collections

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

Permitted Uses

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

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

Historical Sales Tax Data

Set forth below are the net proceeds of the various prior sales taxes received by the School District in each calendar year from January 1, 2013 through September 30, 2024.

<u>Year Ended</u> <u>December 31</u>	<u>Existing</u> <u>Sales Tax Collections</u> ¹
2013	\$4,408,783
2014	3,979,441
2015	4,067,530
2016	4,135,933
2017	4,182,023
2018	4,749,781
2019	5,094,666
2020	5,118,208
2021	5,821,476
2022	7,466,949
2023	7,572,713
2024 ²	5,965,461

¹ Net of deductions allowed to dealers and net of commission allowed to the Georgia Revenue Commissioner.

² As of September 30, 2024 (nine months of collections).

Source: State of Georgia Department of Revenue.

SCHOOL DISTRICT FINANCIAL INFORMATION

Accounting System and Policies

The accounting policies of the School District conform to generally accepted accounting principles (“GAAP”) as applicable to governmental entities. The School District’s financial statements for general governmental operations are presented on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred.

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

In fiscal year 2022, the School District adopted Governmental Accounting Standards Board (“GASB”) Statement No. 87, Leases. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government’s financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The adoption of this statement did not have an impact on the School District’s financial statements.

Reference is made to Note 2: Summary of Significant Accounting Policies for a full discussion of the School District’s significant accounting policies.

General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the School District’s General Fund for five fiscal years. Information in the following table has been extracted from audited financial statements of the School District for the fiscal years ended June 30, 2019, through June 30, 2023. No representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the School District for the fiscal years shown.

Funds received from the federal government are primarily for programs for disadvantaged and handicapped students and for the school food service program. During the School District's fiscal year ended June 30, 2023, approximately 44.81% of the School District's total revenues were derived from local sources (including local taxes, charges for services, investment charges, and miscellaneous), 41.81% from state sources, and 13.39% from federal sources.

The School District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Adoption of Statement No. 84 resulted in a restatement of prior year net position and fund balance, with an increase of \$112,978 for both prior year net position and fund balance shown on the General Fund History table between Fiscal Year 2019 and Fiscal Year 2020.

For more complete information, reference is made to the audited financial statements, copies of which are available from persons listed herein under "INTRODUCTION – Other Information."

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Monroe County School District General Fund History

Fiscal Years Ended June 30

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Property Taxes	\$23,111,037	\$23,677,316	\$25,756,991	\$27,113,746	\$24,410,244
Sales Taxes	249,988	343,397	510,311	531,705	400,105
State Funds	19,209,709	21,284,948	21,061,488	24,319,218	26,083,763
Federal Funds	3,286,980	3,246,495	5,998,680	6,719,206	8,350,337
Charges for Services	1,097,767	954,264	370,541	708,703	1,277,924
Investment Earnings	124,869	39,843	1,724	16,269	161,320
Miscellaneous	<u>702,044</u>	<u>862,796</u>	<u>796,008</u>	<u>1,335,229</u>	<u>1,704,783</u>
Total Revenues	<u>47,782,393</u>	<u>50,409,059</u>	<u>54,495,743</u>	<u>60,744,075</u>	<u>62,388,476</u>
EXPENDITURES					
Current					
Instruction	\$28,381,778	\$30,631,670	\$33,095,910	\$35,694,426	\$36,599,852
Support Services					
Pupil Services	1,543,039	1,768,695	1,689,458	1,867,150	2,112,184
Improvement of Instructional Services	1,548,647	1,522,242	1,549,892	1,603,318	1,788,048
Educational Media Services	778,697	720,764	724,002	769,160	786,521
General Administration	1,313,040	1,364,231	1,313,139	1,440,594	1,506,386
School Administration	2,394,180	2,460,628	2,551,817	2,609,120	2,468,869
Business Administration	533,002	515,912	535,559	601,261	618,843
Maintenance and Operation of Plant	4,394,132	4,378,367	4,600,326	4,685,578	5,109,097
Student Transportation Services	4,352,235	3,948,547	3,759,926	4,404,413	4,348,747
Central Support Services	19,017	19,913	12,721	28,684	89,192
Other Support Services	3,963	4,647	11,186	19,512	17,724
Enterprise Operations	884,189	908,806	638,668	1,020,991	1,196,365
Food Service Operation	2,556,912	2,259,810	2,367,544	3,052,390	3,099,801
Capital Outlay	50,143	-	-	-	-
Debt Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>48,752,973</u>	<u>50,504,232</u>	<u>52,850,146</u>	<u>57,796,596</u>	<u>59,741,629</u>
Excess of Revenues Over (Under) Expenditures	(970,580)	(95,172)	1,645,596	2,947,479	2,646,847
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,370,580)</u>	<u>(95,172)</u>	<u>1,645,596</u>	<u>2,947,479</u>	<u>2,646,847</u>
Fund Balances – Beginning	4,953,482	3,695,879	3,600,707	5,246,303	8,193,782
Fund Balances – Ending	<u>\$3,582,901</u>	<u>\$3,600,707</u>	<u>\$5,246,303</u>	<u>\$8,193,782</u>	<u>\$10,840,629</u>

¹ For fiscal year ending June 30, 2020, the School District made a prior period adjustment to the beginning fund balance of \$112,978 due to the adoption of GASB Statement 84 regarding Fiduciary Activities.

Management Comments Concerning Material Trends in Revenues and Expenditures

For a narrative overview and analysis of the financial activities of the School District for fiscal year 2023, see “Management’s Discussion and Analysis” included in Appendix B to this Official Statement. The Management’s Discussion and Analysis is not a required part of the basic financial statements of the School District but is supplementary information required by the Governmental Accounting Standards Board that has not been audited by the School District’s auditor.

Budgetary Process

The School District adopts a non-appropriated operating budget for its General Fund each year. The operating budget contains proposed expenditures and the means for financing them. The School District is not legally required to stay within the budget, but under State law it must meet certain minimum expenditure requirements for allotted state funds. The School District, as required by the State Board, uses a modified cash basis of accounting in its adopted Governmental Funds budget, which is not in conformity with generally accepted accounting principles, and which is not consistent with the basis of accounting used in the School District’s audited financial statements. The revenues and expenditures of the General Fund of the School District for the years ended June 30, 2024, and June 30, 2025, are presented using the budget basis of accounting to facilitate comparison with the budget, in the Statement of Revenues and Expenditures - Actual and Budget (Non-GAAP Basis) General Fund, included in the required supplementary information to the basic financial statement of the School District included as Appendix B to the Official Statement. The notes to the required supplementary information to the basic financial statements included in Appendix B contain an explanation of the adjustments that were made to actual revenues and expenditures to facilitate comparison with the budget.

The administration of the School District generally begins budget preparations in December of each year. After various budget meetings, a proposed budget is adopted by the Board of Education in June and is advertised in the legal organ of Monroe County, inviting public comment at the June meeting of the Board of Education. After consideration of any public comment, the final budget is adopted by the Board of Education in June and as required in accordance with the Quality Basic Education Act, O.C.G.A. § 20-2-167, is submitted to the State of Georgia Department of Education by September 30 each year for acceptance or rejection.

The budget is developed on a zero base each year, under which each program must substantiate its request rather than ask for an increment over the previous year’s allocation. Initial budget preparation, as well as control of individual budgeted expenditures, is vested with the Superintendent, with assistance from program directors and supervisors who have the responsibility of performing the various functions of the specific programs. The Board of Education’s business office serves as a resource function to aid in finding the best economic use of available revenues and to assure compliance with the Board of Education’s policies relative to budgetary control. The business office furnishes the Board of Education a monthly “budget” versus “actual” financial report and a summary financial statement to keep the Board of Education apprised of the School District’s financial condition. State law requires the budget of the School District to reflect all anticipated revenues from each source, to designate all of such anticipated revenues among the several funds or accounts of the School District, and to not leave any anticipated revenues undesignated. Except as otherwise described below, State law requires all amounts allocated to each fund or account and any existing balance in each fund or account to be intended for expenditure within the budget year for the purposes of that fund or account. State law allows no fund or account in the nature of a “surplus” or “unobligated surplus” fund or account. The School District is permitted, however, under State law to establish a single reserve fund or reserve account intended to cover unanticipated deficiencies in revenue or unanticipated expenditures, provided that the budget for any year must not allocate to such reserve fund or reserve account any amounts which, when combined with the existing balance in such fund or account, exceed 15 percent of that year’s total budget. The School District is permitted under State law to also establish one or more capital accumulation funds or accounts, and the School District may allocate amounts to such capital accumulation funds or accounts for expenditure in future budget years only if the purpose for which such amounts will be expended and the anticipated date of expenditure of such amounts are clearly and specifically identified. The stated purpose of the provisions of State law described above is to prohibit local school systems from accumulating surplus funds through taxation without accounting to the taxpayers for how such funds will be expended.

Budgets

Set forth below is a summary of the School District's budgets (using a non-GAAP budgetary basis of accounting) for its General Fund for the fiscal years ending June 30, 2024, and June 30, 2025. The budgets were based upon certain assumptions and estimates of the School District's administration regarding future events, transactions, and circumstances. Realizations of the results projected in the 2024 and 2025 budgets will depend upon implementation by management of policies and procedures consistent with the assumptions made by the School District. Accordingly, the actual results achieved for the 2024 and 2025 budgets could materially vary from those projected in the 2024 and 2025 budgets shown below.

General Fund Budgets

(Non-GAAP Budgetary Basis of Accounting and Exclusive of
Federal Sources of Revenues and Expenditures of those Funds)

Fiscal Years Ending June 30, 2024, and June 30, 2025

<u>REVENUES:</u>	<u>2024</u>	<u>2025</u>
Property Taxes	\$25,470,550	\$26,402,000
Sales Taxes	480,000	225,000
State Funds	28,825,397	30,899,453
Federal Funds	6,492,617	150,000
Charges for Services	667,181	15,000
Investment Earnings	60,000	125,000
Miscellaneous	580,000	720,000
PF Fund Balance Needed	-	<u>1,892,516</u>
Total Estimated Revenues	\$62,575,745	\$60,428,969
 <u>EXPENDITURES:</u>		
Current		
Instruction	\$41,546,835	\$39,407,355
Support Services		
Pupil Services	2,463,129	1,890,187
Improvement of Instruction Services	1,936,162	1,279,243
Education Media Services	851,915	891,542
General Administration	1,395,912	1,536,013
School Administration	2,695,925	2,900,462
Business Administration	648,294	676,055
Maintenance & Operation of Plant	5,143,056	5,722,464
Student Transportation Services	5,759,138	5,184,129
Central Support Services	21,823	23,200
Other Support Services	4,500	-
Enterprise Operations	-	-
Community Services	-	-
Food Services Operation	3,252,606	3,252,606
Capital Outlay	-	<u>648,000</u>
Total Estimated Expenditures	\$65,719,295	\$63,411,256
Excess Revenue Over (Under) Expenditures	\$(3,143,550)	\$(2,982,287)

Budget Comparisons

The following table sets forth a comparison of the School District's General Fund Budget for fiscal years 2022-23 and 2023-24 compared to actual, unaudited results for the same twelve-month periods.

The following table shows information for the General Operating Fund (Fund 100) only. GAAP requires that the General Fund reported in the audited financial statement include other funds, including the Differentiated School Support Fund, the Athletics Fund, the Preschool Fund, the Risk Management Fund, and the Community Schools Fund. However, the District budgets for each of those funds separate from the General Operating Fund. This table is presented on a budgetary basis.

	As of June 30, 2023			As of June 30, 2024		
	FY23 Annual Budget	Actual YTD Totals	YTD % Budget	FY24 Annual Budget	Actual YTD Totals	YTD % Budget
Revenues						
Local Taxes	\$27,659,261	\$24,810,349	89.70%	\$25,950,550	\$27,618,726	106.43%
State Funds	25,512,964	26,083,763	102.24	28,825,397	27,954,046	96.98
Other Sources	745,700	3,144,028	421.62	1,307,181	3,022,592	231.23
Federal Revenue	<u>7,665,549</u>	<u>8,350,337</u>	<u>108.93</u>	<u>6,492,617</u>	<u>6,186,308</u>	<u>95.28</u>
Total Revenues	\$61,583,474	\$62,388,476	101.31	\$62,575,745	\$64,781,672	103.53%
Expenditures						
Instruction	\$38,638,202	\$36,599,852	94.72%	\$41,546,835	\$37,629,436	90.57%
Pupil Services	2,608,203	2,112,184	80.98	2,463,129	2,259,813	91.75
Improvement of Support Services	1,825,739	1,788,048	97.94	1,936,162	1,844,523	95.27
Educational Media Services	767,145	786,521	102.53	851,915	771,482	90.56
General Administration	1,776,461	1,506,386	84.80	1,395,912	1,412,883	101.22
School Administration	2,769,143	2,468,869	89.16	2,695,925	2,576,877	95.58
Business Support Services	530,195	618,843	116.72	648,294	631,954	97.48
Maintenance and Operation	5,002,073	5,109,097	102.14	5,143,056	5,520,125	107.33
Student Transportation	4,656,589	4,348,747	93.39	5,759,138	4,512,401	78.35
Support Services - Central	133,100	89,192	67.01	21,823	21,558	98.79
Other Support Services	4,500	17,724	393.87	4,500	27,060	601.33
Enterprise Operations	-	1,196,365	-	-	1,155,049	-
Capital Outlay	-	-	-	-	-	-
School Nutrition Program	<u>2,848,657</u>	<u>3,099,801</u>	<u>108.82</u>	<u>3,252,606</u>	<u>2,833,081</u>	<u>87.10</u>
Total Expenditures	\$61,560,007	\$59,741,629	97.05%	\$65,719,295	\$61,196,241	93.12%
Net Revenues Over (Under) Expenditures	\$23,467	\$2,646,845	11279.01%	(3,143,550)	3,585,431	(114.06)%
Other Financing Sources (Uses)						
Operating Transfers From Other Funds	57,797	-	-	\$134,896	\$309,291	229.28%
Operating Transfers To Other Funds	<u>(52,797)</u>	-	-	<u>(134,896)</u>	<u>(309,272)</u>	<u>(229.27)</u>
Total Other Financing Sources (Uses)	\$0	-	-	\$0	\$19	0%
Net Change in Fund Balances	\$23,467	\$2,646,847	11279.02%	\$(3,143,550)	\$3,585,450	(114.06)%
Fund Balances – Beginning	\$9,933,287	\$8,193,782	82.49%	\$10,858,859	\$10,858,859	100.00%
Adjustments	16,931	-	-	-	-	-
Fund Balances - Ending	\$9,973,685	\$10,840,629	108.69%	\$7,715,309	\$14,793,701	191.74%

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Employee Benefits

Teachers' Retirement System of Georgia. Substantially all of the teachers and the administrative and clerical personnel of the School District are covered by the Teachers Retirement System of Georgia (“**TRS**”), a cost-sharing, multiple-employer defined benefit pension plan administered by the State for the benefit of education personnel. The School District has no liability under TRS except for contributions established and made each year.

TRS is funded by employee and employer contributions as provided by State law. For the fiscal year that ended June 30, 2023, the employee contribution rate was 6.00% and the employer contractually required contribution rate was 19.98% of annual School District payroll, of which 19.91% of payroll was required from the School District and 0.07% of payroll was required from the State, and the employer contributions to the pension plan were \$5,583,594 and \$20,585 from the School District and State, respectively.

Public School Employees Retirement System. Bus drivers, lunchroom personnel, and maintenance and custodial personnel are covered by the Public School Employees' Retirement System of Georgia (“**PSERS**”), a multiple-employer retirement system administered by the State. The School District makes no contribution to this plan. The State, although not the employer of PSERS members, makes the employer contributions on behalf of PSERS members. The employer contributions for the fiscal year ended June 30, 2023, equaled \$137,989.

Other Post-Employment Benefits. In addition to the pension benefits described above, the School District provides certain health care benefits for retired employees of the School District through contributions to the Georgia School Personnel Post-employment Health Benefit Fund (“**School OPEB Fund**”), which is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies.

Contributions to the School OPEB Fund are made by employees and employers. Employer contributions required by the School District for the fiscal year ended June 30, 2023, equaled \$1,057,756. Active employees are not required to contribute to the School OPEB Fund.

Reference is made to Notes 2, 12, and 13 of the general-purpose financial statements of the School District included as Appendix B for a more detailed description of the School District's employment and post-employment benefits.

New Accounting Pronouncements

In fiscal year 2023, the Board of Education adopted one new pronouncement, GASB Statement No. 96, Subscription-Based Information Technology. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“**SBITAs**”) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Reference is made to Note 2 of the general-purpose financial statements of the School District included as Appendix B for a more detailed description of the School District's regarding accounting pronouncements.

Operations as a Strategic Wavier System

Pursuant to legislation passed by the General Assembly of the State during the 2013 legislative session, all boards of education in the State were required to decide by the end of the 2015 fiscal year whether to maintain the school system's current operational status or convert the school system to a charter or a strategic waiver system. The choice of operational status primarily affects the decision-making autonomy of the board of education and each individual school within the district.

The Board of Education decided to operate the School District as a strategic waiver system (the “**System**”), which commenced on July 1, 2015. The System operates through the development of a partnership between the State Board and the School District. The System receives flexibility from certain state rules and regulations in exchange for greater accountability. There is an emphasis on school-based leadership and decision making as evidenced by the development of the System and school level governance teams.

Insurance Coverage and Governmental Immunity

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

Risk Management. The Board of Education acts to protect the School District against loss and liability by carrying liability insurance or is self-insured for the types of claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. Liability coverage includes general liability, auto liability, law enforcement liability, and public officials’ errors and omissions liability. The School District also carries property coverage (including auto physical damage) and crime coverage (including employee dishonesty and money and securities coverage). The School District’s current liability and property coverage expires on June 30, 2025. The School District also maintains the State-required workers compensation insurance.

The School District maintains cybersecurity protocols and ongoing training for employees. The School District’s information technology department provides periodic training (approximately monthly) for employees. Employees in more sensitive areas, such as finance, also attend seminars put on by third party vendors in order to remain current on issues related to cyber threats and bolstering District protections. The School District’s auditors also devote a section of the audit to cybersecurity as part of its review of the School District’s internal controls. The School District also carries cybersecurity insurance with a private insurance carrier. The School District’s current cybersecurity coverage expires on June 30, 2025.

In the opinion of the School District’s Superintendent, the School District’s insurance strategies provide adequate financial protection for the School District.

The School District is self-insured with regard to unemployment compensation claims and in amounts that are customary for similar entities for those categories of claims that are not subject to the defense of sovereign immunity. It accounts for claims within the same fund that the employee’s salary and benefits were paid. Claims are accounted for with expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Reference is made to Note 8 of the School District’s financial statements included as Appendix B for a discussion of the School District’s risk management program. The School District requires payment and performance surety bonds and builders risk insurance of all contractors and subcontractors involved in construction related to the School District’s facilities, including the Project.

COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

Introduction

Monroe County (the “**County**”) is located in central Georgia approximately 65 miles southeast of the City of Atlanta and 20 miles northwest of the City of Macon, Georgia. The County is bordered by Butts County on the north, Jones County on the east, Crawford County on the south, Lamar County on the west, Jasper County on the northeast, Bibb County on the southeast and Upson County on the west-southwest. According to the U.S. Census Bureau, the County has a total of 398 square miles. The County seat is Forsyth, Georgia.

The County is governed by, and generally acts through, a five (5) member Board of Commissioners and a full time County Manager. The present Board of Commissioners are George V. Tapley (Chairman), Eddie Rowland (Vice-Chairman), Lamarcus Davis, John Ambrose, George Emami. The present County Manager is Jim Hedges. The Chairman is elected at large by the voters of the County to service a term of four years until a successor is elected and qualified. The other members of the Board of Commissioners are elected from each district of the County to serve a term of four years.

The County has no financial responsibility for the Bonds and is providing no security for the repayment of the Bonds.

Population and Median Age Data of the County

The following table sets forth the estimated population and median age of the County for the years 2018 – 2022, as estimated by the American Community Survey Estimates. In 2020, the County’s census population was estimated at 27,957, ranking it the 67th most populous county in Georgia. The county seat is Forsyth with a 2020 census population of 4,384. The other municipalities incorporated in the County include Bolingbroke, Juliette, Smarr, and Culloden with the respective populations of 497, 290, 218, and 200.

<u>Year</u>	<u>Population</u>	<u>Median Age</u>
2018	27,010	43.1
2019	27,171	42.9
2020	27,455	42.9
2021	27,825	42.8
2022	28,287	42.6

Source: U.S. Bureau of Census, American Community Survey 5-year estimates.

Population by Age

The following table presents estimated population percentages by age for the County for 2022:

<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
23.00%	29.70%	28.50%	18.70%

Source: U.S. Bureau of Census, American Community Survey 5-year estimates.

Level of Education

The following table presents the level of education for the County for 2022:

Not Completing High School	11.60%
High School Graduate	34.90
Some College, No Degree	17.10
Associate Degree	7.90
Bachelor’s Degree	15.80
Graduate or Professional Degree	12.80
Percent High School Graduate or Higher	88.40%

Source: U.S. Bureau of Census, American Community Survey 5-year estimates; Population Age 25 and older.

Per Capita Income

Set forth below is per capita income data for the County, the State of Georgia, and the United States.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2018	\$44,493	\$46,626	\$53,309
2019	46,246	48,535	55,547
2020	48,798	51,469	59,153
2021	53,965	56,184	64,430
2022	54,195	56,589	65,470

Source: U.S. Department of Commerce – Bureau of Economic Analysis.

Building Permits and Banking Deposits

Set forth below is building permits and banking deposit data for the County:

<u>Year</u>	<u>Building Permits</u>	<u>Number of Banking Institutions¹</u>	<u>Total Deposits in Financial Institutions (\$000)²</u>
2019	177	3	\$191,393
2020	220	3	241,864
2021	344	3	247,183
2022	309	3	288,337
2023	239	3	234,977

¹ Number of new single family residential permits.

Banking Institutions inside of market as of June 30 of each year.

² Total Deposits in Financial Institutions inside of market as of June 30 of each year.

Sources: Monroe County, Deputy County Manager and Georgia Department of Banking and Finance

Median Home Value

The following table shows the median home value for the County, the State, and the United States for census years 2018 through 2022.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2018	\$163,800	\$166,800	\$204,900
2019	166,900	176,000	217,500
2020	175,000	190,200	229,800
2021	178,800	206,700	244,900
2022	204,100	245,900	281,900

Source: U.S. Bureau of Census, American Community Survey 5-year estimates.

Labor Statistics

The following table shows the total average annual labor force in the County, the County unemployment rate, the State unemployment rate, and the United States unemployment rate for calendar years 2019 through 2023.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Labor Force	13,071	12,907	12,901	12,721	12,646
County Unemployment Rate	3.4%	5.0%	3.2%	2.9%	2.9%
State Unemployment Rate	3.6%	6.5%	3.9%	3.1%	3.2%
United States Unemployment Rate	3.7%	8.1%	5.3%	3.6%	3.6%

Source: Georgia Department of Labor; United States Department of Labor, Bureau of Statistics.

Largest Employers

Set forth below are the ten largest employers located in the County as of July 31, 2024.

<u>Employer</u> ¹	<u>Industry</u>	<u>Number of Employees</u>
Board of Education	Public/Education	612
Georgia Power Company	Manufacturing	428
Al Burrus Correctional Institute	Public	427
Monroe County Board of Commissioners	Public	250
Perdue	Manufacturing	170
Georgia Public Safety Training Center	Public	156
Five Below	Distribution	120
GRESKO Utility Supply, Inc.	Electric Supply Manufacturer	100
IPL Encore	Manufacturing	100
Wal-Mart	Retail	87

¹Represents employment covered by unemployment insurance. Employers are listed alphabetically by area, not by the number of employees.
Source: Monroe County Development Authority.

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Industry Mix

The following table shows the industry mix for the County for the calendar year 2023. The table is intended to provide information regarding the types of industries employing residents of Monroe County and the compensation paid to those employees. The table does not provide information with respect to all industries and firms. It is based upon and includes only those industries and firms that participate in the State Unemployment Insurance Program.

INDUSTRY	Avg. No. of Establishments	Avg. Monthly Employment	Avg. Monthly Percent	Avg. Weekly Wages
Goods-Producing	110	1,121	14.5	1,113
Agriculture, Forestry, Fishing & Hunting	18	115	1.5	1,144
Mining	3	*	*	*
Construction	69	617	8.0	1,077
Manufacturing	20	290	3.8	1,008
Beverage and Tobacco Product	1	*	*	*
Fabricated Metal Product	1	*	*	*
Food	2	*	*	*
Furniture and Related Product	2	*	*	*
Machinery	2	*	*	*
Miscellaneous	3	7	0.1	347
Nonmetallic Mineral Product	1	*	*	*
Petroleum and Coal Products	1	*	*	*
Plastics and Rubber Products	2	*	*	*
Printing and Related Support Activities	1	*	*	*
Textile Mills	1	*	*	*
Textile Product Mills	1	*	*	*
Wood Product	2	*	*	*
Service-Providing	444	3,870	50.1	959
Utilities	5	*	*	*
Wholesale Trade	25	255	3.3	1,608
Retail Trade	73	844	10.9	519
Transportation and Warehousing	21	96	1.2	966
Information	7	*	*	*
Finance and Insurance	25	176	2.3	874
Real Estate and Rental and Leasing	23	73	0.9	590
Professional Scientific & Technical Svc	55	213	2.8	1,493
Admin., Support, Waste Mgmt., Remediation	46	369	4.8	748
Education Services	3	45	0.6	493
Health Care and Social Assistance	65	417	5.4	920
Arts, Entertainment, and Recreation	6	96	1.2	436
Accommodation and Food Services	48	724	9.4	380
Other Services (except Public Admin.)	42	219	2.8	851
Unclassified - industry not assigned	85	51	0.7	1,349
Total - Private Sector	639	5,042	65.3	997
Total - Government	36	2,676	34.7	1,009
Federal Government	5	29	0.4	1,463
State Government	19	1,430	18.5	1,093
Local Government	12	1,217	15.8	899
ALL INDUSTRIES	672	7,717	100.0	1,001

Note: *Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding. All data represent the Annual 2023.

Source: Georgia Department of Labor. These data represent jobs that are covered by unemployment insurance laws.

Area: Monroe County

Commercial Services

The County has one local newspaper, the *Monroe County Reporter*, that is published weekly. There are 13 hotels, and approximately 10 meeting facilities, including school auditoriums, stadiums, and hotel meeting facilities. The largest meeting facility is the Monroe County Fine Arts Center, which seats approximately 1,200 people.

The County is known as the “Safety Capital of Georgia”. It is home to headquarters for the Corrections System and home to the Georgia Public Safety Training Center where all law enforcement and safety officers in the State of Georgia undergo training. The Sheriff’s department ensures the County enjoys one of the lowest crime rates in Georgia and protects a safe quality of life.

The Georgia Public Safety Training Center (“GPSTC”) is a state agency in Georgia, that provides training and certification for law enforcement, firefighting, emergency medical services, and other public safety personnel. It was established in 1980 and is located in Forsyth, Georgia. GPSTC offers a variety of training programs, including basic and advanced courses, specialized training, and online courses, to improve the skills and knowledge of public safety professionals in Georgia.

The County has a rich cultural heritage and a thriving arts community. Some of the key arts institutions and events in the county include the Monroe County Arts Alliance, the Forsyth-Monroe County Arts Association, the annual Forsythia Festival, and the Juliette Opry. These organizations and events offer a variety of artistic experiences, including visual art exhibits, concerts, theater performances, and community festivals. Additionally, the County is home to several talented individual artists and artisans who contribute to the local arts scene.

The County is an art-filled community. From attending a concert or a performance at the 1,200-seat Fine Arts Center, seeing a play at the historic Rose Theater, touring an exhibit at the Victorian Train Depot, or taking a class at the 1823 Artisan Guild and Gallery, there are plenty of opportunities.

Recreation

Monroe County offers a wide array of outdoor opportunities such as: rafting or kayaking the Towaligia River, boating and camping at Lake Juliette or High Falls State Park, golf, splash pool, pickleball leagues, and hiking trails.

The County Parks and Recreations Department offers softball, baseball, football, soccer, cheerleading, and basketball. Several parks and facilities are located within the County that offer ballfields, basketball courts, pickleball courts, playgrounds, walking tracks and green spaces to the community.

High Falls State Park is named for tumbling cascades on the Towaliga River. Boat rental, ramps and fishing docks provide easy access to the park’s lake, known as one of Georgia’s top fishing spots for hybrid and white bass. Nestled in the red clay hills of Georgia, Jerrell Plantation, a cotton plantation, was owned by a single family for more than 140 years. It survived General Sherman’s “March to the Sea,” typhoid fever, the cotton boll weevil, the advent of steam power and a transition from farming to forestry. The Whistle Stop Café, originally a general store, was turned into a restaurant specifically for the film “Fried Green Tomatoes.” The owner of the building then decided to open the doors and run the “original” Whistle Stop Cafe.

Utilities

Water is provided to the area by the Monroe County Water System, the City of Forsyth, and groundwater wells. Solid waste management is provided by the Monroe County Solid Management Services. The Solid Waste Management Services are responsible for the sanitation division and the recycle centers throughout the County. There are 13 convenient locations throughout the County to provide our residents a place to dispose of household waste and to better conserve landfill space by recycling various types of material. These recycled materials are an asset to the County by keeping tax dollars down and providing revenue within the County system. The Monroe County Municipal Solid Waste Landfill plays a very important role to our community. The purpose of the landfill is to provide a user-friendly alternative to the disposal of various material and household waste that is generated directly from County citizens. The landfill coexists with the Recycle Centers throughout the county. The landfill

provides a more resourceful method for the disposal of large bulky items and large volumes of waste material from one source. In addition, the landfill provides an onsite Yard Trimming collection area that is converted into mulch and is free of charge to all County Residents.

Electricity is provided by Central Georgia EMC, City of Forsyth, Georgia Power, and Lamar EMC. Natural Gas is provided by Colonial Energy, Constellation, Fireside Natural Gas, Fuel Georgia, Gas South, Georgia Natural Gas, Mansfield Power & Gas, Scana Energy, Stream Energy, Town Square Energy, True Natural Gas, Walton EMC Natural Gas, and Xoom Energy. The County has the ability to supply industrial demands.

Telephone services are available through AT&T Georgia, Macon Telephone, Public Service. Cable television is provided by Cox Communications and Public Service, and satellite television is available through DirectTV. Internet is made available to the incorporated areas and parts of the unincorporated areas of the County through Cox Communications, AT&T Georgia, Public Service, and Conexon.

Medical Services

The Monroe County Hospital is a 25-bed hospital located in the County, and maintains service twenty-four hours, seven days a week. In addition, there are two nursing homes in the County. The Monroe County Health Department is dedicated to preventing disease, promoting health, and protecting the community against health threats through education, service, advocacy and collaboration. The Health Department offers more than 20 different programs and services, all focused on protecting the community. Many services provided are free, and all services provided are low-cost

The Monroe County Emergency Management Agency (“**EMA**”) is responsible for the coordination of mitigation, preparedness, response and recovery efforts pertaining to major emergencies or disasters arising from natural or man-made causes. This is in accordance with State Statutes and Federal Laws. EMA provides a number of services important to community awareness and preparedness. Services include providing information to the public sector such as our citizens, businesses, industries, schools, hospitals, senior centers, disability centers and organizations to promote disaster planning. The EMA has a full-time professional staff and works with all the private and public schools to aid their emergency planning and exercising programs.

The Monroe County Emergency Services (“**EMS**”) started with one volunteer station in the early 1970’s and has evolved into 13 stations and over 150 full-time, part-time, and volunteer firefighters to service the community throughout 395.70 square miles. The EMS provides the County with fire protection, emergency ambulance 24 hours, 7 days per week. The County has 13 stations that are comprised of career and volunteer firefighters and medics, and four 24-hour locations.

Higher Education

There are also several colleges and universities located within a fifty mile radius of the County, including Gordon State College in Barnesville (19 miles), CGTC: Central Georgia Technical College in Macon (20 miles), Middle Georgia State University in Macon (18 miles), Wesleyan College in Macon (15 miles), Mercer University in Macon (22 miles), Southern Crescent Technical College in Griffin (38 miles), and Georgia College & State University in Milledgeville (47 miles).

Transportation

Monroe County is located in the Middle Georgia region directly on Interstate 75. Twenty-eight miles of Interstate I-75 run through the County with 8 exits/entrances for easy access. The direct access to I-75 along with the proximity to the port city of Savannah, Georgia and Atlanta Georgia’s airport make the County an ideal location for new, expanding and existing businesses and industries. I-475 begins in the County and I-675 is just north of the County and about 40 miles to Interstate 285. In addition, U.S. Highways 23, 41, and 341 and State Routes 7, 18, 19, 42, 74, 83, 87, 401, and 408 run through the County. The nearest navigable seaport is the Port of Savannah, which is one of the most active ports on the Atlantic coast. It is approximately 186 miles from the County. The nearest

commercial air service, Hartsfield Jackson International Airport, is approximately 50 miles away, and the Middle Georgia Regional Airport, approximately 25 miles away.

The Monroe County Road Department responsibilities include street repairs, drainage maintenance, mowing roadways during growing seasons, and road construction projects of limited size.

LEGAL MATTERS

Litigation

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

There is no controversy or litigation of any nature now pending or, to the knowledge of the Authority or the School District, threatened against the Authority or the School District restraining or enjoining the issuance or delivery of the Bonds, the execution, delivery or performance of the Contract, or the use of the proceeds of the Bonds or which questions or contests the validity of the Bonds, the Contract or the proceedings and authority under which they are to be issued, executed and delivered. Neither the creation or the existence of the Authority nor the School District is being contested or questioned.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the unqualified approving opinion of Butler Snow LLP, Bond Counsel. The form of the opinion of Bond Counsel is attached to this Official Statement as Appendix E. Copies of such opinion will be available at the time of the initial delivery of the Bonds.

Validation Proceedings

The Authority will institute proceedings in the Superior Court of Monroe County, Georgia to validate the Series 2024 Bonds and to adjudicate the Contract as security for the payment of the Bonds. The State of Georgia will be the plaintiff in the proceeding, and the Authority and the School District will be the defendants. A final judgment confirming and validating the Series 2024 Bonds and the security therefor will be entered prior to the final issuance of the Bonds.

Under Georgia law, the judgment of validation is forever conclusive with respect to the validity of the Bonds and the security therefor against the Authority and the School District.

Enforceability of Remedies

The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions that are often subject to discretion and delay. Remedies provided for under the Bond Resolution may not be readily available or may be limited.

Closing Certificates

The Authority and the School District will deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Bonds or the execution, delivery, and performance of the Contract or on the financial condition of the School District. In addition, the Authority and the School District will represent to the Underwriter that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact

necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

FEDERAL TAX MATTERS

General Matters

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Code, and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. In the further opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State of Georgia.

The opinion described above assumes the accuracy of certain representations and compliance by the School District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The School District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

Original Issue Premium

The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "**Premium Bonds**"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest

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

Changes in Federal and State Tax Law

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

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

STATE TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from all present state income taxation within the State. Interest on the Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Purchasers of the Bonds should consult their tax advisors as to the taxable status of the Bonds in a particular state or local jurisdiction other than Georgia.

MISCELLANEOUS

Ratings

Moody’s Investors Service, Inc., has assigned the Bonds the rating of “Aa1” based on the understanding that the School District will participate in the State Aid Intercept program. The School District has also received an underlying stand-alone rating of “A2” from Moody’s. The ratings reflect only the views of the rating agency, and an explanation of the significance of such rating should be obtained from the rating agency. There is no assurance that such rating will remain unchanged for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Bonds. Neither the Authority nor the School District has undertaken any responsibility to oppose any such revision, suspension or withdrawal.

Underwriting

The Underwriter has agreed to purchase the Bonds pursuant to a Bond Purchase Agreement entered into among the School District, the Authority, and the Underwriter. The price and other terms regarding underwriting of the Bonds were established through negotiation. The Underwriter has agreed to purchase the Bonds at a purchase price of \$ _____ (which represents the par amount of the Bonds of \$ _____, plus/minus a net premium/discount of \$ _____ and less the Underwriter’s discount of \$ _____). The Bond

Purchase Agreements provide that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreements. The Underwriter intends to offer the Bonds to the public initially at the offering prices shown on the cover page hereof, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers at prices lower than the public offering.

Independent Auditors

The general-purpose financial statements of the School District as of June 30, 2023, and for the year then ended, attached hereto as part of Appendix B, have been audited by the State of Georgia Department of Audits and Accounts, Atlanta, Georgia, to the extent and for the period indicated in its report thereon, which appears in Appendix B. Such financial statements have been included herein in reliance upon the report of the State of Georgia Department of Audits and Accounts, given upon the authority of such agency as experts in accounting and auditing. The State of Georgia Department of Audits and Accounts, as a matter of policy, does not sign written consents to the inclusion of its audit reports in Official Statements and, pursuant to such policy, has not signed and will not sign a written consent to the inclusion of its audit report in Appendix B to this Official Statement. The State of Georgia Department of Audits and Accounts could use the defense of sovereign immunity against any claim based upon its negligence in performing the audit of the School District's general purpose financial statements.

Accordingly, the School District will not obtain a consent letter from its auditor, the State of Georgia Department of Audits and Accounts, for the inclusion of the audit report in this Official Statement. The School District's auditor, the State of Georgia Department of Audits and Accounts, has not been engaged to perform, and has not performed, since the date of its report included herein any procedures on the financial statements addressed in that report. The State of Georgia Department of Audits and Accounts also has not performed any procedures relating to this Official Statement.

Additional Information

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

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

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CERTIFICATION

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

**MONROE COUNTY PUBLIC FACILITIES
AUTHORITY**

By: **Preliminary Official Statement**
Chairman

MONROE COUNTY SCHOOL DISTRICT

By: **Preliminary Official Statement**
Chairman, Board of Education

APPENDIX A

FORM OF THE BOND RESOLUTION

– AND –

FORM OF THE CONTRACT

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BOND RESOLUTION

A RESOLUTION OF THE MONROE COUNTY PUBLIC FACILITIES AUTHORITY (THE “**AUTHORITY**”) TO PROVIDE FOR THE ISSUANCE OF ITS MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024, IN THE MAXIMUM ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEVENTEEN MILLION DOLLARS (\$17,000,000); PURSUANT TO AND IN CONFORMITY WITH THE CONSTITUTION AND STATUTES OF THE STATE OF GEORGIA; PAYABLE SOLELY FROM THE FUNDS HEREIN PROVIDED TO FINANCE, IN WHOLE OR IN PART, THE COST OF CERTAIN CAPITAL IMPROVEMENT PROJECTS FOR THE MONROE COUNTY SCHOOL DISTRICT (THE “**SCHOOL DISTRICT**”); TO PROVIDE FOR THE ISSUANCE, UNDER CERTAIN CIRCUMSTANCES, OF ADDITIONAL BONDS ON A PARITY WITH THE BONDS HEREBY AUTHORIZED; TO PROVIDE FOR THE CREATION OF CERTAIN FUNDS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS; TO APPROVE THE FORM OF AN INTERGOVERNMENTAL CONTRACT WITH THE SCHOOL DISTRICT; TO PROVIDE FOR THE REMEDIES OF THE OWNERS OF THE BONDS; AND FOR OTHER PURPOSES.

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- Exhibit A – Form of Series 2024 Bonds
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- Exhibit D – Form of Certificate of Final Terms

PREAMBLE

1. The Constitution of the State of Georgia, Article IX, Section III, Paragraph I(a), provides that any city, municipality, school district, or other political subdivision of the state may contract for any period not exceeding 50 years with each other or with any other public agency, public corporation, or public authority for joint services, for the provisions of services, or for the joint or separate use of facilities or equipment; but such contracts must deal with activities, services, or facilities which the contracting parties are authorized by law to undertake or provide.

2. The “Monroe County Public Facilities Authority Act,” codified at Ga. L. 2008, p. 4432 (the “**Act**”), created the Monroe County Public Facilities Authority (the “**Authority**”). The Authority is authorized by the Act to undertake any “project” which, pursuant to the Act, means any capital project which may be financed with revenue bonds under general laws in effect from time to time, which is located or to be located in Monroe County (the “**County**”), that is determined by the Authority to promote the public good or general welfare of the citizens of the County, or of the State, or any of its enterprises or systems, including, but not limited to, the acquisition, construction, renovation, improvement, extension, addition, or equipping of:

(A) utility systems and improvements, including without limitation, water and sewer systems and facilities, sewage and solid waste disposal systems and facilities, and electric, gas, and other similar facilities or systems;

(B) emergency facilities, including emergency, fire, sheriff, and rescue facilities

(C) recreational facilities, including parks, athletic fields, buildings, or facilities or other similar facilities;

(D) public safety facilities, including jails, sheriff’s offices, facilities, or equipment, state patrol or other law enforcement facilities or equipment;

(E) healthcare facilities and equipment;

(F) educational, cultural, or historical facilities and equipment; and

(G) transportation facilities and equipment; and

(H) administrative facilities and equipment.

3. The Monroe County School District (the “**School District**”) has determined that it is necessary and in the interest of the School District to pay, in whole or in part, for one or more capital project of the School District with proceeds of revenue bonds to finance (i) renovations to the School District’s Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the “**Projects**”) located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds.

4. The Authority desires to issue revenue bonds in the maximum original aggregate principal amount not to exceed \$17,000,000 for the purpose of providing funds to be applied towards the cost of the Projects of the School District and to pay expenses necessary to accomplish the foregoing, including capitalized interest, if any, and the costs of issuing said revenue bonds. Said revenue bonds may be issued in one or more series or subseries.

5. The Projects will be owned by the School District and located on land owned by the School District in the County.

6. The School District and the Authority are each a “governmental body,” as defined by the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended, and are authorized to finance any revenue “undertaking” described therein and to issue revenue bonds or refunding revenue bonds to finance the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of any undertaking.

7. The School District is authorized to levy taxes, without limitation as to rate or amount, and to expend tax monies and other available funds and to make payments to the Authority of the amounts and upon such terms as are provided for in an intergovernmental contract to be entered into between and among the Authority and the School District. The form of such intergovernmental contract is attached hereto and made a part hereof as Exhibit B.

8. Section 9 of the Act provides as follows:

Revenue bonds or notes issued under the provisions of this Act or any loan incurred as authorized herein shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the county, but shall be payable solely from the sources as may be designated in the resolution or indenture of the authority authorizing the issuance of the same. The issuance of such obligations shall not directly, indirectly, or contingently obligate the State of Georgia or any political subdivision thereof, including the county, to levy or to pledge any form of taxation whatever for the payment thereof. No holder of any bond or receiver or trustee in connection therewith shall have the right to enforce the payment thereof against any property of the State of Georgia or any political subdivision thereof, including the county, nor shall any such bond constitute a charge, lien, or encumbrance, legal or equitable, upon any such property. All such obligations shall contain on their face a recital setting forth substantially the foregoing provisions of this section. Nothing in this section shall be construed to prohibit the State of Georgia or any political subdivision or agency thereof, including the county, from obligating itself to pay the amounts required under any contract entered into with the authority pursuant to Article IX of the Constitution of the State of Georgia, or any successor provision, including from funds received from taxes to be levied and collected for that purpose to the extent necessary to pay the obligations contractually incurred with the authority, and from any other source.

9. The Authority has determined that the issuance of Parity Bonds (hereinafter defined) by the Authority should be authorized, which Parity Bonds would rank on parity with the Series 2024 Bonds, for the specific purpose of completing the financing of the Projects or financing improvements or additions, real or personal, to any portion of the Projects, provided certain conditions as herein set forth are met.

NOW, THEREFORE, BE IT RESOLVED by the Monroe County Public Facilities Authority, legally constituted and acting as a body corporate and politic and a public corporation of the State of Georgia, in a public meeting lawfully called and assembled, and it is hereby resolved by authority of the same that, for the purpose of acquiring, constructing and equipping the Projects and the costs of issuance of its MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024, that all actions of the Authority contemplated herein are determined to be in furtherance of the purposes of the Authority and necessary or convenient for the efficient operation of the School District, and that:

* * * * *

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01 Definitions of Certain Terms. In addition to the words and terms elsewhere defined in this Resolution, the following words and terms used herein shall have the following meanings:

“**Act**” means the “Monroe County Public Facilities Authority Act” codified at Ga. L. 2008, p. 4432.

“**Authentication Agent**” means Regions Bank, Atlanta, Georgia.

“**Authority**” means the Monroe County Public Facilities Authority, and its successors.

“**Beneficial Owner**” is defined in Section 2.08 of this Resolution.

“**Bond Date**” means the date of issuance and delivery of the Bonds as originally issued and delivered.

“**Bond Registrar**” means Regions Bank, Atlanta, Georgia.

“**Bondowner**” or “**Owner**” or “**Registered Owner**” means the registered owner of any Bond or its assigns and does not mean any beneficial owner of the Bonds whether through the book-entry only system of DTC or otherwise.

“**Bonds**” means the Series 2024 Bonds and from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

“**Cede & Co.**” means Cede & Co., the nominee of DTC or any successor nominee of DTC with respect to the Bonds.

“**Certificate of Final Terms**” means that certain certificate substantially in the form attached hereto as Exhibit D.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**County**” and other terms making reference thereto, means the present government of Monroe County, the governing body thereof and any successor or successors in office to said governing body or any person, body or authority to whom or to which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of the present body, either in whole or in relation to the Contract.

“**Construction Fund**” means the Monroe County Public Facilities Authority Construction Fund 2024, created in Section 4.03.

“**Construction Fund Custodian**” means United Bank, Forsyth, Georgia.

“**Continuing Disclosure Certificate**” means that certain Continuing Disclosure Certificate executed by the School District and dated the date of issuance and delivery of the Series 2024

Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Contract**” means the Intergovernmental Contract, dated as of the date of the Series 2024 Bonds, between the Authority and the School District, the form of which is attached to and made a part of this Resolution as Exhibit B.

“**Contract Payments**” means the contract payments by the School District described in Article V of the Contract.

“**DTC**” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or its nominee, or any other person, firm, association or corporation designated in any resolution of the Authority supplemental hereto to serve as securities depository for a series of Certificates.

“**DTC Participant**” means securities brokers and dealers, banks, trust companies, clearing corporations and certain other corporations which have access to the DTC system.

“**Fiscal Year**” means the fiscal year of the School District and the Authority, which at the time of the adoption of this Resolution is July 1 of each year through June 30 of the next calendar year.

“**Government Obligations**” means bonds or other obligations of the United States of America or obligations representing an interest therein which as to principal and interest constitute direct obligations of the United States of America or are fully guaranteed as to payment by the United States of America.

“**Interest Payment Date**” means February 1 and August 1 of each year until maturity.

“**O.C.G.A.**” means Official Code of Georgia Annotated.

“**Outstanding**” or “**Bonds Outstanding**” means all Bonds which have been executed and delivered pursuant to this Resolution except:

(a) Bonds cancelled after purchase in the open market or because of payment at maturity or redemption prior to maturity;

(b) Bonds otherwise deemed to be paid in accordance with Section 5.09 of this Resolution; and

(c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Resolution unless proof is presented that such Bonds are held by a bona fide purchaser.

“**Parity Bonds**” means any revenue bonds which may be issued on parity with the Bonds in accordance with the terms of this Resolution.

“**Paying Agent**” means Regions Bank, Atlanta, Georgia.

“Project Superintendent” means the Assistant Superintendent for Operations & Student Services of the School District or such person or persons at the time designated to act on behalf of the School District by written certificate furnished to the Authority, containing the specimen signature of each such person, signed on behalf of the School District by its Superintendent.

“Projects” has the meaning as set forth in paragraph 3 of the Preamble to this Resolution.

“Record Date” means the 15th day of the calendar month preceding each Interest Payment Date.

“Resolution” means this bond resolution, including any supplements or amendments hereto.

“Retained Rights” shall mean those rights of the Authority under the Contract retained thereby under Section 7.01 of this Resolution, namely the Authority’s rights to certain fees and expenses under Section 5.01(d) of the Contract, its right to indemnification under Article VII of the Contract, and receipt of notices given pursuant to the Contract or this Resolution.

“School District” means the Monroe County School District.

“Series 2024 Bonds” means the MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024, to be issued pursuant to the terms of this Resolution.

“Sinking Fund” means the fund described in Section 5.02.

“Sinking Fund Custodian” means Regions Bank, Atlanta, Georgia.

“State” means the State of Georgia.

“Underwriter” shall mean Raymond James & Associates, Inc., as underwriters of the Series 2024 Bonds.

Section 1.02 Rules of Construction. Unless the context clearly indicates to the contrary:

(a) “herein,” “hereby,” “hereunder,” “hereof,” “herein-before,” “hereinafter,” and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

(b) any pronoun used herein shall be deemed to cover all genders;

(c) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution; and

(d) the titles preceding each Section of this Resolution are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution.

Section 1.03 Findings and Incorporation of Preamble.

(a) The Authority hereby declares that the foregoing preamble and whereas provisions set forth hereinabove constitute, and shall be considered to be, substantive provisions of this Resolution and are hereby incorporated by reference into this Section 1.03.

(b) After careful study and investigation by the Authority, the Authority hereby finds that the Projects are within the purposes and powers described in the Act, the citizens of the County will derive continuing benefits from the Projects, that the Projects will promote the public good and general welfare of the citizens of the County, and bring other benefits to the County and the State, and that it is in the best interest of the citizens of the County that the Authority take the actions set forth and approved herein.

[END OF ARTICLE I]

ARTICLE II
AUTHORIZATION, TERMS, AND FORM OF BONDS

Section 2.01 Designation and Authorization of Bonds. Revenue bonds designated the MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024 (the “**Series 2024 Bonds**”), in the aggregate principal amount not to exceed \$17,000,000, are hereby authorized to be issued for the purposes aforesaid pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 *et seq.*, the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the Authority and pursuant to this Resolution, and all the covenants, agreements, and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien, or otherwise of any one Bond over any other Bond.

Section 2.02 Date, Denominations, Maturities, Interest Payment Dates, and Other Particulars of the Series 2024 Bonds.

(a) The Series 2024 Bonds shall bear interest from the date of delivery at the rates per annum and the principal shall mature during the life of the Bonds in the amounts to be designated in the Certificate of Final Terms.

The Bonds authorized hereby will be dated to be designated in the Certificate of Final Terms.

The Series 2024 Bonds as originally issued shall be lettered and numbered from R-1 upward according to the records maintained by the Bond Registrar, shall be dated as of their date of issuance and delivery and may be issued in one or more series or subseries.

(b) The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Bonds not less than 30 days preceding such subsequent date of record.

(c) The principal of, interest on, and redemption premium (if any), on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of the Bonds shall be payable upon the presentation and surrender of the same at the designated corporate trust office of the Paying Agent. The interest on the Bonds shall be paid by check or draft mailed by the Paying Agent on the date said interest is due by first class mail to the respective owners of the Bonds at their addresses as they appear on the bond register kept by the Bond Registrar or by wire transfer to the registered owner of Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five business days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary.

(d) The Bonds shall be issued as fully registered bonds in the denomination of \$5,000 in principal amount or any integral multiple thereof and substantially in the form hereinafter set forth, with such variations, omissions, substitutions, and insertions as are therein required or permitted.

Section 2.03 Execution of Bonds.

(a) The Bonds will be executed with the manual or facsimile of the signature of the Chairman of the Authority and the seal of the Authority will be imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary of the Authority.

(b) In case any officer whose facsimile signature shall appear on the Bonds shall cease to be such officer before delivery of the Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes the same as if such officer had remained in office until delivery, and the Bonds may, nevertheless, be issued and delivered as though the person whose signature appears on the Bonds had not ceased to be such officer. Any of the Bonds may be executed and sealed on behalf of the Authority by the facsimile signatures of such officers who may, at the time of the execution of the Bonds, hold the proper offices of the Authority although on the date of the Bonds or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

Section 2.04 Delivery and Authentication of Bonds. The Authority shall execute and deliver to the Authentication Agent and the Authentication Agent shall authenticate the Bonds and deliver them to the purchasers as shall be directed by the Authority. Each Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent and such certificate of the Authentication Agent shall be conclusive evidence that the Bond so authenticated has been duly authenticated, registered and delivered under the Resolution and that the owner thereof is entitled to the benefits of the Resolution. The Authentication Agent's certificate of authentication on any Bond shall be deemed to have been executed by the Authentication Agent if signed manually by an authorized officer of the Authentication Agent or its authorized representative, but it shall not be necessary that the same officer or authorized representative sign the certificate of authentication on all the Bonds.

Section 2.05 Mutilated, Destroyed, or Lost Bonds. In the event any Bond is mutilated, lost, stolen, or destroyed, the Authority will execute and deliver a new Bond of like tenor as that mutilated, lost, stolen, or destroyed, provided that, in the case of any such mutilated Bond, such Bond is first surrendered to the Authority or the Bond Registrar and, in the case of any such lost, stolen, or destroyed Bond, there is first furnished evidence of such loss, theft, or destruction satisfactory to the Authority and the Bond Registrar, together with indemnity satisfactory to them. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense incurred. All responsibility with respect to the issuance of any such new bonds shall be on the Authority and not on the Clerk of the Superior Court whose signature shall appear on the validation certificate, and said Clerk shall have no liability in the event of an over-issuance occurs.

In the event, any such Bond shall have matured or become due, in lieu of issuing a duplicate Bond, the Paying Agent may pay such Bond without surrender thereof.

Section 2.06 Persons Treated as Owners of Bonds. The Authority and its agents, including the Paying Agent and Bond Registrar, may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof, premium, if any, and the interest thereon and for all other purposes whatever. All such payments of principal, premium, if any, and interest made to any such owner or upon such owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any such agent shall be affected by any notice to the contrary.

Section 2.07 Validation Certificate. A validation certificate of the Clerk of Superior Court of Monroe County, State of Georgia, properly executed by said Clerk will be endorsed on each Bond and will be essential to its validity.

Section 2.08 Book-Entry Bonds. The Series 2024 Bonds are hereby authorized to be issued in book-entry only form, with no physical distribution of Bonds made to the public. If Bonds are issued as book-entry bonds, the following procedures shall apply thereto:

The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond of each series certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of the Series 2024 Bonds under the DTC system must be made by or through "**Direct Participants**" (which include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations), which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond (a "**Beneficial Owner**") is in turn to be recorded on the records of the Direct Participants and others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial

Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Principal and interest payments on the Series 2024 Bonds will be made by the Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

If (a) DTC determines not to continue to act as securities depository for the Series 2024 Bonds or (b) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Series 2024 Bonds would adversely affect the interests of the Authority or the Beneficial Owners of the Series 2024 Bonds, the Authority shall discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority will cause the Paying Agent to authenticate and deliver replacement Series 2024 Bonds in the form of fully registered Series 2024 Bonds to each Beneficial Owner.

If a book-entry system of evidence and transfer of ownership of the Series 2024 Bonds is discontinued pursuant to the provisions of this Section, the Series 2024 Bonds shall be delivered solely as fully registered Series 2024 Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof, shall be lettered "R" and numbered separately from 1 upward, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions of Article II hereof. In addition, the Authority will pay all costs and fees associated with the printing of the Series 2024 Bonds and issuance of the same in certificated form.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE AUTHORITY AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE SERIES 2024 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE AUTHORITY OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE AUTHORITY HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT TO ANY

DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

If Series 2024 Bonds are issued as book-entry bonds, the form of said Series 2024 Bonds shall contain the following text:

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“**DTC**”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Authority has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

Section 2.09 Delivery of Bonds. The Authority shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the purchaser or purchasers as shall be designated by the Authority.

Section 2.10 Destruction of Canceled Bonds. All Bonds paid, purchased, or redeemed, either at or before maturity, shall be canceled and delivered to the Bond Registrar when such payment is made. All Bonds so canceled shall be destroyed upon their delivery to the Bond Registrar in accordance with the practice then prevailing with the Authority and record of such destruction shall be made and preserved in the permanent records of the Authority.

Section 2.11 Form of Series 2024 Bonds. The Series 2024 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the form attached hereto as Exhibit A, with such variations, omissions, and insertions as may be required to complete properly each respective Series 2024 Bond, and as may be approved by the officer or officers executing each Series 2024 Bond by facsimile signature, which approval shall be conclusively evidenced by such execution.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01 Optional Redemption. The Series 2024 Bonds may be subject to optional redemption as defined in the Certificate of Final Terms.

Section 3.02 Scheduled Mandatory Redemption. The Series 2024 Bonds may be subject to mandatory sinking fund redemption prior to their stated maturity as defined in the Certificate of Final Terms.

Section 3.03 Notice of Redemption. Notice of any redemption of the Series 2024 Bonds pursuant to this Article shall be given by the Authority, at the direction of the School District, to the Bond Registrar and Paying Agent at least forty-five days prior to the date fixed for redemption and shall be given one time not less than thirty days nor more than sixty days prior to the date fixed for redemption to the holders of each of the Series 2024 Bonds being called for redemption by first class, registered or certified mail as the Paying Agent shall determine is necessary at the address shown on the register of the Bond Registrar as of forty-five days prior to the date fixed for redemption. Said notice shall also be given by certified mail, return receipt requested, or by electronic means not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System or as may be required by applicable law or regulation at the time of giving such notice. No transfer or exchange of any Series 2024 Bonds so called for redemption shall be allowed. In the event any holder of any Series 2024 Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Series 2024 Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Series 2024 Bond shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Paying Agent to give such notice shall not affect the validity of the proceedings for the redemption of any bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Section 3.04 Manner of Redemption. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the registered owner thereof, without charge therefor, fully registered Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the

principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of the Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Section 3.05 Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed herein, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Resolution, the Bonds or the portion thereof so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in payment of the redemption price thereof upon presentation and surrender thereof. Such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and the owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such bond paid or redeemed in part only, the Authority shall execute and the Bond Registrar shall deliver to the owner thereof, at the expense of the Authority, a new Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

Section 3.06 Redemption of Parity Bonds. Parity Bonds may be made subject to redemption either mandatorily or at the option of the Authority prior to maturity at the times and upon such terms and conditions as may be prescribed in the respective resolutions of the Authority supplemental to this Resolution relating to such Parity Bonds. In the event Parity Bonds are hereafter issued, such Parity Bonds of any such future issue or issues may be redeemed in whole or in part before the maturity of the Bonds, subject to the Sinking Fund requirements herein prescribed, and subject to the call provisions of such future Parity Bond series; provided, however, the Authority is not restricted hereby from acquiring as a whole, by redemption or otherwise, all Outstanding Bonds of all such issues from any money which may be available for that purpose.

Section 3.07 Purchase of Bonds in Market. Nothing herein contained shall be construed to limit the right of the Authority to purchase Bonds in the open market, at a price not exceeding the then applicable redemption price of the Bonds to be acquired, or at par and accrued interest for Bonds not then subject to redemption, from funds in the Sinking Fund, subject to the Sinking Fund requirements herein prescribed. Any such Bonds so purchased shall not be reissued and shall be cancelled.

[END OF ARTICLE III]

ARTICLE IV
APPLICATION OF SERIES 2024 BOND PROCEEDS

Section 4.01 Application of Proceeds of the Series 2024 Bonds. The proceeds derived from the sale of the Series 2024 Bonds shall be applied by the Authority, concurrently with the delivery of the Series 2024 Bonds to the initial purchaser or purchasers thereof, as specified in the Certificate of Final Terms:

Section 4.02 Acquisition, Construction, and Equipping of the Projects. The School District, either directly or through one or more of its subordinated authorities, departments, or agencies, on behalf of the Authority, will proceed with the acquisition, construction, and equipping of the Projects, substantially in accordance with recommendations, plans, and specifications prepared for and on file with the School District.

Section 4.03 Creation of the Construction Fund. A construction fund is hereby authorized to be created prior to the issuance of the Series 2024 Bonds, designated as the MONROE COUNTY PUBLIC FACILITIES AUTHORITY CONSTRUCTION FUND 2024 (the “**Construction Fund**”). Subaccounts may be established within the Construction Fund to provide for proper accounting of the proceeds of the Series 2024 Bonds. There shall be deposited to the credit of the Construction Fund such proceeds from the sale of the Series 2024 Bonds, to be set forth in Section 4.01 of this Resolution, and any other funds acquired by gift, donation, grant or otherwise for the acquisition, construction, and equipping of the Projects, and any additional funds which may be required to be furnished by the Authority or the School District. Any proceeds of insurance maintained pursuant to Article VI of the Contract which are received by the Authority or the School District, and sums received by reason of performance bonds with respect to any portions of the Projects shall be paid into the Construction Fund. Such money as is deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in this Article, and the Authority will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition, construction, and equipping of the Projects, upon direction of the Project Superintendent, may be invested and reinvested by the Construction Fund Custodian in such investments as are set forth in Section 6.05 of this Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for payments to be made from the Construction Fund, and shall be held by the Custodian for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom, including premium, if any, shall be immediately deposited by said Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided or permitted.

Section 4.04 Disbursements for Acquisition, Construction, and Equipping of the Projects. From and after the initial disbursements from the Construction Fund as approved by the Project Superintendent, the School District will proceed with due diligence to complete the acquisition, construction, and equipping of the Projects, including the acquisition of property, rights-of-ways and easements, as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy, and similar acts beyond the reasonable control of the Authority and the School District, only, excepted. The School District will promptly pay all expenses incurred in

and about such acquisition, construction, and equipping of the Projects, and shall make disbursements from the appropriate fund or account within the Construction Fund for all such costs on the requisition of the School District, which requisition shall be signed on behalf of the School District by the Project Superintendent. No provisions of this Resolution shall be construed as prohibiting the School District from proceeding with the acquisition or condemnation of property, rights-of-way and easements, and the acquisition and installation of equipment and other facilities comprising the Projects in its name or from subsequently selling or otherwise transferring such property or rights in property to the Authority.

Section 4.05 Lien on Construction Fund for Series 2024 Bondowners. All proceeds held in the Construction Fund or obligations held for such fund shall be subject to a lien or charge in favor of the owners of the Series 2024 Bonds and shall be held for the future security of such owners until paid out as herein provided.

Section 4.06 Balance of Bond Proceeds. When the Projects shall have been completed, the Project Superintendent shall file with the Bond Registrar and Paying Agent and the Construction Fund Custodian a certificate of completion, and should there then be remaining any balance of the proceeds from the sale of the Series 2024 Bonds, such balance, at the option of the School District, may be used to pay for additional improvements, equipment, or other facilities relating to the Projects or be deposited in the Sinking Fund and used, to the extent practicable and feasible, for the purchase and retirement of Bonds or applied against the payment of Contract Payments.

[END OF ARTICLE IV]

ARTICLE V
APPLICATION OF CONTRACT PAYMENTS;
FLOW OF FUNDS; PARITY BONDS; DEFEASANCE

Section 5.01 Bonds as Limited Obligations of the Authority. The Series 2024 Bonds are limited obligations of the Authority payable solely from the special funds and accounts established under this Resolution derived from proceeds received from the sale of the Series 2024 Bonds and from the Contract Payments received by the Authority under the Contract.

Section 5.02 Sinking Fund.

(a) There is hereby created and the Authority will maintain, for so long as any of the Bonds remain outstanding and unpaid or provision for the payment thereof has not been made in accordance with the provisions hereof, a special fund designated MONROE COUNTY PUBLIC FACILITIES AUTHORITY SINKING FUND 2024 (the “**Sinking Fund**”), to be held by the Authority. The Authority is authorized to establish separate subaccounts for the Series 2024 Bonds or any Parity Bonds within the Sinking Fund as may be necessary to properly account for the repayment of the Bonds.

(b) So long as any of the principal of, premium, if any, or interest on the Bonds remains outstanding and unpaid, the Authority will cause to be paid by the School District, directly to the Sinking Fund, the Contract Payments for which provision is made in the Contract for the purpose of paying the principal of, premium, if any, and interest on the Bonds. The Sinking Fund will be used only for payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due without preference or priority of any one Bond over any other Bond.

(c) Nothing herein shall be construed so as to prohibit the Authority from maintaining directly or through the Sinking Fund Custodian a consolidated fund for outstanding Bonds provided that accurate and complete records are maintained at all times to show the amount within such consolidated fund credited to the Sinking Fund.

Section 5.03 Disbursements from Sinking Fund. Subject to the terms and conditions of this Resolution, money in the Sinking Fund will be disbursed for (a) the payment of interest on the Bonds as such interest falls due, (b) the payment of the principal on the Bonds, (c) the redemption of Bonds before maturity at the price and under the conditions provided therefor in Article III hereof, and (d) the purchase, at prices not to exceed par and accrued interest, and retirement of the Bonds before their maturity.

Section 5.04 Bonds Constitute First Lien. All payments of Contract Payments due under the Contract and all money in the Sinking Fund are pledged to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds and shall be subject to and there is hereby created thereon a first and prior charge or lien for the purpose of paying the principal of, premium, if any, and interest on the Series 2024 Bonds.

Section 5.05 Pledge Binding on All Parties. All Contract Payments so pledged shall immediately be subject to the charge or lien created in Section 5.04 without any physical delivery thereof or further act and such pledge shall be valid and binding against the Authority and against

all parties having claims of any kind against the Authority whether such claims shall have arisen in contract, tort, or otherwise and irrespective of whether such parties have notice thereof.

Section 5.06 Priority of Bonds Preserved. The Authority will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a charge or lien on the Contract Payments prior to the charge or lien herein created for the payment of the Series 2024 Bonds.

Section 5.07 Parity Bonds. Parity Bonds may be issued by the Authority, from time to time, ranking on parity with the Series 2024 Bonds, provided all of the following conditions are met:

(a) The payments covenanted to be made hereunder have been and are being made as required.

(b) The Authority and School District shall enter into a contract reaffirming and extending through the final maturity of the Parity Bonds then proposed to be issued all applicable covenants, terms, and provisions of the Contract. Under the terms of such contract, the School District shall obligate itself to pay to the Authority amounts sufficient to pay the principal of, premium, if any, and the interest on the Bonds then outstanding and on the Parity Bonds then proposed to be issued, and for the payment of the reasonable fees and charges of the Paying Agent and Bond Registrar, if any, less the interest and principal requirements on any bonds or obligations to be paid or redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued.

(c) The Authority shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds and shall provide in such proceedings, among other things, for the date, the rate or rates of interest, maturity dates, and redemption provisions, if any, which such Parity Bonds shall bear. The interest on any such Parity Bonds shall fall due on the Interest Payment Dates in each year, and the Parity Bonds shall mature in annual installments on either Interest Payment Date, but not necessarily in each year or in equal installments.

(d) Any such proceeding or proceedings shall require the payments then being made for deposit into the Sinking Fund to be increased to the extent necessary to pay the principal of, premium, if any, and interest on the Outstanding Bonds and on the Parity Bonds proposed to be issued, less the principal and interest requirements on any bonds or obligations to be redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued. Any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of this Resolution.

(e) Such Parity Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(f) The maximum amount capable of being produced by the School District's Tax Moneys (using the most recent tax digest and Millage Limitation), less all Operating Expenses for the current fiscal year, is at least 1.1x the amount needed to pay the maximum annual debt service payments on the Parity Bonds proposed to be issued.

Definitions for this Section 5.07(f) are as follows:

“Millage Limitation” means the 20-mill limitation on the levy of ad valorem property taxes for maintenance and operations prescribed by law or such higher rate as may hereafter be authorized.

“Operating Expenses” means all expenses intended to be covered by the Tax Moneys, including, without limitation, the Contract Payments and payments on any additional Parity Bonds then outstanding.

“Tax Moneys” means the moneys produced from the levy of ad valorem property taxes for maintenance and operations purposes.

Section 5.08 Bonds to be Canceled on Payment. All Bonds paid or purchased, either at or before maturity, shall be canceled when payment therefor is made. Canceled Bonds shall be delivered to the Authority, and such Bonds so canceled shall be mutilated and destroyed. A record of such mutilation and destruction shall be preserved in the records of the Authority.

Section 5.09 Defeasance.

(a) Any funds paid to or received by the Authority at any time for the purchase and retirement of Bonds shall be placed in a special fund to be created by the Authority and applied to such purpose as far as possible in the same manner that funds in the Sinking Fund are applied. If and when sufficient funds are deposited in such special fund to pay all Outstanding Bonds, including interest due or to become due thereon together with the reasonable charges and fees of the Paying Agent and Bond Registrar, such deposit shall constitute payment in full of the Bonds.

(b) Bonds shall also be deemed to have been paid in full and the lien of this Resolution shall be discharged as to such Bonds,

(i) after there shall have been deposited in an irrevocable trust fund created for that purpose, (A) sufficient money and/or (B) Government Obligations which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which money and/or Government Obligations when due will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), for the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein);

(ii) after there shall have been paid, or satisfactory provision shall have been made for payment, to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment of such Bonds or there shall be sufficient money deposited with the Bond Registrar and Paying Agent to make said payments; and

(iii) unless all Bonds being defeased pursuant to this Section 5.09 are to mature or be redeemed within the next 60 days, the Authority shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the

holders of such Bonds, by first class mail, postage prepaid, at their last addresses appearing upon the books of registration, that the deposit required by subsection (b)(i) of this Section 5.09 has been made and that such Bonds are deemed to have been paid in accordance with this Section 5.09.

(c) In addition to the foregoing provisions of this Section 5.09, the lien of this Resolution as to all Bonds that are being defeased shall only be discharged pursuant to this Section 5.09 if the Authority delivers an opinion of bond counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Section 5.09 have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on such Bonds from federal income taxation.

(d) In the event provision for the payment in full of all Outstanding Bonds is to be made at the same time, the funds for such payment may be deposited to and such Bonds may be redeemed or paid from the Sinking Fund.

(e) After provision shall have been made for the payment of all Bonds and the interest thereon and all expenses and charges herein required to be paid, any balance attributable solely to the Bonds and remaining in such fund shall be paid to the School District.

(f) At such time as payment in full of the Bonds shall be accomplished in accordance with the provisions of this Section, the lien of such Bonds created by this Resolution on the Contract Payments securing such payment shall be discharged, and such Bonds shall no longer be considered to be outstanding for any purpose except for the payment of the principal thereof, premium, if any, and the interest thereon and for the registration and transfer thereof.

[END OF ARTICLE V]

ARTICLE VI
DEPOSITORIES OF FUNDS AND SECURITY FOR DEPOSITS;
AUTHORIZED INVESTMENTS

Section 6.01 Funds Constitute Trust Funds. All money deposited in any fund created hereby shall constitute trust funds for which the Authority shall be responsible as trustee and will be applied in accordance with the terms hereof and for the purposes set forth herein and will not be subject to lien or attachment by any creditor of the Authority, and, except as otherwise provided herein, all funds received by the Authority under the terms hereof, subject to the giving of security as hereinafter provided, will be deposited with a depository in the name of the Authority.

Section 6.02 Deposits in Excess of FDIC Guarantee. No money belonging to any of the funds created hereunder will be deposited or remain on deposit with any depository or custodian in an amount in excess of the amount guaranteed or insured for public bodies by the Federal Deposit Insurance Corporation or other agency of the United States of America which may succeed to the functions of said corporation unless such depository shall have pledged, for the benefit of the Authority and the owners of the Bonds as collateral security for the money deposited, Government Obligations or other marketable securities eligible as security for the deposit of public trust funds under regulations of the Board of Governors of the Federal Reserve System and under applicable State law and having a market value (exclusive of accrued interest) at least equal to the amount of such deposits and having a face or par value at least equal to the amount prescribed by applicable Georgia law.

Section 6.03 Designation of Bond Registrar, Paying Agent, Sinking Fund Custodian, and Construction Fund Custodian.

(a) The Bond Registrar, Paying Agent, and Authentication Agent for the Bonds and the custodian of the Sinking Fund and the Construction Fund are designated herein.

(b) A successor Bond Registrar and Paying Agent or depository for or custodian of any fund or account may, from time to time, be designated provided such successor agrees to comply with all of the provisions of this Resolution. During such time as the Paying Agent is a bank or trust company, any corporation into which the Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation to which substantially all the corporate trust business of the Paying Agent may be transferred, shall, subject to the terms of this Resolution, be Paying Agent under this Resolution without further act.

Section 6.04 Investment of Funds.

(a) Any investments authorized herein shall be held in the respective fund until paid at maturity, redeemed, or sold, and the proceeds thereof, including interest, principal, and premium, if any, shall be immediately deposited to the credit of such fund. When a fixed amount is required to be maintained in any fund, the investments for such fund shall be valued in terms of current market value as of the last day of the Fiscal Year next preceding the determination of value. Money in each respective fund and all authorized investments held in and for such fund, and the income

therefrom, are hereby pledged to and charged with the payments required by this Resolution to be made from such fund.

(b) The Project Superintendent at any time and from time to time may direct any depository of or custodian for any fund to make specific investments of money on deposit in such fund in accordance with Section 6.05 or may provide any such depository or custodian with general and continuing authorization to invest money in any such fund in accordance with the provisions of Section 6.05. Any such investments shall mature no later than such times as shall be necessary to provide money when needed for payments to be made from the pertinent fund.

Section 6.05 Authorized Investments.

(a) *Construction Fund Money.* Money in the Construction Fund may be invested and reinvested by the Construction Fund Custodian at the direction of the Project Superintendent in any of the following investments allowed by O.C.G.A. § 36-82-7:

(i) The local government investment pool created in O.C.G.A. § 36-83-8; or

(ii) The following securities and no others:

(A) Bonds or other obligations of the Authority, or bonds or obligations of the State or other states or of counties, municipal corporations, and political subdivisions of the State;

(B) Bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(C) Obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(D) Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(E) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or any School District or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above;

(F) Securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) and (C) above and repurchase agreements fully collateralized by any such obligations;

(2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State.

(G) Interest-bearing time deposits, repurchase agreements, reverse purchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

(b) *Sinking Fund Money.* Money in the Sinking Fund may be invested by the custodian for such fund in the following investments, if and to the extent the same are at the time legal for investment of such money:

(i) any of the following investments (presently authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4):

(A) Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies;

(B) Obligations of any corporation of the United States government;

(C) Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states;

(D) Obligations of other political subdivisions of the State;

(E) Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured;

(F) Prime bankers' acceptances;

(G) Repurchase agreements; and

(H) The local government investment pool established by O.C.G.A. § 36-83-8; and

- (ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

Section 6.06 Paying Agent Instructions. Not less than two business days prior to any Interest Payment Date, the Paying Agent shall ascertain whether amounts sufficient to make the interest and/or principal payment due on the Bonds on such Interest Payment Date are on deposit in the Sinking Fund, and, if so, shall make appropriate arrangements with the Sinking Fund Custodian for the transfer of such sufficient amount to the Paying Agent in order to effect timely payment of the Bonds on such Interest Payment Date in accordance with the terms thereof. In the event amounts on deposit in the Sinking Fund are insufficient to make the payment due on any Interest Payment Date as aforesaid, the Paying Agent shall immediately notify the Authority, and the Authority shall deposit to the Sinking Fund the amounts necessary to pay the amounts due on said Interest Payment Date.

Section 6.07 Paying Agent. The Authority shall appoint any succeeding Paying Agent for the Bonds, subject to the conditions set forth in Section 6.08 hereof. The Paying Agent shall designate to the School District and the Authority its principal office for all purposes hereof and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Authority under which the Paying Agent will agree, particularly:

- (a) to hold all sums held by it for the payment of the principal of, premium, if any, and interest on the Bonds in trust for the benefit of the Owners of the Bonds until such sums shall be paid by it to such Owners of the Bonds or otherwise disposed of as herein provided;
- (b) to authenticate and cancel Bonds as provided herein;
- (c) to perform its obligations under Article II of this Resolution; and
- (d) to keep such books and records relating to its duties as Paying Agent as shall be consistent with prudent industry practice and, upon reasonable notice, to make such books and records available for inspection by the School District at all reasonable times.

The School District shall cause the necessary arrangements to be made and to be thereafter continued whereby:

- (i) funds derived from the sources specified in this Resolution will be made available at the principal office of the Paying Agent for the timely payment of principal of, premium, if any, and interest on the Bonds;
- (ii) Bonds shall be made available for authentication, exchange and registration of transfer by the Paying Agent at the principal office of the Paying Agent; and
- (iii) the Paying Agent shall be furnished such records and other information, at such times, as shall be required to enable the Paying Agent to perform the duties and obligations imposed upon it hereunder.

Section 6.08 Qualifications of Paying Agent; Resignation; Removal.

(a) The Paying Agent shall be a commercial bank or national banking association with trust powers or trust company duly organized under the laws of the United States of America of any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$10,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' notice to the School District. The Paying Agent may be removed at any time by an instrument, signed by the Chairman of the Authority, filed with such Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, the Paying Agent, prior to its resignation or removal, shall deliver any money and any Bonds and its related books and records held by it in such capacity to its successor, or, if there be no successor, to the School District.

[END OF ARTICLE VI]

ARTICLE VII
PARTICULAR COVENANTS OF THE AUTHORITY

Section 7.01 Pledge of Security; Payment of Bonds. The Bonds are limited obligations of the Authority and the Authority will pay or cause to be paid promptly the principal of, premium, if any, and the interest on the Bonds at the place, on the dates, and in the manner herein specified according to the true intent and meaning thereof. There are hereby pledged and assigned for the payment of the principal of, premium, if any, and interest on the Bonds, subject to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth herein, (i) the proceeds from the sale of the Bonds; (ii) the Contract, including the Contract Payments and other receipts of the Authority derived from the Contract; (iii) the funds established by this Resolution, including the investments, if any, thereof; and (iv) any and all other money and obligations which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Authority in trust under any of the provisions of this Resolution or the Contract, and any other right, title, and interest which at such time is subject to the lien of this Resolution (provided, however, the Authority hereby retains its Retained Rights under the Contract to certain fees and expenses, and the receipt of notices). No Bond issued hereunder shall constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority other than such revenue.

Section 7.02 Contract Payments to be Deposited Directly to Sinking Fund. So long as the Contract shall remain in effect, the Authority covenants that it will cause the Contract Payments due under the Contract to be deposited directly to the Sinking Fund.

Section 7.03 Performance of Covenants. The Authority will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, in any and every Bond executed and delivered hereunder, and in all proceedings pertaining thereto. The Authority is duly authorized under the Constitution and laws of the State of Georgia to issue the Series 2024 Bonds and to execute the Contract and to pledge the Contract Payments paid under the Contract and other amounts hereby pledged in the manner and to the extent herein set forth. All action on the part of the Authority for the adoption of this Resolution has been duly and effectively taken, and the Series 2024 Bonds in the hands of the owners thereof shall be valid and enforceable obligations of the Authority according to the true intent and meaning thereof.

Section 7.04 Title and Instruments of Further Assurance. The Authority has not made, done, or executed, and will not make, do, or execute, any act or thing whereby the School District's estate or interest in and title to any of the facilities comprising the Projects or any part thereof is now or at any time hereafter shall be impaired or charged or encumbered in any manner whatsoever except as may be herein authorized. The Authority will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such instruments supplemental hereto and such further acts and instruments as may reasonably be required for the better assuring, pledging, and confirming of the pledge hereby made of the revenue derived from the Contract to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds.

Section 7.05 Recording and Filing. The Authority covenants that, solely from payments as provided in the Contract, it will cause the Contract and all supplements thereto to be kept, recorded, and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the Bondowners and the rights of the Authority hereunder.

Section 7.06 Transfers of Funds. All transfers from any fund for which provision is made herein and all payments from any such fund will be made by wire transfer or by checks signed by the Project Superintendent; provided, however, that transfers of funds for investment in accordance with Sections 6.04 and 6.05 may be made by the depository or custodian of the fund for which such investment is being made when written authorization therefor is given by the Project Superintendent.

Section 7.07 Authority Will Not Cancel Contract. The Authority will not cancel, terminate, modify, or consent to the cancellation, termination, or modification of the Contract except as is specifically provided, authorized, or contemplated therein or herein unless and until the principal of, premium, if any, and the interest on every Bond secured by said Contract shall have been paid in full or provision for such payment shall have been made in accordance with the provisions hereof.

Section 7.08 Continuing Disclosure. No financial or operating data concerning the Authority is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold, or sell the Series 2024 Bonds and the Authority will not provide any such information. The Authority shall have no liability to the beneficial owners of the Series 2024 Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12(b)(5). Pursuant to Section 10.07 of the Contract, the School District has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Bondowners or any other person with respect to Securities and Exchange Commission Rule 15c2-12.

Section 7.09 State Intercept Program. Pursuant to Ga. Code Ann. § 20-2-480, prior to the issuance of any bonded indebtedness, the School District may notify the Georgia State Board of Education (the “**State Board**”) of the proposed issuance of such indebtedness and authorize and direct the State Board to withhold from the School District sufficient moneys from any state appropriation to which the School District may be entitled and apply so much as shall be necessary to the payment of the principal of and interest on such indebtedness then due. Pursuant to Ga. Code Ann. § 20-2-170, if the State Board has received the notification from the School District described in Ga. Code Ann. § 20-2-480 and if at any time the State Board is notified by the Paying Agent for the Bonds that the School District has failed to effect the punctual payment of the principal of or interest on the Bonds, the State Board is authorized to and must withhold from any state appropriation to which the School District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on such indebtedness then due (the “**Intercept Program**”).

In order to qualify the School District for participation in the Intercept Program, pursuant to the Contract, the Superintendent of the School District shall notify the State Board of the proposed issuance of the Bonds, and the State Board will be irrevocably authorized and directed to withhold from the School District sufficient moneys from any State appropriation to which the

School District may be entitled, and apply so much as shall be necessary to the payment of the principal and interest on the Bonds then due, pursuant to notification by the Paying Agent for the Bonds that the School District has failed to effect the punctual payment of the principal or interest on the Bonds in the manner set forth herein and in the Contract, such notice to be in substantially the form attached hereto as Exhibit B to the Contract.

If on any January 15 or July 15 (or, if such day is not a business day, the next succeeding business day) the Paying Agent shall not have received from the School District amounts sufficient to pay in full the principal of and interest on the Bonds on the following February 1 or August 1, respectively, then the Paying Agent shall be irrevocably directed to notify the State Board, at the address designated by the State Board in Atlanta, Georgia, of the amount of any such deficiency. All funds received by the Paying Agent from the State Board pursuant to the Intercept Program shall be held by the Paying Agent in trust until paid on such February 1 or August 1.

[END OF ARTICLE VII]

**ARTICLE VIII
DEFAULT; REMEDIES**

Section 8.01 Events of Default. Each of the following events is hereby declared an event of default;

(a) Payment by the Authority of the principal of any of the Bonds shall not be made when the same shall become due and payable;

(b) Payment by the Authority of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) The failure by the Authority to observe and perform any covenant, condition, or agreement contained in the Bonds or this Resolution on its part to be observed or performed other than as referred to in Section 8.01(a) or (b) hereof for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Paying Agent, or the owner of any Bond unless action to remedy such default shall have been undertaken and more than 30 days is required for its completion in which event the Authority may permit such default to remain undischarged during the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30 day period after the giving of notice, unless by such action, the lien or charge hereof on the Contract Payments shall be materially endangered or the Projects or any part thereof shall be subject to loss or forfeiture, in which event, such default shall be promptly remedied; or

(d) An “event of default” shall have occurred under the Contract.

Section 8.02 Remedies. Upon the happening and continuance of any event of default in any one of the ways specified in the preceding section, the registered owner of any Bond then outstanding may proceed, subject to the provisions of Section 8.04, with any right or remedy independent of or in aid of the foregoing powers such as said owner may deem best, including the right to secure specific performance by the Authority of any covenant or agreement herein contained, the right to protect and enforce the rights of the owners of the Bonds by suit, action, or special proceedings in equity or at law in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy deemed most effectual to protect and enforce such rights, the right to the appointment, as a matter of right and without regard to the sufficiency of the security afforded hereby, of a receiver for all or any parts of the Projects and the earnings, revenue, and income therefrom, and the right to enforce remedies afforded to Bondowners under the Georgia Revenue Bond Law. The rights herein specified are cumulative of all other available rights, remedies, or powers and shall not be exclusive of any.

Section 8.03 Termination of Proceedings. In case any proceeding taken by the owner of any Bond on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to such owner, then and in every such case, the Authority and the owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers, and duties of the owners of the Bonds shall continue as though no such proceedings had been taken.

Section 8.04 Limitation on Rights. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided herein or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had, and maintained for the equal benefit and protection of all owners of such outstanding Bonds.

Section 8.05 Remedies Cumulative. No remedy herein conferred upon the Bondowners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.06 Delay Not a Waiver. No delay or omission of any Bondowner to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or be construed as a waiver of any default or an acquiescence therein and every power and remedy given by this Article to the owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 8.07 Application of Revenue on Default. During the continuance of an event of default, funds and revenue received pursuant to any right given or action taken under the provisions of this Article shall be applied to the payment of principal and interest on the Bonds as follows and in the following order:

(a) prior to the principal of all the Bonds becoming due or being declared to be due and payable,

(i) to the payment to the persons entitled thereto of all interest then due in the order in which such interest became due, and

(ii) to the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably according to the amounts of principal due on such date to the persons entitled thereto, without preference, priority or distinction; and

(b) subsequent to the principal of all the Bonds becoming due or being declared to be due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any interest in arrears over any other interest in arrears or of any Bond over any other bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without preference, priority or distinction.

Section 8.08 Rights to Enforce Payment. Nothing in the Resolution or in the Bonds shall affect or impair the right of action of the owner of any Bond, which is absolute and unconditional, to enforce payment of such Bond in accordance with the provisions of this Resolution.

Section 8.09 School District Authorized to Cure Default. As to any alleged default by the Authority hereunder, the Authority hereby authorizes and designates the School District as its

attorney-in-fact and agent and gives it full power to perform in the name and stead of the Authority, any covenant or obligation of the Authority which is alleged to constitute a default, and the School District shall be and hereby is fully empowered to do any and all things and perform all acts to the same extent that the Authority could do and perform.

[END OF ARTICLE VIII]

**ARTICLE IX
SUPPLEMENTAL PROCEEDINGS**

Section 9.01 Supplemental Resolutions; Supplemental Proceedings Not Requiring Consent of Bondowners.

(a) Notwithstanding the foregoing provisions of this Resolution, the Authority is authorized to adopt such supplemental resolutions as are necessary to (i) redesignate the name of the Series 2024 Bonds described in Section 2.01 of this Resolution, (ii) revise or replace the procedures relating to the book-entry form for the Series 2024 Bonds described in Section 2.08 of this Resolution, and (iii) provide for any future series of Series 2024 Bonds to be designated as taxable bonds, tax-credit bonds, or any designation appropriate for participation in any other federal or state program and issued in compliance with any such designation.

(b) The Authority may without the consent of or notice to any of the Bondowners, enter into such resolution or resolutions supplemental to this Resolution, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission or inconsistent provision in this Resolution, (ii) to grant to or confer upon the Bondowners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Bondowners, and (iii) to subject to the lien and pledge of this Resolution additional revenues or collateral.

Section 9.02 Supplemental Resolutions Requiring Consent of Bondowners.

(a) Exclusive of supplemental resolutions covered by Section 9.01 and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than two-thirds in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve, in writing, the execution by the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; provided, that without the written consent of the owners of all the Bonds then outstanding, the Authority may not enter into any supplemental resolution that has the effect of permitting (i) the extension of the maturity of any installment of principal of or interest on any Bond; (ii) a reduction in the principal amount or the rate of interest on any Bond; (iii) the creation of a lien or charge on any of the Projects; (iv) the creation of a lien or charge on the Contract Payments, ranking prior to the lien or charge thereon contained in this Resolution; (v) the establishment of preferences or priorities between the Bonds; or (vi) a reduction in the aggregate principal amount of Bonds the owners of which are required to consent to such supplemental resolution.

(b) If at any time the Authority shall desire to enter into any such supplemental proceedings for any of the purposes of this Section, the Authority shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental proceedings to be published one time in a financial journal of general circulation in the Borough of Manhattan, City and State of New York, published in the English language, regularly at least five consecutive business days each week, and the Authority shall mail a copy of such notice to

the registered owners of all of the Bonds but no failure to publish any such notice nor any defect in any notice, including failure of a bondowner to receive such notice by mail, shall affect the right of the Authority to effect the validity of such supplemental resolution if all necessary consents are obtained. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy of the same is on file with the Authority. If the owners of not less than two-thirds in aggregate principal amount of the Bonds outstanding hereunder at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Bondowner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental resolution as in this Section permitted and provided, this Resolution shall be deemed to be modified and amended in accordance therewith.

(c) Anything herein to the contrary notwithstanding, a supplemental resolution adopted under this Article while the School District is not in default under the Contract or this Resolution, shall not become effective unless and until the School District shall have consented in writing to the execution and delivery of such supplemental resolution. In this regard, the Authority shall cause notice of the proposed execution and delivery of any such supplemental resolution to which the School District has not already consented, together with a copy of the proposed supplemental resolution and a written consent form to be signed by the School District, to be mailed by certified or registered mail to the School District at least 30 days prior to the proposed date of execution and delivery of any such supplemental resolution or shall otherwise obtain the written consent of the School District.

Section 9.03 Amendments to Contract Not Requiring Consent of Bondowners. The Authority and the School District, without the consent of or notice to the Bondowners, may amend the Contract for the purpose of (i) making any change required by the Contract or this Resolution; (ii) substituting or adding additional property as part of the Projects; (iii) curing ambiguities, defects, or inconsistent provisions; or (iv) providing for any other amendment which does not adversely affect the interests of the Bondowners.

Section 9.04 Amendments to Contract Requiring Consent of Bondowners.

(a) Except for the amendments as provided in this Section 9.04, neither the Authority nor the School District may amend the Contract without the written approval or consent of the owners of not less than two-thirds in aggregate principal amount of the Bonds at the time outstanding given and procured as in this Section provided; provided that, without the written consent of the owners of all the Bonds then outstanding, no such amendment shall ever affect the obligation of the School District to pay Contract Payments when due under the provisions of the Contract.

(b) If at any time the Authority and the School District shall propose any such amendment to the Contract, the Authority, upon being satisfactorily indemnified with respect to expenses, shall cause notice of such proposed amendment to be given in the same manner as provided by Section 9.02 hereof with respect to supplemental resolutions. Such notice shall briefly set forth the nature of such proposed amendment and shall state that copies of the instrument

embodying the same are on file at the principal office of the Authority for inspection by all Bondowners. The Authority shall not, however, be subject to any liability to any Bondowner by reason of its failure to provide such notice, and any such failure shall not affect the validity of such amendment when consented to and approved as provided in this Section. If the owners of not less than two-thirds in aggregate principal amount of the Bonds outstanding hereunder at the time of the execution of any such amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment as in this Section permitted and provided, the Contract shall be deemed to be modified and amended in accordance therewith.

Section 9.05 No Notation on Bonds Required. Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of this Resolution, and all the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be a part of the terms and conditions of this Resolution and shall be effective as to all owners of the then Outstanding Bonds and no notation or legend of such modifications and amendments shall be required to be made on any such outstanding bonds.

Section 9.06 Proof of Execution and Ownership.

(a) Any request, waiver, direction, consent, or other instrument required by this Resolution to be signed or executed by the owners of Bonds, may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent or attorney appointed in writing. Proof of the execution of any such instrument, or of the writing appointing such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Authority with regard to any action taken by it under such instrument. The fact and date of the execution by any person of any such instrument may be proved by an affidavit of a witness to such execution or by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof. The ownership at any given time of a registered Bond may be proved by a certificate of the Bond Registrar stating that on the date stated the registered Bond described was registered on its books in the name of the stated party. The Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon it.

(b) Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Authority in pursuance of such request or consent. No revocation of such consent shall be effective after the owners of two-thirds in aggregate principal amount of the Bonds outstanding have, prior to such attempted revocation, consented to and approved the amendment or amendments referred to in such revocation.

[END OF ARTICLE IX]

**ARTICLE X
MISCELLANEOUS PROVISIONS**

Section 10.01 Merger of Paying Agent. During such times as the Paying Agent is a bank or trust company, any bank or trust company with or into which the Paying Agent may be merged or consolidated or to which the assets and the business of the paying agent may be sold shall be the successor paying agent for the purpose of this Resolution.

Section 10.02 Resolution Constitutes Contract. The provisions, terms, and conditions of this Resolution shall constitute a contract by and between the Authority and the owners of the Bonds, and, after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bonds nor shall the governing body of the Authority adopt any resolution in any way ever adversely affecting the rights of such owners so long as any of the Bonds or the interest thereon shall remain unpaid; provided, however, that the provisions of this Section shall not be construed to restrict or impair any rights reserved to the Authority by the provisions of Article IX.

Section 10.03 Limitation on Liability from Sinking Fund.

(a) Should any Bonds not be presented for payment when due, the Authority shall retain in the Sinking Fund, from the funds transferred thereto for the purpose of paying the Bonds and the interest thereon, for the benefit of owners thereof, a sum of money sufficient to pay such Bonds when the same are presented by the owners thereof for payment. All liability of the Authority to the owners of such Bonds, and all rights of such owners against the Authority under the Bonds, or under this Resolution shall thereupon terminate, and the sole right of such owners shall thereafter be against such funds on deposit in the Sinking Fund.

(b) If any Bond shall not be presented for payment within the period of five years following the date when such Bond becomes due, the Authority may transfer to its general fund all funds theretofore held by it in the Sinking Fund for payment of such Bond or the interest thereon, and such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Authority.

Section 10.04 Validation. The Bonds shall be validated in the manner provided by law, and, to that end, notice of the adoption of this Resolution and a copy hereof shall be served upon the District Attorney of the Towaliga Judicial Circuit of Georgia in order that proceedings for the above purpose may be instituted in the Superior Court of Monroe County, and said notice shall be executed by the Chairman and the seal of the Authority shall be impressed thereon and attested by the Secretary of the Authority.

Section 10.05 Partial Invalidity. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, such illegality or invalidity shall not affect any other provisions hereof or of the Bonds unless expressly so held, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein, and this Resolution shall be construed to adopt, but not to enlarge upon, all the applicable provisions of the Georgia Revenue Bond law, and, if any provisions hereof conflict with any applicable provision

of said law, the latter as adopted by the legislature and as interpreted by the courts of this state shall prevail and shall be substituted for any provisions hereof in conflict or not in harmony therewith.

Section 10.06 Approval of Official Statement. The Authority shall cause to be prepared and distributed a Preliminary Official Statement with respect to the Series 2024 Bonds and shall prepare, execute, and deliver an Official Statement for the Series 2024 Bonds in final form and the execution and delivery of said Official Statement Bonds in final form be and the same are hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 2024 Bonds be and the same is hereby ratified and confirmed, and the Chairman of the Authority is duly authorized to “deem final” the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12. The Chairman of the Authority is hereby authorized to execute and deliver the Official Statement for and on behalf of the Authority and said Official Statement shall be in substantially the form of the Preliminary Official Statement, subject to such changes, insertions, or omissions as may be approved by the Chairman and the execution of said Official Statement by the Chairman as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Preliminary Official Statement and Official Statement for and on behalf of the Authority is hereby authorized and approved.

Section 10.07 Authorization of Contract. The Contract shall be in substantially the form attached hereto as Exhibit B, with such additions, amendments, insertions, or omissions as may be approved in by the Chairman of the Authority for the Series 2024 Bonds. The Contract shall be executed by the Chairman or Vice-Chairman of the Authority and the seal thereof impressed thereon and attested by the Secretary of the Authority.

Section 10.08 Bond Purchase Agreement. The Chairman or Vice-Chairman and Secretary of the Authority are authorized to execute on behalf of the Authority the Bond Purchase Agreement with the Underwriter in substantially the form attached hereto at Exhibit C.

Section 10.09 Federal Tax Certificate. In order to maintain the exclusion from federal gross income of interest on the Series 2024 Bonds, the Authority covenants to comply with the applicable requirements of the Code. In furtherance of this covenant, for the benefit of the holders of the Series 2024 Bonds, the Authority agrees to comply with the provisions of a Tax Regulatory Agreement and Non-Arbitrage Certificate to be executed by the Authority and delivered concurrently with the issuance and delivery of the Series 2024 Bonds.

Section 10.10 General Authorization. The proper officers, agents, and employees of the Authority hereby are authorized to take any and all further actions and execute and deliver any and all other certificates and documents as may be necessary or desirable in connection with the issuance of the Series 2024 Bonds and the execution and delivery of the Bond Purchase Agreement, the Federal Tax Certificate, the Official Statement, and the carrying out of the purposes and intent of this Resolution. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, agents, and employees of the Authority hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed.

Section 10.11 Table of Contents and Headings Not Part of Resolution. The Table of Contents preceding the body of this Resolution and the headings preceding the several articles and sections hereof are solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction, or effect.

Section 10.12 Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 10.13 Repealer. Any and resolutions or parts of resolutions in conflict with this Resolution shall be and the same hereby are repealed.

Section 10.14 Performance Audit. Unless specifically waived pursuant to the publication of such waiver in compliance with the provisions of O.C.G.A. § 36-82-100, the Authority will select a certified public accountant or an outside auditor, consultant or provider for the purpose of providing for a continuing performance audit or performance review of the expenditure of bond proceeds and otherwise complying with the provisions of O.C.G.A. § 36-82-100, the cost of which performance audit or performance review shall be paid by the funds of the School District.

[END OF ARTICLE X]

APPROVED AND ADOPTED in a public meeting, this 15th day of October, 2024.

**MONROE COUNTY PUBLIC FACILITIES
AUTHORITY**

[SEAL]

By: _____
Chairman

ATTEST:

Secretary

(Signature Page to Bond Resolution)

Exhibit A

FORM OF SERIES 2024 BONDS

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Monroe County Public Facilities Authority or its agent for registration of transfer, exchange, or payment, and any Series 2024 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-

CUSIP:

UNITED STATES OF AMERICA
STATE OF GEORGIA

\$16,175,000*

MONROE COUNTY PUBLIC FACILITIES AUTHORITY
(MONROE COUNTY SCHOOL DISTRICT PROJECTS)
REVENUE BONDS, SERIES 2024

Maturity Date: _____

Principal Amount: \$ _____

Interest Rate: _____%

Bond Date: [November 12, 2024]

Registered Owner: Cede & Co.

The Monroe County Public Facilities Authority (the “**Authority**”), a body corporate and politic and a public corporation of the State of Georgia (the “**State**”), codified at Ga. L. 2008, p. 4432 (the “**Act**”), for value received, hereby promises to pay or cause to be paid to the registered owner named above, or registered assigns, the principal amount specified above, solely from the special fund provided therefor as hereinafter set forth, upon presentation and surrender of this bond (this “**Bond**”) at the designated corporate trust office of Regions Bank, in the City of Atlanta, Georgia, as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof solely from said special fund, by check or draft mailed by first class mail to such owner at his address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of this Bond in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date (hereinafter defined), which wire instructions shall remain in effect until the Paying Agent is notified to the contrary), interest on such principal sum, at the interest rate per annum specified above, payable on [February 1, 2025], and semi-annually thereafter on February 1 and August 1 of each year (each an “**Interest**”

Payment Date”), from the Bond Date specified above or from the most recent Interest Payment Date to which interest has been paid until payment is made of such principal sum in full.

The interest so payable on any Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Series 2024 Bonds not less than 30 days preceding such subsequent date of record. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Authority has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

This Bond is one of a duly authorized series of bonds designated MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024 (the “**Series 2024 Bonds**”), issued in the aggregate principal amount of \$16,175,000* to provide funds needed to pay the costs, in whole or in part, for one or more capital project of the Monroe County School District (the “**School District**”) with proceeds of revenue bonds to finance (i) renovations to the School District’s Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the “**Projects**”) located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds, as more specifically described in the Resolution (hereinafter defined) and the costs of issuing the Series 2024 Bonds. This Bond is issued pursuant to authority of and in accordance with the provisions of the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 *et seq.*, the general laws of the State, and the Act, and was duly authorized by a bond resolution adopted by the Authority on [October 15], 2024 (the “**Resolution**”).

The payment of the Series 2024 Bonds and any bonds issued on a parity therewith and the interest thereon are secured by a first and prior pledge of and charge or lien on the revenues to be paid by the School District and to the terms of an Intergovernmental Contract, dated the date of the Series 2024 Bonds (the “**Contract**”), pursuant to the powers and authority therefor provided by the Constitution and laws of the State. The Contract provides for the payment by the School District to the Authority or to its assignee for the account of the Authority, of the amounts provided in the Contract sufficient to pay the principal of and interest due on the Series 2024 Bonds on each interest or principal and interest payment date, and to pay other expenses authorized hereby to be incurred.

This Series 2024 Bond shall not constitute a debt or a pledge of the faith and credit of the State or the School District, but shall be payable solely from the Contract Payments (as defined in the Resolution) and the funds of the Authority as provided in the Contract and the Resolution, and the issuance of this Series 2024 Bond shall not directly, indirectly, or contingently obligate the State or the School District to levy or pledge any form of taxation whatever for the payment hereof. No owner of this Series 2024 Bond shall have the right to enforce the payment hereof against any property of the State or the School District, nor shall this Series 2024 Bond constitute a charge, lien, or encumbrance, legal or equitable, upon any such property; provided, however, that in accordance with the provisions of the Constitution and laws of the State, the obligation of the School District to make the payments it has contracted to make by the provisions of the Contract shall constitute a general obligation and a pledge of the full faith and credit of the School District, and the obligation which the School District has undertaken to make such payments from taxes to be levied for that purpose is a mandatory obligation to levy and collect such taxes from year to year in amount sufficient to fulfill and fully comply with the terms of such obligation.

In addition to the aggregate principal amount of the Series 2024 Bonds, the Authority, under certain conditions as provided in the Resolution, may issue additional revenue bonds which, if issued in accordance with such provisions, will rank *pari passu* with the Series 2024 Bonds with respect to the pledge of and the charge or lien on the revenue pledged to the payment thereof.

As provided in the Resolution, the Series 2024 Bonds are limited obligations of the Authority. There are pledged under the Resolution and assigned for the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds, in accordance with the terms and provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, (i) the proceeds from the sale of the Bonds; (ii) the Contract, including the Contract Payments and other receipts of the Authority derived from the Contract; (iii) the funds established by this Resolution, including the investments, if any, thereof; and (iv) any and all other money and obligations which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Authority in trust under any of the provisions of the Resolution or the Contract, and any other right, title, and interest which at such time is subject to the lien of the Resolution (provided, however, the Authority has retained its Retained Rights (as defined in the Contract) under the Contract to certain fees and expenses, and the receipt of notices). Copies of the Resolution and the Contract are on file at the offices of the Authority, the offices of the School District, and at the designated corporate trust office of the Paying Agent.

Reference to the Resolution and the Contract are hereby made for a complete description of the funds charged with and pledged to the payment of the principal of and interest on the Series 2024 Bonds, a complete description of the nature and extent of the security provided for the payment of the Series 2024 Bonds, a statement of the rights, duties and obligations of the Authority, and the rights of the owners of the Series 2024 Bonds, to all the provisions of which the owner hereof, by the acceptance of this Series 2024 Bond, assents.

[Scheduled Mandatory Redemption language here.]

[The Series 2024 Bonds may be redeemed prior to maturity, at the option of the Authority, in whole or in part at any time beginning August 1, 20__ (if less than all of the Series 2024 Bonds

are to be redeemed, the actual Series 2024 Bonds shall be selected *pro rata* or by lot in such manner as determined by the Paying Agent, rounded to the nearest \$5,000 among the Series 2024 Bondowners), from any money available therefor. Such redemption shall be made upon payment of the redemption price equal to 100% of the principal amount of the Series 2024 Bonds to be redeemed plus accrued interest to the redemption date.]

[Notice of any redemption of the Series 2024 Bonds shall be given by the Authority, at the direction of the School District, to the Bond Registrar and Paying Agent at least forty-five days prior to the date fixed for redemption and shall be given one time not less than thirty days nor more than sixty days prior to the date fixed for redemption to the holders of each of the Series 2024 Bonds being called for redemption by first class, registered or certified mail as the Paying Agent shall determine is necessary at the address shown on the register of the Bond Registrar as of forty-five days prior to the date fixed for redemption. Said notice shall also be given by certified mail, return receipt requested, or by electronic means not less than 30 days nor more than 45 days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System or as may be required by applicable law or regulation at the time of giving such notice. No transfer or exchange of any Series 2024 Bonds so called for redemption shall be allowed. In the event any holder of any Series 2024 Bond being redeemed shall fail to present for redemption any such Series 2024 Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Series 2024 Bond shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Paying Agent to give such notice shall not affect the validity of the proceedings for the redemption of any bond as to which no such failure occurred. Any notice mailed or delivered as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.]

[Series 2024 Bonds or any Parity Bonds may be redeemed in whole or in part before the maturity of the Series 2024 Bonds, subject to the Sinking Fund requirements prescribed in the Resolution.]

The pledge of and the charge of lien on the Contract Payments to secure the payment of the Series 2024 Bonds and the interest thereon is a first and prior pledge of and charge or lien on such revenue, and the Contract provides that the portion of such revenue paid in the form of Contract Payments, described in the Resolution, shall be deposited directly by the School District into a special fund, designated the MONROE COUNTY PUBLIC FACILITIES AUTHORITY SINKING FUND 2024 (the "**Sinking Fund**"), in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2024 Bonds which are now or which may be hereafter outstanding as such principal, premium, if any, and interest shall become due and be payable, and the Sinking Fund, by the provisions of the Resolution, is pledged to and charged with the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds.

This Bond is transferable as provided in the Resolution only upon the books of the Authority kept for that purpose at the designated corporate trust office of the Bond Registrar by the Registered Owner hereof in person, or by such Owner's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such Owner's duly authorized attorney, and thereupon a new registered Bond or Bonds in the same aggregate principal amount shall be issued

to the transferee in exchange therefor as provided in the Resolution and upon payment of any charges therein prescribed. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid. This Bond is registrable as transferred by the owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar, all subject to the terms and conditions of the Resolution.

The Series 2024 Bonds are issuable as fully registered bonds in the principal denomination of \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Resolution, Bonds may be exchanged at the designated corporate trust office of the Bond Registrar for a like principal amount of Bonds of the same maturity and of other authorized denominations.

In certain events, on the conditions, in the manner, and with the effect set forth in the Resolution, the principal of all Series 2024 Bonds then outstanding together with the interest thereon may become or may be declared to be due and payable before the stated maturities thereof.

To the extent and in the manner permitted by the Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the Series 2024 Bonds may be made by the Authority with the consent of the owners of at least two-thirds in principal amount of the Series 2024 Bonds then outstanding without necessity for notation hereon or reference thereto.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by execution by the Authentication Agent, by manual signature of the certificate hereon endorsed.

It is hereby recited and certified that all acts, conditions, and things required to exist, happen, or be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due and legal time, form, and manner as required by law and that provision has been made for the payment of the Contract Payments in amounts sufficient to pay the principal of, premium, if any, and interest on all Series 2024 Bonds and any Parity Bonds as the same shall mature and become due and that said funds are irrevocably allocated and pledged to the payment of all of the Series 2024 Bonds and any Parity Bonds and the interest thereon.

IN WITNESS WHEREOF, the Monroe County Public Facilities Authority has caused this Bond to be executed with the manual signature of its Chairman, and has caused its corporate seal to be hereunto impressed and attested with the manual signature of its Secretary, as of the date of its authentication.

**MONROE COUNTY PUBLIC FACILITIES
AUTHORITY**

[SEAL]

By: _____ [FORM] _____
Chairman

ATTEST:

[FORM]
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024, described herein.

Date of Authentication: [November 12], 2024

(INSERTNAME) _____
Authentication Agent

By: (FORM) _____
Authorized Signatory

STATE OF GEORGIA)
)
MONROE COUNTY)

VALIDATION CERTIFICATE

I, the undersigned Clerk of Superior Court of Monroe County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Monroe County, Georgia, on [November 5], 2024.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Monroe County, Georgia, to be produced hereon.

(S E A L)

(FORM)
Clerk, Superior Court of Monroe County, Georgia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Social Security Number or

Other Identifying Number of Assignee:

Please print or type name and address
(including postal zip code) of Assignee:

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____ as Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

(FORM)
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: _____, 20__
Signature Guaranteed:

(FORM)

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP, or MSP signature guarantee medallion programs.

Exhibit B

FORM OF CONTRACT

[Attached]

INTERGOVERNMENTAL CONTRACT

by and between

MONROE COUNTY PUBLIC FACILITIES AUTHORITY

and

MONROE COUNTY SCHOOL DISTRICT

Dated [November 12, 2024].

Relating to the issuance of
\$16,175,000*
in aggregate principal amount of its

MONROE COUNTY PUBLIC FACILITIES AUTHORITY
(MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024

*Preliminary; subject to change.

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THIS INTERGOVERNMENTAL CONTRACT, dated [November 12, 2024] (this “**Contract**”), is made and entered into by and between the Monroe County Public Facilities Authority, an instrumentality of the State of Georgia and a body corporate and politic thereof (the “**Authority**”), and the Monroe County School District, a political subdivision of the State of Georgia (the “**School District**”).

W I T N E S S E T H:

WHEREAS, the Authority has been created pursuant to the “Monroe County Public Facilities Authority Act,” codified at Ga. L. 2008, p. 4432 (the “**Act**”); and

WHEREAS, pursuant to Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia, any municipality or other political subdivision of the State of Georgia may contract for any period not exceeding 50 years with any public authority for joint services, for the provision of services or for the joint or separate use of facilities and equipment, provided such contracts deal with activities, services, or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the School District is authorized by the Constitution and the laws of the State of Georgia, to provide for the acquisition, construction, building, operation, and maintenance of school buildings, and educational, recreational, and athletic buildings and facilities; and any other educationally related improvements; and

WHEREAS, as a corollary to these powers, the School District is authorized to levy and collect ad valorem property taxes for such purposes; and

WHEREAS, under the Act, the Authority is authorized to undertake any “Project” which, pursuant to the Act, means any capital project which may be financed with revenue bonds under general laws in effect from time to time, which is located or to be located in Monroe County (the “**County**”), that is determined by the Authority to promote the public good or general welfare of the citizens of the County, or of the State, or any of its enterprises or systems, including, but not limited to, the acquisition, construction, renovation, improvement, extension, addition, or equipping of:

(A) utility systems and improvements, including without limitation, water and sewer systems and facilities, sewage and solid waste disposal systems and facilities, and electric, gas, and other similar facilities or systems;

(B) emergency facilities, including emergency, fire, sheriff, and rescue facilities

(C) recreational facilities, including parks, athletic fields, buildings, or facilities or other similar facilities;

(D) public safety facilities, including jails, sheriff’s offices, facilities, or equipment, state patrol or other law enforcement facilities or equipment;

(E) healthcare facilities and equipment;

(F) educational, cultural, or historical facilities and equipment;

- (G) transportation facilities and equipment; and
- (H) administrative facilities and equipment.

WHEREAS, under the Act, the Authority is authorized to provide for the issuance of revenue bonds for various purposes, including the Projects (defined below), and the Act authorizes the Authority to acquire, construct, and equip buildings and facilities for use by the School District for its educational functions; and

WHEREAS, in furtherance of the public purposes of the Authority, the School District has requested that the Authority issue revenue bonds to provide funds to finance, in whole or in part, one or more capital outlay projects of the School District including: (i) renovations to the School District's Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the "**Projects**") located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds; and

WHEREAS, the Projects will be initially owned by the Authority on land located in Monroe County (the "**County**") and sold to the School District in return for installment payments of purchase price; and

WHEREAS, the Authority is issuing its \$16,175,000* Monroe County Public Facilities Authority (Monroe County School District Projects) Revenue Bonds, Series 2024 (the "**Series 2024 Bonds**") in accordance with the provisions of its bond resolution adopted on [October 15, 2024] (the "**Resolution**"), for the purpose of paying the costs of the Projects; and

WHEREAS, for and in consideration of the Authority providing funding for the Projects for the benefit of the School District and its citizens, the School District is authorized to levy taxes, without limitation as to rate or amount, and to expend tax money of the School District and other available funds and to obligate the School District to make payment thereof to the Authority of the amounts provided for in this Contract; and

WHEREAS, Section 9 of the Act provides as follows:

Revenue bonds or notes issued under the provisions of this Act or any loan incurred as authorized herein shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the county, but shall be payable solely from the sources as may be designated in the resolution or indenture of the authority authorizing the issuance of the same. The issuance of such obligations shall not directly, indirectly, or contingently obligate the State of Georgia or any political subdivision thereof, including the county, to levy or to pledge any form of taxation whatever for the payment thereof. No holder of any bond or receiver or trustee in connection therewith shall have the right to enforce the payment thereof against any property of the State of Georgia or any political subdivision thereof, including the county, nor shall any such bond

constitute a charge, lien, or encumbrance, legal or equitable, upon any such property. All such obligations shall contain on their face a recital setting forth substantially the foregoing provisions of this section. Nothing in this section shall be construed to prohibit the State of Georgia or any political subdivision or agency thereof, including the county, from obligating itself to pay the amounts required under any contract entered into with the authority pursuant to Article IX of the Constitution of the State of Georgia, or any successor provision, including from funds received from taxes to be levied and collected for that purpose to the extent necessary to pay the obligations contractually incurred with the authority, and from any other source; and

WHEREAS, following study and investigation, the School District has determined that it is in the best interest of the School District to enter into this Contract with the Authority for the benefit of the School District and its residents.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, covenants, and agreements hereinafter set forth, the Authority and the School District hereby agree as follows; provided, that in the performance of the covenants and agreements of the Authority herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt of the Authority but shall be payable solely out of the proceeds derived from the sale of the Series 2024 Bonds and the revenues and receipts derived from this Contract:

* * * * *

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. All words and phrases defined in Section 1.01 of the Resolution shall have the same meanings in this Contract.

Section 1.02. Rules of Construction. The definitions referred to in Section 1.01 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter,” “this Contract,” and other equivalent words refer to this Contract and not solely to the particular portion thereof in which any such word is used.

All references herein to particular Articles or Sections are references to Articles or Sections of this Contract unless otherwise specified.

Section 1.03. Findings and Incorporation of Preamble. The Authority and the School District hereby declare that the foregoing preamble and whereas provisions set forth hereinabove constitute, and shall be considered to be, substantive provisions of this Contract and are hereby incorporated by reference into this Section 1.03.

[END OF ARTICLE I]

ARTICLE II
REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Section 2.01. The Series 2024 Bonds. In order to pay the cost of the Projects, the Authority has authorized the issuance of the Series 2024 Bonds, for which provision is made upon the terms set forth in the Resolution, a certified copy of which Resolution is on file in the records of the Authority and the School District.

Section 2.02. Representations, Warranties, and Agreements of the Authority. The Authority represents, warrants, and agrees that:

(a) The Authority is a body corporate and politic created and existing under the Act and, unless otherwise required by law, shall maintain its corporate existence so long as any Series 2024 Bonds are Outstanding. Under the provisions of the Act, the Authority is authorized to enter into and carry out the transactions contemplated by this Contract and the Resolution;

(b) The Authority has agreed to provide financing for the undertakings of the School District described in the preamble of this Contract by the issuance of the Series 2024 Bonds as set forth in the Resolution;

(c) To the knowledge of the Authority, there is no litigation or proceeding pending, or threatened, against the Authority or against any other party which would have a material adverse effect on the right of the Authority to execute this Contract or the ability of the Authority to comply with any of its obligations under the Series 2024 Bonds, this Contract, the Resolution, or any other documents contemplated to be executed by the Authority in connection with the issuance and delivery of the Series 2024 Bonds;

(d) This Contract, upon execution of the same, will constitute the legal, valid, and binding obligation of the Authority in accordance with its terms, and performance by the Authority of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under any agreement or instrument to which the Authority is a party or by which the Authority is bound;

(e) The Authority has not made, done, executed, and warrants that it will not make, do, or execute any act or thing whereby the School District's interest in the Projects will be impaired or encumbered in any manner except as permitted herein and the Resolution and except for acts or things done or permitted by the School District; and

(f) Except as herein and in the Resolution provided, the Authority will not encumber any part of its interest in the Contract Payments payable under this Contract or its rights under this Contract. The pledge made of the Contract Payments constitutes a first and prior pledge of and lien on said revenues and said pledge shall at no time be impaired by the Authority and the revenues shall not otherwise be pledged, except as provided in the Resolution in the context of the issuance of Parity Bonds.

Section 2.03. Representations, Warranties, and Agreements of the School District. The School District represents, warrants, and agrees as follows:

(a) The School District is a political subdivision of the State, having power to enter into and execute, deliver, and perform this Contract, and, by proper action of its governing body, has authorized the execution and delivery of this Contract and the taking of any and all such actions as may be required on its part to carry out, give effect to, and consummate the transactions contemplated by this Contract and the Resolution, and no approval or other action by any governmental authority, agency, or other person is required in connection with the delivery and performance of this Contract by it except as shall have been obtained as of the date of delivery of the Series 2024 Bonds;

(b) There is no litigation or proceeding pending, or to the knowledge of the School District threatened, against or affecting the School District, nor to the best of the knowledge of the School District is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of the Series 2024 Bonds, this Contract, the Resolution, or any other documents contemplated to be executed in connection with the issuance and delivery of the Series 2024 Bonds;

(c) This Contract, upon execution of the same, will constitute the legal, valid, and binding obligation of the School District enforceable in accordance with its terms, and performance by the School District of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the School District is a party or by which the School District is bound; and

(d) No actions will be taken by the School District which shall in any way impair the exclusion of interest on any of the Series 2024 Bonds from federal income taxation.

[END OF ARTICLE II]

ARTICLE III
ISSUANCE OF THE AUTHORITY’S SERIES 2024 BONDS

Section 3.01. The Series 2024 Bonds. In order to provide funds to finance the costs of the Projects, the Authority will issue its Series 2024 Bonds, payable in accordance with the Resolution, and all of the covenants, agreements, and provisions hereof shall be for the equal and proportionate benefit and security of the owners of the Series 2024 Bonds without preference, priority, or distinction as to the charge, lien, or otherwise of any one bond over any other bond, so that every owner of the Series 2024 Bonds shall have the same rights, privileges, and lien by virtue hereof.

Section 3.02. Date, Denomination, and Maturities. The Series 2024 Bonds shall be dated as of their date of issuance and will be issued originally in book-entry form.

(a) The Series 2024 Bonds shall be payable on August 1 in the years and amounts and shall bear interest at the per annum rates shown below.

<u>Year</u>	<u>Principal Amounts Maturing</u>	<u>Rate of Interest</u>
2024	\$-	
2025	580,000	
2026	700,000	
2027	820,000	
2028	955,000	
2029	1,045,000	
2030	1,095,000	
2031	1,150,000	
2032	1,205,000	
2033	1,270,000	
2034	1,330,000	
2035	1,400,000	
2036	1,465,000	
2037	1,540,000	
2038	1,620,000	

Section 3.03. Interest Payments. Interest on the Series 2024 Bonds will be paid on each Interest Payment Date, beginning February 1, 2025 in the manner stated in the Series 2024 Bonds until the obligation with respect to the payment of the principal thereof shall be discharged. The School District shall deposit with the Paying Agent on each January 15 and July 15 (or, if such day is not a business day, the next succeeding business day) amounts sufficient to pay in full the principal of and interest on the Bonds on the following February 1 or August 1, respectively.

Section 3.04. Security for Series 2024 Bonds.

(a) In order to secure the prompt payment of the principal of and interest on the Series 2024 Bonds according to their tenor, purport, and effect and in order to secure the performance and observance of all the covenants, agreements, and conditions therein and herein contained, and in consideration of the purchase and acceptance of the Series 2024 Bonds by the Bondowners, for other good and valuable consideration to the Authority in hand paid at or before the sealing and

delivering of these presents, the receipt and sufficiency whereof are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2024 Bonds are to be issued, authenticated, delivered, secured, and accepted by the Bondowners, the Authority has pledged to the payment of the Series 2024 Bonds the Contract Payments to be derived from this Contract, together with other funds and proceeds described in Section 7.01 of the Resolution. The Authority's pledge of the Contract Payments as herein described will constitute security for the Authority's payment obligations on the Bonds under the Resolution. Nothing contained in this Section 3.04(a) shall be construed to release the Authority from the performance of any of the agreements on its part contained herein. The Authority hereby agrees that it shall not take or omit to take any action that would cause this Contract to be terminated or that would adversely affect the Bonds or the security therefor.

(b) The School District hereby consents to the following: contemporaneously with the issuance and delivery of the Series 2024 Bonds, pursuant to the Resolution, the Authority will assign and pledge its rights under and grant a security interest in its rights to the Contract Payments to be made by the School District under Section 5.01 hereof (except for the Authority's Retained Rights) for the benefit and security of the owners of the Series 2024 Bonds.

Section 3.05. Application of Bond Proceeds. At and upon the issuance and delivery of the Series 2024 Bonds, the proceeds received therefrom shall be applied in the manner set forth in Section 4.01 of the Resolution for purposes of paying the costs of the Projects.

[END OF ARTICLE III]

ARTICLE IV
THE PROJECTS

Section 4.01. Agreement to Acquire, Construct, and Install the Projects.

Promptly following the issuance and sale of the Series 2024 Bonds, the Authority will acquire the real estate described in Exhibit A attached hereto, which, by this reference thereto, is incorporated herein (the “**Premises**”), from the School District in consideration of its agreement to acquire, construct, and install the Projects thereon. Promptly following the acquisition of the Premises, the Authority will acquire and construct the Projects thereon and acquire and install therein any associated furnishings, fixtures, and equipment and will convey the same to the School District as required by Section 4.06 hereof. The Authority hereby authorizes the School District to, on its behalf, acquire, construct, and install the Projects. The School District agrees (i) that it will exercise the foregoing authorizations given to it by the Authority, (ii) that it will cause any associated furnishings, fixtures, and equipment to be acquired in the name of the Authority, and (iii) that the Projects have been and will be acquired and constructed without material deviation from the plans and specifications for the Projects. The Authority will enter into, or accept the assignment of, such contracts as the School District may request in order to effectuate the purposes of this Section 4.01, but it will not execute any other contract or give any order for such construction or such purchase of material, supplies, furnishings, or equipment unless and until the School District shall have approved the same in writing.

The School District covenants that the Projects will result in facilities suitable for use by the School District and that all real and personal property provided for therein is necessary or appropriate in connection with the Projects. The School District may make changes in or additions to the plans and specifications for the Projects; provided, however, changes in or additions to the plans and specifications for the Projects that are material shall be subject to the prior written approval of the architect for the Projects.

The School District agrees, on behalf of the Authority, to complete the acquisition, construction, and installation of the Projects as promptly as practicable and with all reasonable dispatch after the date of issuance and sale of the Series 2024 Bonds.

Section 4.02. Delivery and Acceptance of Possession. The Authority agrees to deliver to the School District sole and exclusive possession and use of the Premises promptly following execution and delivery of this Contract, and the School District will accept possession and use of the Premises and will accept possession of the Projects upon the Completion Date (defined below); provided that prior to such date for delivery of sole and exclusive possession, the School District may take such possession of all or any part of the Projects as shall not interfere with the construction or installation of the Projects. The Authority shall be permitted such continued possession of the Projects as shall be necessary and convenient for it to construct or install or cause to be constructed or installed the Projects and any additions or alterations. The Authority covenants and agrees that it shall not take any action to prevent the School District from having quiet and peaceable possession and enjoyment of the Projects during the term of this Contract and shall, at the request of the School District and at the cost of the School District, cooperate with the School District in order that the School District may have quiet and peaceable possession and enjoyment of the Projects.

Section 4.03. Warranty of Title. The Authority warrants that (a) the School District will acquire good and marketable fee simple title to the Premises, (b) the School District will be the legal and equitable owner of all equipment and buildings associated with the Projects and will have good and merchantable title to the equipment associated with the Projects, and (c) the Projects are and will be free from all liens, adverse claims, security interests, and encumbrances.

Section 4.04. Disbursements from the Project Fund. The Authority will cause the proceeds from the sale of the Series 2024 Bonds to be applied in accordance with Section 4.01 of the Resolution to be deposited into the Construction Fund and used for the Projects. The School District acknowledges and accepts its obligations with respect to disbursements for acquisition, construction, and equipping of the Projects embodied in Section 4.04 of the Resolution. The Projects will be substantially completed in accordance with the plans and specifications on file with the School District.

The School District hereby agrees to diligently and expeditiously proceed with the acquisition, construction, and equipping of the Projects. Costs of the Projects that exceed available proceeds of the Series 2024 Bonds shall be the responsibility of the School District.

Section 4.05. Establishment of Completion Date. The “**Completion Date**” shall be evidenced to the Project Superintendent by a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the representatives of the Authority and the School District stating that, except for amounts retained by the Construction Fund Custodian for costs of the Project not then due and payable, (i) the acquisition, construction, and installation of the Projects has been substantially completed without material deviation from the plans and specifications for the Projects and all labor, services, materials, and supplies used in such acquisition, construction, and installation have been paid or provided for, (ii) all other facilities necessary in connection with the acquisition, construction, and installation of the Projects have been constructed, acquired, and installed without material deviation from the plans and specifications for the Projects and all costs and expenses incurred in connection therewith have been paid or provided for, and (iii) certificate(s) of occupancy have been issued by appropriate local governmental authorities. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. It shall be the duty of the School District to cause the certificate contemplated by this Section 4.03 to be furnished as soon as the acquisition, construction, and installation of the Projects shall have been substantially completed.

Section 4.06. Sale of the Projects. The Authority hereby sells to the School District, and the School District hereby purchases from the Authority, the Projects at the purchase price set forth in Section 5.01 hereof and in accordance with the provisions of this Contract. Promptly after acquiring, constructing, and installing each component of the Projects, the Authority shall deliver to the School District documents conveying to the School District good and marketable title (of the same quality as received by the Authority) to each such component of the Projects.

Section 4.07. Powers Vested in Project Superintendent. By the authorization and execution of this Contract, the School District hereby vests the Project Superintendent with the power and authority to act on behalf of the School District in all matters relating to this Contract and to the Projects, to give all directions and make all certificates, requisitions, and requests

required or authorized to be given or made hereunder, and to do all things required or authorized to be done by the School District hereunder. The Authority hereby recognizes and accepts such appointment.

Section 4.08. Investment of Money. Any money held as a part of the Construction Fund or the Sinking Fund shall be invested or reinvested as directed by the School District in accordance with Article VI of the Resolution.

Section 4.09. Tax Covenants. The School District hereby covenants and represents to the Authority for the benefit of each holder of the Series 2024 Bonds that:

(a) It will not expend the proceeds from the sale of the Series 2024 Bonds nor take any other action which would cause the interest on the Series 2024 Bonds to be included in the gross income of the owners thereof for federal income tax purposes;

(b) It will not make, or permit, any use of the proceeds from the issue and sale of the Series 2024 Bonds which would cause the Series 2024 Bonds to be classified as “arbitrage bonds” within the meaning of § 148(a) of the Code and any Treasury Regulations promulgated thereunder as such provisions may apply to obligations issued as of the date of issuance of the Series 2024 Bonds; and

(c) It will comply with, and take such action and make such payments as may be permitted or required by § 148(f) of the Code, to ensure that the Series 2024 Bonds do not constitute “arbitrage bonds” within the meaning of § 148(a) of the Code.

[END OF ARTICLE IV]

ARTICLE V
CONTRACT PAYMENTS BY THE SCHOOL DISTRICT

Section 5.01. Contract Payments by the School District. Pursuant to this Contract, the School District shall pay the following:

(a) the purchase price for the Projects in installments consisting of the principal of, premium, if any, and interest due on the Series 2024 Bonds, upon maturity, redemption, or otherwise. All such payments shall be made to the Paying Agent at its designated corporate office in lawful money of the United States of America in immediately available funds not less than five days prior to each date on which such principal of or interest on the Series 2024 Bonds becomes due;

(b) the reasonable fees of the Paying Agent and Bond Registrar as provided in the Resolution, subject to School District approval of the service provider and the fees of the service provider, which approval shall not be unreasonably withheld, conditioned or delayed. Said fees and expenses shall be paid when due directly to the Paying Agent and Bond Registrar for its own account;

(c) any payments which may be required by Section 4.09(c) hereof; and

(d) any other reasonable and necessary or appropriate fees and expenses incurred by the Authority in connection with the Series 2024 Bonds or any other documents or agreements entered into by the Authority at the request of the School District in connection with the Projects, including, without limitation, agreements with third parties, and including, without limitation, fees and expenses incurred by the Authority in the administration or enforcement of such other agreements related to the Projects, provided that such fees and expenses shall be expressly approved or accepted by the School District, which approval or acceptance shall not be unreasonably withheld, conditioned or delayed. The Authority's rights to payment of such fees and expenses under this Section 5.01(d) shall constitute Retained Rights of the Authority and shall not be collaterally assigned by the Authority under the Resolution.

Each payment to be made by the School District hereunder is to be made on a parity with every other payment hereunder.

Section 5.02. Credits. Any amounts in the Sinking Fund prior to any Interest Payment Date or date fixed for redemption of Bonds shall be credited against the payments due by the School District under this Contract on such Interest Payment Date or date of redemption.

Section 5.03. Place of Payments. The payments to be made pursuant to Section 5.01(a) hereof shall be paid directly to the Paying Agent for the account of the Authority and shall be deposited in the Sinking Fund as required by the Resolution. The payments to be made pursuant to subsections (b), (c), and (d) of Section 5.01 hereof shall be paid directly to the party to whom such payment is to be made.

Section 5.04. Taxes and Other Governmental Charges. The School District will pay promptly, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Projects.

Section 5.05. School District's Obligations Unconditional.

(a) The obligations of the School District to make payments required in this Article V on the dates and in the manner herein specified and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of any contingencies whatever and notwithstanding any circumstances or occurrences that may arise or take place hereafter, and shall not be subject to diminution by set-off, counterclaim, abatement, or otherwise. Until such time as the principal of, premium, if any, and interest on the Series 2024 Bonds shall have been paid or provision for such payment shall have been made in accordance with the Resolution, the School District (i) will not suspend or discontinue any payments for which provision is made in Section 5.01 hereof, (ii) will perform and observe all of its other covenants and agreements contained in this Contract, and (iii) will not terminate this Contract for any cause including, without limiting the generality of the foregoing, impossibility or illegality of performance on the part of the Authority of any of its obligations hereunder or under the Resolution, any acts or circumstances that may constitute failure of consideration, any change in the tax or other laws of the United States of America or the State of Georgia or any political subdivision thereof, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract or out of the Resolution.

(b) The School District will bear all risk of damage to, or destruction in whole or in part, of the Projects or any part thereof including without limitation any loss, complete or partial, or interruption in the use, occupancy, or operation thereof or any manner or thing which for any reason interferes with, prevents or renders burdensome the use thereof or the compliance by the School District with any of the terms of this Contract.

Section 5.06. School District's Remedies. If the Authority shall fail to perform any of its agreements in this Contract, the School District may institute such action against the Authority as the School District may deem necessary to compel such performance so long as such action shall not affect, impair, or diminish the obligation of the School District to make the payments provided for herein, which obligation shall be absolute, unconditional, and irrevocable. The School District may at its own cost and expense, and in its own name, prosecute or defend any action or proceedings against third parties or take any other action which the School District deems reasonably necessary to secure or protect its rights in which event the Authority agrees to cooperate fully with the School District.

Section 5.07. Tax Levy to Make Payments. The School District will exercise its power of taxation, which is limited to 20 mills (or such higher rate as may hereafter be authorized), to the extent necessary to pay the amounts required to be paid hereunder and will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source. The School District, in order to make such funds available for such purpose in each fiscal year, will in its general revenue, appropriation, and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for in each fiscal year during the term of this Contract, include sums sufficient to satisfy the payments required to be made under this Contract, whether or not any other sums are included in such measure, until all payments required to be made hereby shall have been made in full. The obligation of the School District to make the payments provided for pursuant to the terms

of this Contract shall constitute a general obligation of the School District and a pledge of the full faith and credit of the School District to provide the funds required to fulfill such obligation.

Section 5.08. Failure to Levy Tax. If for any reason any such provision or appropriation is not made as provided in the preceding Section 5.07, then the fiscal officers of the School District are hereby authorized and directed to set up as an appropriation on their accounts in each fiscal year the amounts required to pay the obligations called for under this Contract from its general funds. The amount of the appropriation in each fiscal year to meet the obligations of this Contract shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions hereof, and such appropriation shall have the same legal status as if the School District had included the amount of the appropriation in its general revenue, appropriation, and budgetary measures, and the fiscal officers of the School District shall make such payments for deposit to the Sinking Fund if for any reason such appropriation is not otherwise made.

Section 5.09. Prior Lien of Bonds. The Authority will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the Contract Payments superior to the lien herein created for the payment of the Series 2024 Bonds. No subordinate bonds shall be issued by the Authority with respect to this Contract or the Projects.

Section 5.10. Parity Bonds. Parity Bonds may be issued by the Authority, from time to time, ranking on parity with the Series 2024 Bonds provided that all of the provisions of Section 5.07 of the Resolution are met.

Section 5.11. State Intercept Program. Pursuant to Ga. Code Ann. § 20-2-480, prior to the issuance of any bonded indebtedness, the School District may notify the Georgia State Board of Education (the “**State Board**”) of the proposed issuance of such indebtedness and authorize and direct the State Board to withhold from the School District sufficient moneys from any state appropriation to which the School District may be entitled and apply so much as shall be necessary to the payment of the principal of and interest on such indebtedness then due. Pursuant to Ga. Code Ann. § 20-2-170, if the State Board has received the notification from the School District described in Ga. Code Ann. § 20-2-480 and if at any time the State Board is notified by the Paying Agent for the Bonds that the School District has failed to effect the punctual payment of the principal of or interest on the Bonds, the State Board is authorized to and must withhold from any state appropriation to which the School District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on such indebtedness then due (the “**Intercept Program**”).

In order to qualify the School District for participation in the Intercept Program, the Superintendent of the School District shall notify the State Board of the proposed issuance of the Bonds, and the State Board is hereby irrevocably authorized and directed to withhold from the School District sufficient moneys from any State appropriation to which the School District may be entitled, and apply so much as shall be necessary to the payment of the principal and interest on the Bonds then due, pursuant to notification by the Paying Agent for the Bonds that the School District has failed to effect the punctual payment of the principal or interest on the Bonds in the manner set forth herein, such notice to be in substantially the form attached hereto as Exhibit A.

If on any January 15 or July 15 (or, if such day is not a business day, the next succeeding business day) the Paying Agent shall not have received from the School District amounts sufficient to pay in full the principal of and interest on the Bonds on the following February 1 or August 1, respectively, then the Paying Agent is hereby irrevocably directed to notify the State Board, at the address designated by the State Board in Atlanta, Georgia, of the amount of any such deficiency. All funds received by the Paying Agent from the State Board pursuant to the Intercept Program shall be held by the Paying Agent in trust until paid on such February 1 or August 1.

[END OF ARTICLE V]

ARTICLE VI
TITLE, MAINTENANCE, OPERATION, ALTERATION, AND INSURANCE

Section 6.01. Title, Maintenance, Repair, and Insurance. Following the delivery and acceptance by the School District of all or any portion of the Projects as described in Section 4.02, the School District shall own and operate the Projects with title expressly vested in the School District and the School District shall pay all costs of operating the Projects, including, without limitation, salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Projects, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating the Projects in accordance with sound business practice. The School District will cause at all times the Projects to be maintained, preserved, and kept in good condition and repair at no expense to the Authority and will from time to time, in the discretion of the School District, cause to be made all needed and proper repairs, replacements, additions, betterments, and improvements thereto so that the use of and operations pertaining to the Projects shall at all times be conducted properly. The School District also agrees to carry insurance or cause insurance to be carried with respect to the Projects, of such type and in such amounts as is customarily obtained for similar Projects, with a responsible insurance company or companies authorized and qualified to do business in the State.

Section 6.02. Removal of Equipment. Neither the Authority nor the School District is under any obligation to renew, repair, or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary equipment or other personalty forming a part of the Projects. In any instance where the School District in its discretion determines that any items of such equipment or personalty have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the School District may remove such items of such equipment or personalty, and the School District may sell, trade, exchange, or otherwise dispose of such items, as a whole or in part, without any responsibility or accountability to the Authority.

Section 6.03. Liens. The School District will not permit any lien, debt, pledge, assessment, encumbrance, or charge ranking equally with or superior to the charge or lien created by the Resolution upon the payments provided for in Article V hereof. All lawful claims and demands for labor, materials, supplies, or other charges or assessments which if unpaid might by law become a lien upon the Projects will be promptly paid or discharged by the School District, or adequate provisions will be made to satisfy and discharge the same promptly after the same shall accrue; provided, however, that the School District may, at its own expense and in its own name and behalf or in the name and behalf of the Authority, in good faith and by appropriate legal proceedings contest any such lien, charge, or assessment and, in the event of such contest, may permit such lien, charge, or assessment so contested to remain unpaid during the period of such contest and any appeal therefrom. The Authority will cooperate fully with the School District in any such contest.

Section 6.04. Alterations and Improvements. From time to time, the School District may make or cause to be made at no expense to the Authority any additions, alterations, modifications, or improvements to the Projects which it may deem desirable for its governmental purposes.

[END OF ARTICLE VI]

ARTICLE VII
INDEMNITY

Section 7.01. Indemnification; Immunity of Members of Authority.

(a) To the extent provided by law, during the term of this Contract, the School District, at its own expense, shall handle to conclusion all claims and pay all judgments obtained against the School District or the Authority by reason of (i) any injury to or death of any person or damage to property occurring on or about the Projects or any part thereof occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the School District, its agents, or employees in connection with the operation, management, or maintenance of the Projects, (ii) any use, non-use, condition of, or defect in the Projects, and (iii) any failure, breach, or default on the part of the School District in the performance of or compliance with any of the obligations of the School District under the terms of this Contract; provided, however, that the indemnity provided by this Section 7.01 shall be effective only to the extent that the amount of liability arising from any such loss shall exceed the proceeds available therefor obtained from insurance carried with respect to such loss.

(b) Notwithstanding the fact that it is the intention of the parties that the Authority shall not incur any pecuniary liability by reason of the terms of this Contract or the undertakings required of the Authority hereunder by reason of the issuance of the Series 2024 Bonds, the adoption of the Resolution, or the performance of any act requested of the Authority by the School District; nevertheless, if the Authority should incur any such pecuniary liability, then in that event, the School District shall indemnify and hold the Authority harmless against all claims, demands, or causes of action arising therefrom and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and, upon notice from the Authority, the School District shall defend the Authority in any such action or proceeding.

(c) No recourse shall be had for the enforcement of any obligation, covenant or agreement of the Authority contained in this Contract or in the Series 2024 Bonds or the Resolution for any claim based hereon or thereon against any member, officer, or employee of the Authority or of any successor thereto, in his individual capacity, either directly or through the Authority, whether by virtue of any constitutional provision, statute, or rule of law. This Contract, the Series 2024 Bonds, and the Resolution are solely corporate obligations, and no personal liability shall attach to or be incurred by any member, officer, or employee of the Authority or of any successor thereto, either directly or by reason of the obligations, covenants, or agreements entered into between the Authority and the School District, and all personal liability of any character against every such member, officer, and employee is, by the execution of this Contract, expressly waived and released. The immunity of members, officers, and employees of the Authority under the provisions contained in this Section 7.01 shall survive the termination of this Contract.

[END OF ARTICLE VII]

ARTICLE VIII
DEFAULT; REMEDIES

Section 8.01. Events of Default Defined. The following shall be “events of default” under this Contract and the term “event of default” shall mean, whenever used in this Contract, any one of the following events:

(a) Failure by the School District to pay when due any amount required to be paid under Section 5.01(a) hereof;

(b) The failure by the Authority or the School District to observe and perform any covenant, condition, or agreement contained herein on its part to be observed or performed other than as referred to in Section 5.01(a) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given by the opposite party unless action to remedy such default shall have been undertaken and more than 30 days is required for its completion in which event the School District or the Authority, as applicable, may permit such default to remain undischarged during the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30 day period after the giving of notice, unless by such action, the lien or charge on the Contract Payments shall be materially endangered or the Projects or any part thereof shall be subject to loss or forfeiture, in which event, such default shall be promptly remedied; or

(c) An “Event of Default” shall have occurred under the Resolution.

Section 8.02. Remedies on Default.

(a) If an event of default referred to in Section 8.01(a) hereof occurs and is continuing, then the owners of not less than a majority in principal amount of the Bonds Outstanding may take whatever action at law or in equity may appear necessary or desirable to collect said amounts payable by the School District under Section 5.01(a) hereof. No remedy conferred upon or reserved to the Bondowners in this subsection (a) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Resolution.

(b) If an event of default referred to in Section 8.01(b) hereof occurs and is continuing, then the Paying Agent at the direction of the owners of not less than a majority in principal amount of the Bonds Outstanding (by written notice to the Authority and the School District), may take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation, agreement, or covenant of the party then in default under this Contract, whether for specific performance of any covenant or agreement contained herein or therein or in aid of the execution of any power herein granted. No remedy conferred upon or reserved to the Bondowners in this subsection (b) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract and now or hereafter existing at law or in equity or by statute, subject to the provisions of the Resolution.

(c) No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bondowners to exercise any respective remedy reserved to them in this Article VIII, it shall not be necessary to give any notice, other than any notice required herein.

(d) Any amounts collected pursuant to action taken under subsection (a) of this Section 8.02 shall be applied in accordance with the Resolution to the extent the provisions of the Resolution relate to such amounts.

Section 8.03. Attorneys' Fees and Expenses. If the School District should default under any of the provisions of this Contract and the owners of a majority in principal amount of the Bonds Outstanding shall employ attorneys or incur other expenses for the collection of the amounts payable hereunder or the enforcement, performance or observance of any obligation or agreement on the part of the School District herein contained, the School District will, on demand therefor, pay the amount of the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred.

Section 8.04. No Waiver of Breach. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.05. School District Authorized to Cure Default of Authority. With regard to any default on the part of the Authority under this Contract or under the Resolution, the Authority hereby vests the School District with full power, for the account of the Authority, to perform any obligation in remedy of such default in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such acts.

Section 8.06. Failure to Enforce Agreement Not a Waiver. The failure of the Authority or the Bondowners to enforce any agreement, condition, covenant, or term by reason of any default or breach by the School District shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant, or term on the occasion of any subsequent default or breach.

[END OF ARTICLE VIII]

ARTICLE IX
PREPAYMENT

Section 9.01. Optional Prepayment. The School District shall have, and is hereby granted, subject to the provisions of the Resolution, the option to prepay all or any portion of the amounts payable under Section 5.01 hereof, at the times and under the conditions provided for in the Resolution, by taking the actions required by Section 3.01 of the Resolution to effect the full or partial redemption of the Series 2024 Bonds.

Section 9.02. Exercise of Optional Prepayment. To exercise the option granted in Section 9.01 hereof relating to optional redemption of Series 2024 Bonds as provided in Section 3.01 of the Resolution, the School District shall give written notice to the Authority and the Bond Registrar of the exercise of such option and a direction to effect redemption of Bonds, which notice shall specify therein (i) the maturity or maturities of the Series 2024 Bonds to be redeemed, (ii) the date of redemption, which date shall not be less than 45 days from the date the notice is given, (iii) the principal amount of the Series 2024 Bonds or portions thereof to be redeemed, (iv) the applicable redemption price or prices, and (v) the provision or provisions of the Resolution pursuant to which the Series 2024 Bonds are to be redeemed. Upon receipt of a notice given by the School District pursuant to this Section 9.02, the Bond Registrar shall forthwith take or cause to be taken all actions necessary under the Resolution to effect the redemption of the Series 2024 Bonds in accordance with such notice.

[END OF ARTICLE IX]

ARTICLE X
TERM; MISCELLANEOUS

Section 10.01. Term of this Contract. This Contract shall be in full force and effect from the date of delivery hereof until such time as the Series 2024 Bonds shall have been paid or provision for such payment shall have been made in accordance with the Resolution and all payments due or to become due to the Paying Agent and Bond Registrar have been made; provided, however, in no event shall the term hereof exceed fifty (50) years after the date of this Contract.

Section 10.02. Notices. All notices or other communications required or permitted to be given pursuant to this Contract shall be in writing and shall be considered as properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, by overnight delivery, by delivering same in person to the intended addressee, or by prepaid telegram or telecopy. Notice so mailed shall be effective three days after its deposit. Notice given in any other manner, including overnight delivery and telecopy, shall be effective only if and when received by the addressee. Each such notice or other communication given hereunder shall be given to all of the other parties. For purposes of notice, the addresses of the parties shall be as set forth herein; provided, however, that hereinafter either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of notice to the other party in the manner set forth hereinabove.

If to the Authority: Monroe County Public Facilities Authority
38 West Main Street
Forsyth, Georgia 31029
Fax: (478) 994-7294
Attention: Chairman

If to the School District: Monroe County School District
25 Brooklyn Avenue
Forsyth, Georgia 31029
Fax: (478) 994-3364
Attention: Superintendent

If to the Bond Registrar
and Paying Agent: Regions Bank
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309
Fax: (404) 581-3770
Attention: James Coleman

Section 10.03. Binding Effect. This Contract shall inure to the benefit of and shall be binding upon the Authority, the School District and their respective successors and assigns.

Section 10.04. Severability. If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.05. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in any fund after payment in full of the principal of, premium, if any, and interest on the Series 2024 Bonds (or provision for payment shall have been made as provided for in the Resolution), the fees, charges, and expenses of the Paying Agent and Bond Registrar and all other amounts required to be paid under the Resolution, shall be paid to the School District.

Section 10.06. Delegation of Duties by the Authority. It is agreed that under the terms of this Contract and also under the terms of the Resolution, the Authority has delegated certain responsibilities to the School District. The fact of such delegation shall be deemed a sufficient compliance by the Authority to satisfy the responsibilities so delegated and the Authority shall not be liable in any way by reason of acts done or omitted by the School District or the Project Superintendent. The Authority shall have the right at all times to act in reliance upon the authorization, representation or certification of the Project Superintendent.

Section 10.07. Continuing Disclosure. The School District will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Contract, failure of the School District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default under the Resolution or this Contract; however, any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the School District to comply with its obligations under the Continuing Disclosure Certificate.

Section 10.08. Amendments, Changes, and Modifications. Subsequent to the initial issuance of the Series 2024 Bonds and prior to the payment in full of the Series 2024 Bonds, this Contract may not be amended, changed, modified, or altered except as provided in Article IX of the Resolution.

Section 10.09. Execution Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.10. Captions. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

Section 10.11. Law Governing Construction of Contract. This Contract shall be governed by and construed in accordance with the laws of the State.

[END OF ARTICLE X]

IN WITNESS WHEREOF, the Authority and the School District have caused this Contract to be executed in their respective names and their respective seals to be hereunto affixed and attested by their respective duly authorized officers, all as of the date first above written.

MONROE COUNTY PUBLIC FACILITIES
AUTHORITY

(S E A L)

By: _____
Chairman

Attest: _____
Secretary

(Authority's Signature Page)

MONROE COUNTY SCHOOL DISTRICT

[SEAL]

By: _____
Stuart Pippin, Chairman
Board of Education of Monroe County

Attest:

Dr. Jim Finch,
Superintendent and Ex-Officio Secretary
Board of Education of Monroe County

(School District's Signature Page)

EXHIBIT A

Description of the Premises

ALL OF THAT TRACT OR PARCEL OF LAND LYING AND BEING IN THE CITY OF FORSYTH, LAND LOT 182, 6TH LAND DISTRICT OF MONROE COUNTY, GEORGIA, AND BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2" REBAR FOUND INSIDE OF A 6" CLAY PIPE FILLED WITH CONCRETE, BEING THE POINT OF REFERENCE AND HAVING A GEORGIA STATE PLANE GRID, WEST ZONE, NAD 83 COORDINATE OF N:1,102,580.99, E:2,367,412.10; THENCE, S88°09'45"E A DISTANCE OF 280.74' TO A 5/8" REBAR, BEING THE POINT OF BEGINNING AND HAVING A GEORGIA STATE PLANE GRID, WEST ZONE, NAD 83 COORDINATE OF N:1,102,571.99, E:2,367,692.69; THENCE, S00°26'42"W A DISTANCE OF 541.34' TO A POINT; THENCE, N89°54'44"E A DISTANCE OF 594.78' TO A POINT; THENCE, N00°53'09"E A DISTANCE OF 699.36' TO A POINT; THENCE, N18°46'54"W A DISTANCE OF 36.44' TO A POINT; THENCE, N86°41'48"W A DISTANCE OF 595.47' TO A POINT; THENCE, S01°39'11"W A DISTANCE OF 67.36' TO A POINT; THENCE, S02°25'06"E A DISTANCE OF 160.47' TO THE POINT OF BEGINNING.

SAID TRACT OR PARCEL OF LAND HAS AN AREA OF 449,670 SQUARE FEET OR 10.323 ACRES, MORE OR LESS.

DATE: 04/22/2024 11:05:40 AM
 PROJECT: NEW FIELD HOUSE IMPROVEMENTS TO DAN PITTS STADIUM
 DRAWING: C1.0
 SCALE: 1" = 100'-0"

ALL OF THAT TRACT OR PARCEL OF LAND LYING AND BEING IN THE CITY OF DORAVILLE, COUNTY OF DEKALB, STATE OF GEORGIA, AND BEING FURTHER DESCRIBED AS FOLLOWS:

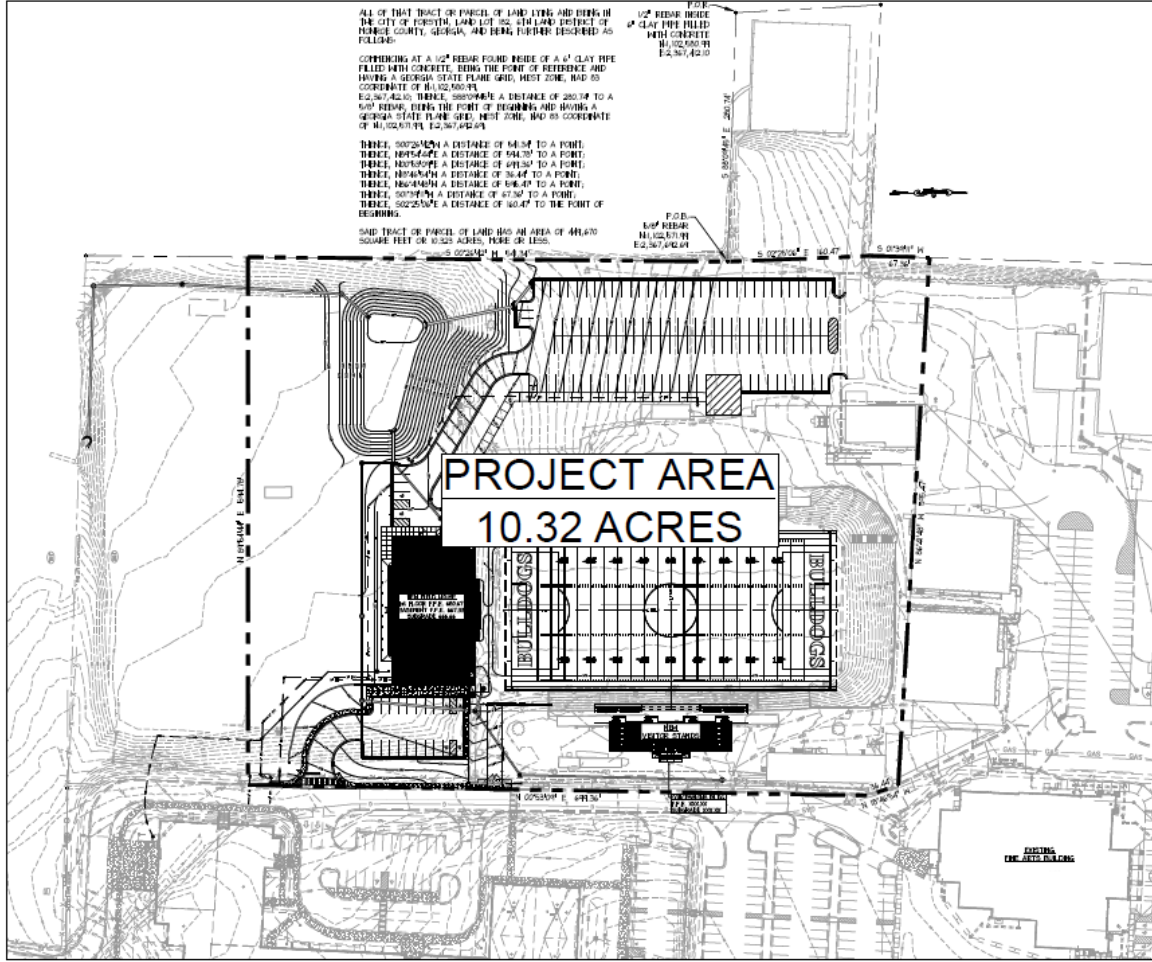
COMMENCING AT A 1/2" REBAR BEING THE POINT OF REFERENCE AND HAVING A GEORGIA STATE PLANE GRID, WEST ZONE, HAD AN COORDINATE OF 11,522,900.91
 BEING 280.74' TO A 1/2" REBAR BEING THE POINT OF BEGINNING AND HAVING A GEORGIA STATE PLANE GRID, WEST ZONE, HAD AN COORDINATE OF 11,522,900.91 (2,367,482.91)

BEING 500.25' TO A DISTANCE OF 64.54' TO A POINT;
 BEING 100.54' TO A DISTANCE OF 544.70' TO A POINT;
 BEING 100.54' TO A DISTANCE OF 491.30' TO A POINT;
 BEING 100.54' TO A DISTANCE OF 36.47' TO A POINT;
 BEING 500.25' TO A DISTANCE OF 67.50' TO A POINT;
 BEING 500.25' TO A DISTANCE OF 67.50' TO THE POINT OF BEGINNING.

SAID TRACT OR PARCEL OF LAND HAS AN AREA OF 491,670 SQUARE FEET OR 11.32 ACRES, MORE OR LESS.

FOR 1/2" REBAR WITH CONCRETE
 11,522,900.91
 2,367,482.91

FOR 1/2" REBAR WITH CONCRETE
 11,522,900.91
 2,367,482.91



GEORGIA 811
 Call Before You Dig
 1-800-4-A-GEORGIA

CARTER Engineering Group
 600 Peach Road, Suite 200
 Marietta, GA 30067
 Phone: 770-229-1100



SITE LOCATION MAP

PROJECT AREA: 10.32 ACRES

PROGRAM NOTE:
 THIS PLAN SHOWS THE PROPOSED IMPROVEMENTS TO DAN PITTS STADIUM, INCLUDING THE NEW FIELD HOUSE AND EXISTING OFF-SITE PARKING.

PROJECT EXISTENCES:

EXISTENCE	QUANTITY	UNIT	PRICE	TOTAL
CONCRETE	100	SQ YD	100.00	10,000.00
REBAR	100	TON	100.00	10,000.00
STEEL	100	TON	100.00	10,000.00
PAVING	100	SQ YD	100.00	10,000.00
LANDSCAPING	100	SQ YD	100.00	10,000.00
UTILITIES	100	FT	100.00	10,000.00
CONCRETE	100	SQ YD	100.00	10,000.00
REBAR	100	TON	100.00	10,000.00
STEEL	100	TON	100.00	10,000.00
PAVING	100	SQ YD	100.00	10,000.00
LANDSCAPING	100	SQ YD	100.00	10,000.00
UTILITIES	100	FT	100.00	10,000.00

SCALE: 1" = 100'-0"

SPDC
 State Planning and Development Corporation

NEW FIELD HOUSE IMPROVEMENTS TO DAN PITTS STADIUM
 MARY PERSONS HIGH SCHOOL

C1.0

EXHIBIT B

Notice to Georgia State Board of Education under the Intercept Program

[Attached]

STATE INTERCEPT LETTER

[October 22, 2024]

State Superintendent of Schools
State Board of Education
Facilities Service Section
1670 Twin Towers East
Atlanta, Georgia 30334-5001

Attention: Sarah Morris

Re: \$16,175,000* Monroe County Public Facilities Authority (Monroe
County School District Projects) Revenue Bonds, Series 2024

To the Addressee:

Pursuant to Ga. Code Ann. §§ 20-2-170 and 20-2-480, you are hereby notified of action taken by the Monroe County School District (the “**School District**”) pursuant to a resolution of the Board of Education of Monroe County adopted on [October 22, 2024], an original of which is attached hereto as Exhibit 1, authorizing and directing you to withhold moneys from any State appropriation to which the School District may be entitled and to apply so much thereof as shall be necessary to the payment of the principal of and interest on the above-referenced Bonds. Notification to you of the necessity to make such withholding and application may be given to you by the Paying Agent for the Bonds, or any successor thereto.

As required by Ga. Code Ann. § 20-2-480(b), you are further informed as follows with respect to the Bonds:

1. The proposed date of issuance of the bonded indebtedness is [November 12], 2024.
2. A schedule of the principal and interest payment amounts of the Bonds is attached hereto as Exhibit 2. The Bonds will be dated [November 12], 2024.
3. The Paying Agent for the Bonds is Regions Bank, whose address is:

Regions Bank
Attention: James Coleman
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309

State Superintendent of Schools
[October 22, 2024]
Page 2 of 2

Notices directing you to withhold funds shall be sent by facsimile to the attention of the Facilities Services Director at (404) 651-7688 at least 15 days prior to an interest or principal payment date. A hard copy of the notice shall be sent to the State Superintendent of Schools with a copy to the Facilities Services Director.

Two copies of this authorization and direction are being sent to you and I ask that you indicate your receipt on one of the copies and return it to me at your earliest convenience.

Yours very truly,

[SEAL]

Dr. Jim Finch,
Superintendent and Ex-Officio Secretary,
Board of Education of Monroe County

EXHIBIT 1

Copy of Resolution Approving Final Pricing

EXHIBIT 2

\$16,175,000*

MONROE COUNTY PUBLIC FACILITIES AUTHORITY
(MONROE COUNTY SCHOOL DISTRICT PROJECTS)
REVENUE BONDS, SERIES 2024

DEBT SERVICE SCHEDULE

Exhibit C

FORM OF BOND PURCHASE AGREEMENT

[Attached]

BOND PURCHASE AGREEMENT

relating to

MONROE COUNTY PUBLIC FACILITIES AUTHORITY
(MONROE COUNTY SCHOOL DISTRICT PROJECTS), REVENUE BONDS, SERIES 2024
in the aggregate principal amount of \$16,175,000*

[October 22, 2024]

Monroe County Public Facilities Authority
Forsyth, Georgia

Monroe County School District
Forsyth, Georgia

To the Addressees:

The undersigned, Raymond James & Associates, Inc. (the “**Underwriter**”), hereby offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with the Monroe County Public Facilities Authority (the “**Authority**”) and Monroe County School District, Georgia (the “**School District**”), for the purchase by the Underwriter and the sale by the Authority of the Series 2024 Bonds, as defined in Section 1 hereof. This offer is made subject to (a) acceptance by the Authority and the School District of this Purchase Agreement, which acceptance shall be evidenced by the execution of this Purchase Agreement by the respective duly authorized officers of the Authority and the School District prior to 12:00 Noon, City of Forsyth, Georgia, time on [October 22, 2024], and (b) delivery of the items specified in Section 9 hereof. Upon such acceptance and execution, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the School District, and the Underwriter. The undersigned representative has been duly authorized to execute this Purchase Agreement and to act hereunder by and on behalf of the Underwriter with respect to all matters related to the execution and delivery of the Series 2024 Bonds. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolutions hereinafter referred to.

1. Agreement to Purchase and Sell. Upon the terms and conditions and based on the representations, warranties, and covenants hereinafter set forth, the Underwriter and the Authority hereby agree as follows:

Series 2024 Bonds. The Underwriter agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriter, all (but not less than all) of \$16,175,000* in aggregate principal amount of MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024 (the “**Series 2024 Bonds**”), at the purchase price of \$_____ (par amount of \$16,175,000.00* of Series 2024 Bonds, plus original issue premium of \$_____ and less Underwriter’s discount of \$_____); and

*Preliminary; subject to change.

2. Description of the Series 2024 Bonds. The Series 2024 Bonds are being issued pursuant to a bond resolution adopted by the Authority on [October 15, 2024], (the “**Resolution**”); resolution adopted by the Board of Education of Monroe County (the “**Board of Education**”) on [October 15, 2024] (the “**School District Resolution**”); and this Purchase Agreement. The Series 2024 Bonds are special obligations of the Authority, secured by and payable from certain payments payable by the School District to the Authority under an Intergovernmental Contract by and between the School District and the Authority dated as of the date of the issuance and delivery of the Series 2024 Bonds (the “**Contract**”).

The Series 2024 Bonds will not be deemed to constitute a debt or general obligation or pledge of the faith and credit of the State or any political subdivision thereof, including the School District, or the Authority, within the meaning of any constitutional or statutory debt limitation. The payments provided for under the Contract constitute general obligations of the School District for which its full faith, credit, and taxing power are pledged.

Interest on the Series 2024 Bonds will be payable semiannually on February 1 and August 1, commencing February 1, 2025. All other pertinent facts regarding the Series 2024 Bonds, including, but not limited to, the optional and mandatory redemption provisions, shall be as set forth in the Resolution.

3. Use of Proceeds. The proceeds of the sale of the Series 2024 Bonds will be used to finance (i) renovations to the School District’s Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the “**Projects**”) located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds.

4. Offering of Bonds. The Underwriter intends to offer the Series 2024 Bonds at prices not in excess of the offering price or prices (or yields) set forth on Schedule I hereof. The Underwriter, however, reserves the right to change such offering price or prices (or yields) as the Underwriter shall deem necessary in connection with the marketing of the Series 2024 Bonds.

5. Preliminary Official Statement; Official Statement. The Authority and the School District have caused to be prepared a Preliminary Official Statement, dated [October 10], 2024, relating to the Series 2024 Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto, the “**Preliminary Official Statement**”), which the Authority and the School District have authorized to be circulated, and the Authority and the School District consent to the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Series 2024 Bonds to the public. The Authority and the School District hereby certify to the Underwriter that the Preliminary Official Statement, as of its date, was final, as it relates to the Authority and the School District, except for information concerning the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions and delivery dates. The Authority agrees to furnish the Underwriter with a final Official Statement in form satisfactory to the Underwriter (the “**Official**

Statement”) within seven business days of the date hereof, in time to accompany any confirmation that requests payment from any customer, and in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 (the “**Rule**”) of the Securities Exchange Act of 1934, as amended (the “**1934 Act**”) and the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Authority and the School District hereby consent to the use of copies of the Official Statement, the Resolution, the School District Resolution, the Contract, and other pertinent documents in connection with the offering and sale of the Series 2024 Bonds. The Authority and the School District agree to supplement or amend the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such supplementation or amendment is required. The cost of any such supplementation shall be borne by the Authority.

6. Representations, Warranties, and Covenants of the Authority. The Authority hereby represents and warrants to and covenants with the Underwriter and the School District as follows:

(a) The Authority is a political subdivision of the State of Georgia (the “**State**”), duly created and validly existing pursuant to the Monroe County Public Facilities Authority Act (Ga. L. 2008, p. 4432) (the “**Act**”).

(b) The Authority is authorized under the Act and the laws of the State of Georgia (i) to issue the Series 2024 Bonds for the purposes described in Section 3 hereof; (ii) to adopt the Resolution; (iii) to execute and deliver this Purchase Agreement, the Official Statement, the Series 2024 Bonds, and the Contract (this Purchase Agreement, the Resolution, the Series 2024 Bonds, and the Contract are collectively referred to herein as the “**Authority Documents**”); and (iv) to carry out and consummate all of the transactions contemplated on its part by the Authority Documents and the Official Statement. The Authority has taken or will take all action required by the Act in connection with therewith.

(c) The information contained in the Preliminary Official Statement was, and such information contained in the Official Statement is, and at all times subsequent hereto to and including the date of the Closing will be, true and correct in all material respects and does not contain and, at all such times, will not contain any untrue statement of a material fact and does not omit and, at all such times, will not omit, to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) The Authority has duly adopted the Resolution and has duly authorized all actions required to be taken by it for the execution, delivery and due performance of the Authority Documents; the issuance, execution, sale and delivery of the Series 2024 Bonds upon the terms set forth herein and in the Resolution; the use and distribution of the Preliminary Official Statement and the execution, delivery, use, and distribution of the Official Statement; and any and all such other agreements and documents as may be required to be executed, delivered, or performed by the Authority in order to carry out, give effect to, and consummate the transactions contemplated on its part by the Authority Documents and the Official Statement.

(e) The Authority Documents, when executed and delivered by the Authority, will be in the form approved by the Authority in the Resolution, with only such changes therein or modifications thereof as the Underwriter, the School District, and the Authority shall mutually agree upon. The Authority Documents, when executed and delivered, will constitute valid and legally binding obligations of the Authority, enforceable in accordance with their respective terms (subject in each case to usual principles of equity and to any applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditors' rights generally from time to time in effect). The Series 2024 Bonds, when issued, executed, authenticated, delivered, and paid for as herein provided, will constitute valid and legally binding limited obligations of the Authority enforceable in accordance with their terms and entitled to the benefits and security as provided under the Resolution (subject to usual principles of equity and any applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditors' rights generally from time to time in effect). The Series 2024 Bonds shall not constitute an obligation or debt of the State, the School District, or any other political subdivision thereof, and neither the faith nor credit of the State, the School District, or any other political subdivision thereof, shall be pledged to the payment of the Series 2024 Bonds, except as provided in the Contract.

(f) The Series 2024 Bonds will be secured by payments due and payable under the Contract, as described in the Resolution. The Authority has neither encumbered nor made a prior pledge of the security for the Series 2024 Bonds other than as described under the terms of the Resolution and the Official Statement.

(g) Except as is described in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority (or, to the knowledge of the Authority, any meritorious basis therefor) (i) attempting to limit, enjoin, or otherwise restrict or prevent the Authority from functioning or contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices or seeking to restrain or enjoin the issuance, sale, delivery, or performance of the Series 2024 Bonds; the execution, delivery, or performance of the Authority Documents; or the execution, delivery, and use of the Official Statement or (ii) wherein an unfavorable decision, ruling, or finding would (A) adversely affect the existence or powers of the Authority or the validity or enforceability of the Authority Documents or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Authority Documents and the Official Statement or (B) materially adversely affect (1) the financial condition or results of operations of the Authority, (2) the transactions contemplated by the Authority Documents and the Official Statement, (3) the exemption of the interest on the Series 2024 Bonds from State of Georgia income taxation, or (4) the exclusion of interest on the Series 2024 Bonds from gross income for purposes of federal income taxation.

(h) The adoption of the Resolution; the issuance, execution, sale, and performance of the Series 2024 Bonds; the execution, delivery, and performance by the Authority of the Authority Documents; and the execution, delivery, and use of the Official Statement will not conflict with or constitute on the part of the Authority a violation of, breach of, or default under (i) the Act; (ii) any constitutional provision, statute, indenture, mortgage, lease, resolution, note

agreement, or other agreement or instrument to which the Authority is a party or by which the Authority is bound; or (iii) any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its properties, which breach or default would in any way materially adversely affect the authorization or issuance of the Series 2024 Bonds and the transactions contemplated by the Authority Documents and the Official Statement.

(i) All consents, approvals, authorizations, and orders of governmental or regulatory authorities, if any, that are required to be obtained by the Authority in connection with the adoption of the Resolution; the issuance, sale, delivery, and performance of the Series 2024 Bonds; the execution, delivery, and performance of the Authority Documents; and the execution, delivery, and use of the Official Statement have been duly obtained and remain in full force and effect, except that no representation is made with respect to compliance with any applicable state securities or “Blue Sky” laws.

(j) The Authority agrees to cooperate with the Underwriter in any endeavor to qualify the Series 2024 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States of America as the Underwriter may request; provided that in no event shall the Authority be obligated to take any action that would subject it to general service of process in any state where it is not now so subject.

(k) Neither the Authority nor anyone acting on its behalf has, directly or indirectly, offered the Series 2024 Bonds or any similar securities of the Authority for sale to, or solicited any offer to buy the same from, anyone other than the Underwriter.

(l) Neither the Securities and Exchange Commission nor any state securities commission has issued or, to the best of the Authority’s knowledge, threatened to issue any order preventing or suspending the use of the Preliminary Official Statement or the Official Statement.

(m) Any certificate signed by an authorized officer of the Authority delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Authority has not defaulted in the payment of principal or interest on any of its certificates, notes, or other securities.

(o) The Authority is not in breach of or in default under any applicable law or administrative regulation of the State or the United States of America, or any applicable judgment or decree, or the Authority Documents or any loan agreement, note, resolution, or other agreement or instrument to which the Authority is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Series 2024 Bonds and the transactions contemplated by the Authority Documents and the Official Statement, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

7. Representations, Warranties, and Covenants of the School District. The School District hereby represents and warrants to and covenants with the Underwriter and the Authority as follows:

(a) The School District is a municipal corporation of the State.

(b) The School District is authorized under the laws of the State of Georgia (i) to execute and deliver this Purchase Agreement, the Continuing Disclosure Certificate, and the Contract; (ii) to adopt the School District Resolution (this Purchase Agreement, the Contract, the School District Resolution, and the Continuing Disclosure Certificate for the Series 2024 Bonds executed by the School District (the “**Continuing Disclosure Certificate**”) are collectively referred to herein as the “**School District Documents**”); and (iii) to carry out and consummate all of the transactions contemplated on its part by the School District Documents and the Official Statement.

(c) The information contained in the Preliminary Official Statement relating to the School District was, and such information contained in the Official Statement is, and at all times subsequent hereto to and including the date of the Closing will be, true and correct in all material respects and does not contain and, at all such times, will not contain any untrue statement of a material fact and does not omit and, at all such times, will not omit, to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) The School District has duly adopted the School District Resolution and has duly authorized all actions required to be taken by it for the use and distribution of the Preliminary Official Statement and the execution, delivery, and use of the Official Statement; and the execution, delivery, and performance of the School District Documents and any and all such other agreements and documents as may be required to be executed, delivered, or performed by the School District in order to carry out, give effect to, and consummate the transactions contemplated on its part by the School District Documents and the Official Statement.

(e) The School District Documents, when executed and delivered by the School District, will be in the form approved by the School District in the School District Resolution, with only such changes therein or modifications thereof as the Underwriter and the School District shall mutually agree upon. The School District Documents, when executed and delivered, will constitute valid and legally binding obligations of the School District, enforceable in accordance with their respective terms (subject in each case to usual principles of equity and to any applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditors’ rights generally from time to time in effect).

(f) The School District has not pledged the payments due and owing under the Contract for any purpose other than the repayment of the Series 2024 Bonds.

(g) Except as is described in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body pending or, to the knowledge of the School District, threatened against or affecting the School District (or, to the knowledge of the School District, any meritorious basis therefor) (i) attempting to limit, enjoin, or otherwise restrict or prevent the School District from functioning or contesting or questioning the existence of the School District or the titles of the present officers of the School District to their offices or seeking to restrain or enjoin the issuance, sale, delivery, or performance of the Series 2024 Bonds or the execution, delivery, or

performance of the School District Documents and the execution, delivery, and use of the Official Statement or (ii) wherein an unfavorable decision, ruling, or finding would (A) adversely affect the existence or powers of the School District or the validity or enforceability of the School District Documents or any agreement or instrument to which the School District is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the School District Documents or (B) materially adversely affect (1) the financial condition or results of operations of the School District; (2) the transactions contemplated by the School District Documents and the Official Statement, (3) the exemption of the interest on the Series 2024B Bonds from State income taxation, or (4) the exclusion of interest on the Series 2024 Bonds from gross income for purposes of federal income taxation.

(h) The adoption of the School District Resolution and the execution, delivery, and performance by the School District of the School District Documents and the execution, delivery, and use of the Official Statement will not conflict with or constitute on the part of the School District a violation of, breach of, or default under (i) any constitutional provision, statute, indenture, mortgage, lease, resolution, note agreement, or other agreement or instrument to which the School District is a party or by which the School District is bound or (ii) any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the School District or any of its properties.

(i) All consents, approvals, authorizations, and orders of governmental or regulatory authorities, if any, that are required to be obtained by the School District in connection with the adoption of the School District Resolution; the execution, delivery, and performance of the School District Documents; and the execution, delivery, and use of the Official Statement have been duly obtained and remain in full force and effect, except that no representation is made with respect to compliance with any applicable state securities or “Blue Sky” laws.

(j) The School District agrees to cooperate with the Underwriter in any endeavor to qualify the Series 2024 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States of America as the Underwriter may request; provided that in no event shall the School District be obligated to take any action that would subject it to general service of process in any state where it is not now so subject.

(k) Any certificate signed by an authorized officer of the School District delivered to the Underwriter shall be deemed a representation and warranty by the School District to the Underwriter as to the statements made therein.

(l) The School District has not defaulted in the payment of principal or interest on any of its bonds, notes, or other securities.

(m) The School District is not in breach of or in default under any applicable law or administrative regulation of the State or the United States of America, or any applicable judgment or decree, or the School District Documents or any loan agreement, note, resolution, or other agreement or instrument to which the School District is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Series 2024 Bonds and the transactions contemplated by the School District

Documents and the Official Statement, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(n) Except as has been described in the Official Statement, the School District has not failed to comply with any continuing disclosure obligations under the Rule. As of the date of the Preliminary Official Statement, the School District is in compliance with the Rule and has put in place procedures to ensure future compliance with the Rule.

8. Closing.

(a) At 10:00 A.M., Macon, Georgia, time, on [November 12], 2024, or at such other time or at such other date as shall have been mutually agreed upon by the Authority, the School District, and the Underwriter in writing (the “**Closing**”), the Authority will deliver, or cause to be delivered, to or upon the order of the Underwriter the Series 2024 Bonds, in definitive form, duly executed and authenticated, together with the other documents herein required, and the Underwriter will accept such delivery and pay the purchase price of the Series 2024 Bonds. Payment for the Series 2024 Bonds shall be made by check or bank wire transfer in immediately available funds. If, at the Bond Closing, the Authority fails to deliver the Series 2024 Bonds to the Underwriter as provided herein, or if, at the Bond Closing, any of the conditions specified in Section 9 hereof shall not have been fulfilled to the satisfaction of the Underwriter, the Underwriter may elect to be relieved of any further obligations under this Purchase Agreement without thereby waiving any other rights the Underwriter may have under this Purchase Agreement.

(b) The Closing shall be held at the offices of Butler Snow LLP, 577 Mulberry Street, Suite 1225, Macon, Georgia 31201, except that physical delivery of the Series 2024 Bonds shall be made at such other place or places as shall have been mutually agreed upon by the Authority, the School District, and the Underwriter. Unless otherwise requested by the Underwriter at or prior to the Closing, the Series 2024 Bonds for that Closing will be delivered at the respective Closing in fully registered form, in the denomination of \$5,000 each or any integral multiple thereof, and registered as requested by the Underwriter.

9. Conditions to Closing. The obligations of the Underwriter hereunder shall be subject (i) to the performance by the Authority and the School District of their obligations to be performed hereunder at and prior to the Closing or such earlier time as may be specified herein, (ii) to the accuracy of the representations and warranties of the Authority and the School District contained herein as of the date hereof and as of the time of the Closing, as if made at and as of the time of the Closing, and (iii) to the following conditions, including the delivery by the Authority and the School District of such documents as are contemplated hereby in form and substance satisfactory to the Underwriter:

(a) At the time of the Closing (i) the Official Statement, the Continuing Disclosure Certificate, the Resolution, the Contract, and this Purchase Agreement shall have been executed and delivered and shall be in full force and effect and shall not have been amended, modified, or supplemented, except as may have been agreed to in writing by the Underwriter, and (ii) the Superior Court of Monroe County shall have validated the Series 2024 Bonds and the security

therefore, including the Contract, and no appeal shall be pending with respect to such decree of validation; and

(b) At or prior to the Closing, the Underwriter shall have received the following documents:

- (i) the opinion of Butler Snow LLP, Bond Counsel, dated the date of the Closing, addressed to the Underwriter and substantially in the form attached to the Official Statement as Appendix D;
- (ii) the opinion of Butler Snow LLP, as Disclosure Counsel, dated the date of the Closing, addressed to the Underwriter and in a form satisfactory to the Underwriter;
- (iii) an opinion of Vaughn Sundeen, P.C., Macon, Georgia, Counsel to the Authority, addressed to the Underwriter, dated the date of the Closing and in a form satisfactory to the Underwriter;
- (iv) a certificate of the Authority, dated the date of such Closing, signed by the Chairman or Vice Chairman of the Authority and in form and substance satisfactory to the Underwriter, to the effect that (A) the representations and warranties of the Authority contained herein are true and correct in all material respects as of the date of the Closing, as if made on and as of the date of such Closing; (B) the Authority Documents have been authorized, executed, and delivered by the Authority; (C) all proceedings and authority of the Authority for the execution, delivery, and performance of its obligations under the Authority Documents are in full force and effect and none of such proceedings has been modified, amended, or rescinded; and (D) the Authority has duly performed all of its obligations to be performed in connection with the issuance and sale of the Series 2024 Bonds at or prior to such Closing;
- (v) a certificate of the School District, dated the date of such Closing, signed by the Superintendent of the School District and in form and substance satisfactory to the Underwriter, to the effect that (A) since July 1, 2023, no material and adverse change has occurred in the financial position of the School District or results of operations of the School District; (B) the School District has not, since July 1, 2023, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (C) the representations and warranties of the School District contained herein are true and correct in all material respects as of the date of the Closing, as if made on and as of the date of such Closing; (D) the School District Documents have been authorized, executed, and delivered by the School District; (E) all proceedings and authority of the School District for the execution, delivery and performance of its obligations under the School District Documents are in full force and effect and none of such proceedings has

been modified, amended or rescinded; and (F) the School District has duly performed all of its obligations to be performed in connection with the issuance and sale of the Series 2024 Bonds at or prior to such Closing;

- (vi) a certified copy of the Resolution and the School District Resolution;
- (vii) executed counterparts of the Contract;
- (viii) a copy of the Preliminary Official Statement and an executed copy of the Official Statement;
- (ix) executed counterparts of the “deemed final” certificates;
- (x) written evidence that Moody’s Investors Service, Inc. (“**Moody’s**”) has issued its ratings of “[_____]” based on the understanding that the School District will participate in the State Aid Intercept program and an underlying stand-alone rating of “[_____]” for the Series 2024 Bonds;
- (xi) a specimen Bond;
- (xii) a certificate, dated the date of such closing, executed by the Clerk or Deputy Clerk of Superior Court of Monroe County, certifying that final judgment has been entered in the validation proceedings with respect to the Series 2024 Bonds and that no appeal therefrom has been taken;
- (xiii) evidence that the Authority has satisfied the conditions to issuance of the Series 2024 Bonds under the Resolution, and all certificates and documents required as a condition to issuance of the Series 2024 Bonds;
- (xiv) an executed copy of the Continuing Disclosure Certificate; and
- (xv) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request to evidence compliance by the Authority and the School District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Authority and the School District herein contained and the due performance or satisfaction by the Authority and the School District, at or prior to the Closing, of all agreements then required to be performed and all conditions then required to be satisfied by the Authority and the School District.

10. Underwriter’s Right to Cancel. The Underwriter shall have the right to cancel its obligations to purchase and accept delivery of the Series 2024 Bonds hereunder by notifying the Authority and the School District in writing or by telecopy, of their election to do so between the date hereof and the Closing if, on or after the date hereof and prior to the Closing:

- (a) any legislation, ordinance, or regulation shall be enacted or be actively considered for enactment by any governmental body, department, or agency of the State of Georgia or the

School District or a decision by any court of competent jurisdiction within the State shall be rendered that, in the sole opinion of the Underwriter, materially and adversely affects the market price of the Series 2024 Bonds; or

(b) any action by the Securities and Exchange Commission (the “**SEC**”) that would require the registration of the Series 2024 Bonds under the Securities Act of 1933, as amended (the “**1933 Act**”) or the qualification of the Resolution under the Trust Indenture Act of 1939, as amended (the “**TI Act**”); or

(c) any legislation shall have been enacted or actively considered for enactment with an effective date prior to the Closing or legislation shall be favorably reported out of committee to either house of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the Authority or of any similar public body are not exempt from the registration, qualification or other requirements of the 1933 Act; or

(d) any event shall have occurred or shall exist that, in the opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(e) there shall have occurred any outbreak of, or escalation in, hostilities, war, or other national or international calamity or crisis or a financial crisis, the effect of such outbreak, calamity, or crisis on the financial markets of the United States being such as, in the sole opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Series 2024 Bonds; or

(f) trading shall be suspended, or new or additional trading or loan restrictions shall be imposed, by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Series 2024 Bonds or a general banking moratorium shall be declared by federal, State, or New York authorities; or

(g) there shall have occurred any change in the financial condition or affairs of the Authority or the School District the effect of which is in the sole opinion of the Underwriter so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Series 2024 Bonds on the terms and in the manner contemplated by the Official Statement; or

(h) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any School District located in the United States having a population of over 500,000, the effect of which, in the sole opinion of the Underwriter, would materially and adversely affect the ability of the Underwriter to market the Series 2024 Bonds; or

(i) Moody's shall have taken any action to lower, suspend, or withdraw its rating for the Series 2024 Bonds; or

(j) any litigation shall be instituted, pending, or threatened to restrain or enjoin the issuance, sale, or delivery of the Series 2024 Bonds or in any way contesting or questioning any authority for or the validity of the Series 2024 Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Authority or the School District taken with respect to the issuance and sale thereof; or

(k) the "blue sky" or securities commission of any state in the United States has withheld registration, exemption, or clearance of the offering of the Series 2024 Bonds, and, in the sole opinion of the Underwriter, the effect of the withholding will materially and adversely affect the market price or marketability of the Series 2024 Bonds; or

(l) the purchase of and payment for the Series 2024 Bonds by the Underwriter, or their resale or reoffering by the Underwriter, on the terms and conditions contemplated by this Purchase Agreement and the Official Statement, is prohibited by any applicable law or governmental regulation or by order of any court, governmental authority, board, agency, or commission or would subject the Underwriter to liability under the 1933 Act, the 1934 Act, common law or otherwise; or

(m) additional material restrictions not in force on the date of this Purchase Agreement have been imposed on trading in securities generally or by a governmental authority or national association of securities dealers; or

(n) there shall have occurred any event other than those listed above, the effect of which is in the reasonable judgment of the Underwriter is material and adverse to make it impractical or inadvisable to proceed with the offering of the Series 2024 Bonds on the terms and in the manner contemplated by the Official Statement; or

(o) the marketability of the Series 2024 Bonds or the market price thereof, in the opinion of the underwriter, has been materially and adversely affected by disruptive events, occurrences, or conditions in the securities or debt markets; or

(p) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Authority's or the School District's obligations.

10. Failure to Satisfy Conditions; Waiver of Conditions. If either the Authority or the School District is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Authority shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Sections 13 and 16 hereof, shall continue in full force and effect. The Underwriter may, in its discretion, waive any one or more of the conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

11. Notification of Changes. The Authority and the School District agree to notify the Underwriter of any change in their business, properties, or financial condition occurring before the Closing or within 90 days following the “end of the underwriting period” (as defined in the Rule) that would require a revision of the information in the Official Statement in order to make the representations set forth in Sections 6(c) and 7(c) hereof true and correct during such period.

12. Survival of Representations, Warranties, and Agreements. All representations, warranties, and agreements of the Authority and the School District set forth in or made pursuant to this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2024 Bonds.

13. Payment of Expenses. The Authority shall pay from the proceeds of the Series 2024 Bonds certain expenses incurred by the Authority in connection with the issuance of the Series 2024 Bonds, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, mailing, execution, delivery, filing, and recording, as the case may be, of this Purchase Agreement, the Contract, the Continuing Disclosure Certificate, the Preliminary Official Statement, the Official Statement, and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby; (ii) the cost of the preparation, execution, and delivery of the definitive Bonds, including any costs associated with using the book-entry form of registration; (iii) the fees and disbursements of Bond Counsel (including validation court costs), Counsel for the Authority, Counsel for the School District, Disclosure Counsel, and any other experts retained including financial advisor and accountants’ fees; (iv) any fees charged by investment rating agencies for the rating of the Series 2024 Bonds; (v) the cost of the preparation and publishing of any advertisements prior to the public offering of the Series 2024 Bonds; including filing fees and fees and disbursements of counsel in connection with such qualification and determination and the review of such laws; (vi) the cost of qualifying the Series 2024 Bonds and determining their eligibility for investment under the law of such jurisdictions as the Underwriter may designate, including filing fees and fees and disbursements of counsel in connection with such qualification and determination and the preparation of Blue Sky Memoranda (if any); (vii) the cost of obtaining a CUSIP number assignment for the Series 2024 Bonds; (viii) the cost of validation of the Series 2024 Bonds; (ix) the cost of the Underwriter’s normal clearing charges, one-day cost-of-funds charges, and other normal and customary expenses of the Underwriter; and (x) expenses (included in the expense component of the spread) incurred on behalf of the Authority’s or School District’s employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees.

The Authority shall also pay any expenses incident to the performance of its respective obligations hereunder, and, if the Series 2024 Bonds are not sold by the Authority to the Underwriter, the Authority hereby promise to pay to the Underwriter all expenses incident to the performance of the Authority’s obligations hereunder as provided above.

14. Successors and Assigns. This Purchase Agreement shall inure to the benefit of and be binding upon the Authority, the School District, and the Underwriter and their respective successors. Nothing in this Purchase Agreement is intended or shall be construed to give any person, firm, or corporation, other than the parties hereto and their respective successors and

assigns, and their respective successors, assigns, and legal representatives, any legal or equitable right, remedy, or claim under or in respect of this Purchase Agreement or any provision herein contained. This Purchase Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and assigns, and their respective successors, assigns, and legal representatives, and for the benefit of no other person, firm, or corporation. No underwriter who purchases the Series 2024 Bonds from the Underwriter or other person or entity shall be deemed to be a successor merely by reason of such purchase.

15. Notices. Any notice or other communication to be given to the Authority or the School District under this Purchase Agreement may be given by delivering the same in writing at their address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to:

Raymond James & Associates, Inc.
3050 Peachtree Road, Suite 702
Atlanta, Georgia 30305
Attention: Thomas J. Owens

With copy to:
Butler Snow LLP
577 Mulberry Street, Suite 1225
Macon, Georgia 31201
Attention: Blake C. Sharpton

16. Arms-Length Transaction. The Authority and the School District acknowledge and agree that (i) the purchase and sale of the Series 2024 Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the Authority, the School District, and the Underwriter; (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of the Authority or the School District; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority or the School District with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the Authority or the School District on other matters) and the Underwriter has no obligation to the Authority nor the School District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the Authority and the School District; and (v) the Authority and the School District have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate. The Authority acknowledges that it has received a copy of the required disclosures by the Underwriter pursuant to MSRB Rule G-17.

17. Limitation on Authority Liability. No recourse under or upon any obligation, covenant, or agreement contained in this Purchase Agreement or under any judgment obtained against the Authority, or by the enforcement of any assessment or by legal equitable proceedings by virtue of any constitution or statute or otherwise or any under circumstances, under or

independent of this Purchase Agreement, shall be had against any trustee, director, member, commissioner, officer, employee, agent, or attorney as such, past, present, or future, of the Authority, either directly or through the Authority, or otherwise, for the payment for or to the Authority or any receiver thereof, or to the Underwriter or otherwise of any amount that may become owed by the Authority hereunder. Any and all personal liability of every nature, whether at common law or in equity, or by statute or constitution or otherwise, of any trustee, director, member, commissioner, officer, employee, or agent, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Authority or any receiver thereof, the Underwriter or otherwise, of any amount that may become owed by the Authority hereunder is hereby expressly waived and released as a condition of and in consideration for the execution of this Purchase Agreement.

18. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

19. Effective Date. This Purchase Agreement shall become effective upon your acceptance hereof.

20. Execution in Counterparts. This Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Authorized Representative

Accepted and agreed to as of the date
first above written:

MONROE COUNTY PUBLIC FACILITIES AUTHORITY

By: _____
Chairman

MONROE COUNTY SCHOOL DISTRICT

By: _____
Superintendent

MONROE COUNTY SCHOOL DISTRICT

By: _____
Chairman, Board of Education

Schedule I

OFFERING PRICES OF THE SERIES 2024 BONDS

<u>Year</u>	<u>Principal Amounts</u>	<u>Interest</u>	<u>Yield</u>
2025	\$580,000		
2026	700,000		
2027	820,000		
2028	955,000		
2029	1,045,000		
2030	1,095,000		
2031	1,150,000		
2032	1,205,000		
2033	1,270,000		
2034	1,330,000		
2035	1,400,000		
2036	1,465,000		
2037	1,540,000		
2038	<u>1,620,000</u>		
Total	\$16,175,000*		

Exhibit D

FORM OF CERTIFICATE OF FINAL TERMS

[Attached]

CERTIFICATE OF FINAL TERMS

The undersigned, on behalf of Monroe County Public Facilities Authority (the “**Authority**”), in connection with the issuance by the Authority of that certain series of its Revenue Bonds (Monroe County School District Projects), Series 2024, dated [November 12], 2024, in the aggregate principal amount of \$[16,175,000*] (the “**Series 2024 Bonds**” or “**Bonds**”), hereby certifies as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto by the Bond Resolution authorizing the issuance of the Bonds):

1. The undersigned is an Authorized Officer under the Bond Resolution, duly authorized by the Bond Resolution to sign this certificate. This certificate shall constitute the Sale Certificate under the Bond Resolution.

2. The aggregate principal amount of the Bonds shall be \$[16,175,000*].

3. Date, Denominations, Maturities, Interest Payment Dates, and Other Particulars of the Series 2024 Bonds:

(a) The Series 2024 Bonds shall bear interest from the date of delivery at the rates per annum specified below (computed on the basis of a 360-day year of twelve 30-day months). Interest shall be payable semiannually on February 1 and August 1, beginning [February 1, 2025], and the principal shall mature during the life of the Bonds in the amounts as follows:

August 1 of the Year	<u>Principal Amounts Maturing</u>	<u>Rate of Interest</u>
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

(b) The Bonds authorized hereby will be dated as of [November 12], 2024.

4. The Bonds shall be subject to redemption prior to maturity as follows:

*Preliminary; subject to change.

(a) Optional Redemption*. The Series 2024 Bonds maturing on or prior to August 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their stated respective maturities, at the option of the Authority, in whole or in part on any date, in either case on or after August 1, 20__, at a redemption price of 100 percent of the principal amount of the Bonds being redeemed plus accrued interest to the redemption date.

(b) Scheduled Mandatory Redemption*. The Series 2024 Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption prior to their stated maturity at a redemption price equal to the 100 percent of the principal amount of the Series 2024 Bonds being redeemed, plus accrued interest, on August 1, 20__ of the following years and in the following amounts:

<u>August 1,</u>	<u>Principal Amount</u>
20__	\$_____
20__	_____

5. Application of Proceeds of the Series 2024 Bonds. The proceeds derived from the sale of the Series 2024 Bonds shall be applied by the Authority, concurrently with the delivery of the Series 2024 Bonds to the initial purchaser or purchasers thereof, as follows:

(a) an amount not to exceed the sum of \$_____, representing the costs of issuance of the Bonds, shall be used for the payment of all costs and expenses in connection with the issuance and sale of the Bonds;

(b) the balance of the proceeds from the sale of the Bonds (not less than \$_____) shall be deposited in the Construction Fund hereinafter created in this Resolution.

6. The amount of proceeds of the Bonds to be used as a reserve fund shall be \$0. The amount of proceeds of the Bonds to be credited to the Costs of Issuance Fund shall be \$_____.

7. The Bonds shall not be secured by a Policy.

8. The foregoing is in accordance with the restrictions of the Bond Resolution, which provides that:

(a) the interest rate on the Bonds is such that the Bonds bear interest at a net effective interest rate which do not exceed 5.500%;

(b) the maximum annual debt service does not exceed \$1,800,000;

(c) the Bonds mature not later than August 1, 2039; and

(d) the principal amount of the Bonds does not exceed \$17,000,000.

DATED this [12th day of November], 2024.

**MONROE COUNTY PUBLIC
FACILITIES AUTHORITY**

[SEAL]

By: _____
Chairman

ATTEST:

Secretary

SECRETARY'S CERTIFICATE

I, the undersigned Secretary of the Monroe County Public Facilities Authority, keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Monroe County Public Facilities Authority in a public meeting assembled on October 15, 2024, the original of which Resolution has been entered in the official records of the Authority under my supervision and is in my official possession, custody, and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(S E A L)

Secretary

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APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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ANNUAL FINANCIAL REPORT • FISCAL YEAR 2023

Monroe County Board of Education Forsyth, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Monroe County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Jim Finch, Superintendent and Members of the
Monroe County Board of Education

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Monroe County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the School District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

September 11, 2024

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

INTRODUCTION

The discussion and analysis of the Monroe County Board of Education's (the School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2023 and June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal years 2023 and 2022 are as follows:

- General revenues accounts for \$34.8 million in revenue or 48.8% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$36.5 million or 51.2% of total revenues of \$71.3 million.
- The School District had \$65.9 million in expenses related to governmental activities; however, \$36.5 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$34.8 million were adequate to provide for these programs.
- Among major funds, the general fund had \$62.4 million in revenues and \$59.7 million in expenditures. The fund balance for the general fund increased to \$10.8 million.
- In addition, there was an interfund transfer of \$1.9 million from the capital projects fund to the debt service fund for the repayment of general obligation debt principal and interest.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

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

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

The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2023 and 2022, the general fund, the capital projects fund, and the debt service fund represent the most significant funds.

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, the capital projects fund, and the debt service fund.

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

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2023 and 2022.

**Table 1
Net Position**

	Governmental Activities	
	Fiscal Year 2023	Fiscal Year 2022
Assets		
Current and Other Assets	\$ 55,251,791	\$ 25,206,375
Capital Assets, Net	59,624,648	58,335,936
Total Assets	114,876,439	83,542,311
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	31,618,853	14,417,718
Related to OPEB Plan	7,897,217	7,659,765
Total Deferred Outflows of Resources	39,516,070	22,077,483
Liabilities		
Current and Other Liabilities	7,676,838	8,976,495
Long-Term Liabilities	123,396,669	53,721,162
Total Liabilities	131,073,507	62,697,657
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	846,180	26,136,390
Related to OPEB Plan	16,753,048	16,403,212
Total Deferred Inflows of Resources	17,599,228	42,539,602
Net Position		
Net Investment in Capital Assets	55,936,500	54,176,200
Restricted	10,439,840	7,516,722
Unrestricted (Deficit)	(60,656,566)	(61,310,387)
Total Net Position	\$ 5,719,774	\$ 382,535

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 2 shows the changes in net position for fiscal years ending June 30, 2023 and June 30, 2022.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year	Fiscal Year
	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 1,277,924	\$ 708,703
Operating Grants and Contributions	34,547,079	31,105,107
Capital Grants and Contributions	664,571	244,765
Total Program Revenues	<u>36,489,574</u>	<u>32,058,575</u>
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	24,301,399	27,188,025
Railroad Cars	-	47,281
Other Taxes	111	-
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	7,598,847	6,794,808
Other Taxes	400,105	531,705
Investment Earnings	791,649	29,345
Miscellaneous	1,713,819	1,335,194
Total General Revenues	<u>34,805,930</u>	<u>35,926,358</u>
Total Revenues	<u>71,295,504</u>	<u>67,984,933</u>
Program Expenses:		
Instruction	40,200,755	34,095,106
Support Services		
Pupil Services	2,205,256	1,694,134
Improvement of Instructional Services	1,889,262	1,426,550
Educational Media Services	823,070	679,242
General Administration	2,367,421	2,644,244
School Administration	2,607,415	2,283,419
Business Administration	600,083	522,501
Maintenance and Operation of Plant	6,416,901	5,449,584
Student Transportation Services	4,470,822	4,687,571
Central Support Services	21,646	28,683
Other Support Services	17,724	19,512
Operations of Non-Instructional Services		
Enterprise Operations	1,196,365	1,020,991
Food Services	3,047,312	2,963,894
Interest on Long-Term Debt	94,233	140,357
Total Expenses	<u>65,958,265</u>	<u>57,655,788</u>
Increase in Net Position	<u>\$ 5,337,239</u>	<u>\$ 10,329,145</u>

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased \$4.4 million for governmental activities. This increase is largely due to an increase in funds earned through the State Quality Basic Education (QBE) Funding Formula. This was caused by an increase in our Full Time Equivalent student count. This increase was also due to an increase in federal funding.

General revenues decreased \$1.1 million during fiscal year 2023 due in part to a decrease in the local tax digest for utilities.

Governmental Activities

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

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2022
Instruction	\$ 40,200,755	\$ 34,095,106	\$ 13,656,429	\$ 12,113,006
Support Services:				
Pupil Services	2,205,256	1,694,133	1,973,030	1,477,409
Improvement of Instructional Services	1,889,262	1,426,550	1,216,572	728,733
Educational Media Services	823,070	679,242	159,788	65,868
General Administration	2,367,420	2,644,244	1,297,443	1,689,596
School Administration	2,607,415	2,283,419	1,327,252	1,037,287
Business Administration	600,083	522,501	592,858	517,723
Maintenance and Operation of Plant	6,416,901	5,449,584	4,533,846	4,212,958
Student Transportation Services	4,470,822	4,687,571	3,245,501	3,546,973
Central Support Services	21,646	28,684	(46,969)	28,633
Other Support Services	17,724	19,512	17,472	19,512
Operations of Non-Instructional Services:				
Enterprise Operations	1,196,365	1,020,991	1,194,220	1,020,991
Food Services	3,047,313	2,963,894	207,016	(1,001,833)
Interest on Long-Term Debt	94,233	140,357	94,233	140,357
Total Expenses	\$ 65,958,265	\$ 57,655,788	\$ 29,468,691	\$ 25,597,213

Although program revenues make up less than half of the funding, the School District is still dependent upon tax revenues for governmental activities. For 2023, 45.4% of instruction and support activities were supplemented by taxes and other general revenues compared to 47.5% in 2022.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$100.4 million and expenditures and other financing uses of \$69.0 million. The capital projects fund had an overall increase of \$28.8 million. The general fund had an overall increase of \$2.6 million. The increase in

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

the capital projects fund for the year is due primarily to the issuance of \$25.0 million in bonds during the year. The increase in the general fund for the year is due mostly to increase in state and federal revenue received.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, funded primarily through state revenue and local property tax revenue. During the course of fiscal years 2023 and 2022, the School District amended its general fund budget as needed.

For the general fund, the final budgeted revenues and other financing sources of \$61.6 million increased from the original budgeted amount of \$52.6 million. The majority of the variances between final budget and actual revenue are due to increase in funds earned through the State Quality Basic Education (QBE) Funding Formula and federal grants.

The final budgeted expenditures and other financial uses of \$61.6 million was more than the original budgeted amount of \$56.6 million by \$5.0 million. This difference was due mainly to the addition of the Federal Programs to the budget. The actual expenditures and other financing uses of \$59.7 million was \$1.8 million less than budgeted. The majority of the variances between the final budgeted expenditures and actual are due to the Consolidated Application for the ESSER III grant not being approved until September 16, 2022 and not expending the total grant award amount as budgeted.

CAPITAL ASSETS

At the fiscal years ended June 30, 2023 and June 30, 2022, the School District had \$59.6 million and \$58.3 million, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land; buildings; transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal	Fiscal
	Year 2023	Year 2022
Land	\$ 3,165,429	\$ 3,165,429
Construction In Progress	2,785,256	173,493
Building and Improvements	47,198,978	49,204,799
Equipment	2,956,090	2,431,010
Land Improvements	3,518,895	3,361,205
Total	\$ 59,624,648	\$ 58,335,936

A net increase was made in Construction in Progress (asset category) due to the Concession Stand and Middle School Roof Top Units projects.

MONROE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

DEBT ADMINISTRATION

At June 30, 2023, the School District had \$30.9 million in total debt outstanding with \$2.3 million due within one year. Table 5 summarizes bond debt outstanding at June 30, 2023 and 2022.

**Table 5
Debt at June 30**

	Governmental Activities	
	Fiscal	Fiscal
	Year 2023	Year 2022
Bonds Payable	\$ 28,755,000	\$ 5,575,000
Unamortized Bond Premiums	2,228,859	-
Total	\$ 30,983,859	\$ 5,575,000

CURRENT ISSUES

The School District remains financially stable. The State Department of Education increased the QBE funding formula to its full amount. We continued to utilize the CARES federal stimulus funds to supplement the operating budget. The operating millage rate has remained steady for several years by only taking the rollback rate each year. Fortunately, the increase in the local tax digest for residential property has allowed for the current funding levels to hold steady. Along with the uncertainty regarding how School Districts will be funded in the future, it places a challenge on the Board to balance its responsibility to taxpayers and the education of the students.

The School District anticipates challenges going forward, but with an increasing tax base and increase in enrollment, the School District feels encouraged in its ability to be good stewards of the tax dollars while continuing to provide a quality education for its students.

In November of 2022, the voters of Monroe County approved the continuation of the Special Purpose Local Option Sales Tax along with the issuance of \$25.0 million in bonds.

In December of 2022, Monroe County School District was awarded a \$3.1 million grant to construct a new College and Career Center by Technical College System of Georgia. In September of 2023 a contract was signed with Parrish Construction Group to build the College and Career Academy/Freshman Campus Building. In March of 2024, an amendment to the contract was signed to establish a Guaranteed Maximum Price of \$22.5 million.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chris Johnson, CGFM, Director of Financial Services at the Monroe County Board of Education, 25 Brooklyn Ave, Forsyth, GA 31029. You may also email your questions to chris.johnson@mcschools.org.

Monroe County Board of Education

MONROE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 47,540,514.98
Investments	75,135.74
Accounts Receivable, Net	
Taxes	1,778,658.91
State Government	4,076,545.98
Federal Government	1,391,764.28
Other	314,946.01
Inventories	74,225.93
Capital Assets, Non-Depreciable	5,950,685.46
Capital Assets, Depreciable (Net of Accumulated Depreciation)	53,673,962.37
Total Assets	114,876,439.66
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	31,618,852.86
Related to OPEB Plan	7,897,217.00
Total Deferred Outflows of Resources	39,516,069.86
 <u>LIABILITIES</u>	
Accounts Payable	456,062.09
Salaries and Benefits Payable	4,933,455.85
Payroll Withholdings Payable	1,830,706.54
Contracts Payable	320,745.63
Deposits and Unearned Revenues	135,867.86
Net Pension Liability	64,269,749.00
Net OPEB Liability	28,143,061.00
Long-Term Liabilities	
Due Within One Year	2,305,771.89
Due in More Than One Year	28,678,087.56
Total Liabilities	131,073,507.42
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Defined Benefit Pension Plans	846,180.00
Related to OPEB Plan	16,753,048.00
Total Deferred Inflows of Resources	17,599,228.00
 <u>NET POSITION</u>	
Net Investment in Capital Assets	55,936,499.81
Restricted for	
Bus Replacement	231,660.00
Continuation of Federal Programs	667,806.14
Debt Service	2,395,473.23
Capital Projects	7,126,670.35
Permanent Funds	18,230.15
Unrestricted (Deficit)	(60,656,565.58)
Total Net Position	\$ 5,719,774.10

MONROE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT "B"

	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION	
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 40,200,754.63	\$ 586,642.63	\$ 25,426,599.12	\$ 531,083.67	\$ (13,656,429.21)
Support Services					
Pupil Services	2,205,255.52	-	232,225.35	-	(1,973,030.17)
Improvement of Instructional Services	1,889,261.61	-	672,689.41	-	(1,216,572.20)
Educational Media Services	823,070.34	-	663,283.00	-	(159,787.34)
General Administration	2,367,420.57	-	1,044,426.65	25,550.87	(1,297,443.05)
School Administration	2,607,415.26	-	1,280,163.17	-	(1,327,252.09)
Business Administration	600,082.97	-	6,563.86	660.87	(592,858.24)
Maintenance and Operation of Plant	6,416,901.42	34,320.00	1,741,721.34	107,013.90	(4,533,846.18)
Student Transportation Services	4,470,822.19	-	1,225,321.36	-	(3,245,500.83)
Central Support Services	21,646.00	-	68,615.54	-	46,969.54
Other Support Services	17,723.91	-	251.76	-	(17,472.15)
Operations of Non-Instructional Services					
Enterprise Operations	1,196,364.72	-	2,144.72	-	(1,194,220.00)
Food Services	3,047,313.08	656,961.58	2,183,074.13	261.49	(207,015.88)
Interest on Long-Term Debt	94,233.00	-	-	-	(94,233.00)
Total Governmental Activities	\$ 65,958,265.22	\$ 1,277,924.21	\$ 34,547,079.41	\$ 664,570.80	(29,468,690.80)
General Revenues					
Taxes					
Property Taxes					
					24,301,399.30
					111.33
Sales Taxes					
					7,598,846.12
					400,105.20
Investment Earnings					
					791,648.97
Miscellaneous					
					1,713,818.91
					34,805,929.83
					5,337,239.03
					382,535.07
					\$ 5,719,774.10

MONROE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 12,629,766.36	\$ 34,891,498.52	\$ 1,019.95	\$ 18,230.15	\$ 47,540,514.98
Investments	75,135.74	-	-	-	75,135.74
Accounts Receivable, Net					
Taxes	1,093,508.09	685,150.82	-	-	1,778,658.91
State Government	3,411,975.18	664,570.80	-	-	4,076,545.98
Federal Government	1,391,764.28	-	-	-	1,391,764.28
Other	231,109.15	83,836.86	-	-	314,946.01
Inventories	74,225.93	-	-	-	74,225.93
 Total Assets	 \$ 18,907,484.73	 \$ 36,325,057.00	 \$ 1,019.95	 \$ 18,230.15	 \$ 55,251,791.83
<u>LIABILITIES</u>					
Accounts Payable	456,062.09	-	-	-	456,062.09
Salaries and Benefits Payable	4,933,455.85	-	-	-	4,933,455.85
Payroll Withholdings Payable	1,830,706.54	-	-	-	1,830,706.54
Contracts Payable	-	320,745.63	-	-	320,745.63
Retainages Payable	-	-	-	-	-
Deposits and Unearned Revenues	135,867.86	-	-	-	135,867.86
Total Liabilities	7,356,092.34	320,745.63	-	-	7,676,837.97
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable Revenue - Property Taxes	710,763.77	-	-	-	710,763.77
<u>FUND BALANCES</u>					
Nonspendable	74,225.93	-	-	10,000.00	84,225.93
Restricted	825,240.21	36,004,311.37	1,019.95	8,230.15	36,838,801.68
Assigned	395,868.50	-	-	-	395,868.50
Unassigned	9,545,293.98	-	-	-	9,545,293.98
Total Fund Balances	10,840,628.62	36,004,311.37	1,019.95	18,230.15	46,864,190.09
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,907,484.73	\$ 36,325,057.00	\$ 1,019.95	\$ 18,230.15	\$ 55,251,791.83

MONROE COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2023

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	46,864,190.09
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$ 3,165,429.20	
Construction in progress	2,785,256.26	
Buildings and improvements	83,588,572.08	
Equipment	10,326,271.79	
Land improvements	7,751,418.54	
Accumulated depreciation	<u>(47,992,300.04)</u>	59,624,647.83
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$ (64,269,749.00)	
Net OPEB liability	<u>(28,143,061.00)</u>	(92,412,810.00)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$ 30,772,672.86	
Related to OPEB	<u>(8,855,831.00)</u>	21,916,841.86
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		710,763.77
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (28,755,000.00)	
Unamortized bond premiums	<u>(2,228,859.45)</u>	<u>(30,983,859.45)</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>5,719,774.10</u></u>

MONROE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL
<u>REVENUES</u>					
Property Taxes	\$ 24,410,244.20	\$ -	\$ -	\$ -	\$ 24,410,244.20
Sales Taxes	400,105.20	7,598,846.12	-	-	7,998,951.32
State Funds	26,083,762.70	664,570.80	-	-	26,748,333.50
Federal Funds	8,350,336.72	-	-	-	8,350,336.72
Charges for Services	1,277,924.21	-	-	-	1,277,924.21
Investment Earnings	161,320.39	630,320.56	2.79	5.23	791,648.97
Miscellaneous	1,704,782.91	9,036.00	-	-	1,713,818.91
Total Revenues	<u>62,388,476.33</u>	<u>8,902,773.48</u>	<u>2.79</u>	<u>5.23</u>	<u>71,291,257.83</u>
<u>EXPENDITURES</u>					
Current					
Instruction	36,599,852.06	54,751.32	-	-	36,654,603.38
Support Services					
Pupil Services	2,112,184.34	-	-	-	2,112,184.34
Improvement of Instructional Services	1,788,047.58	-	-	-	1,788,047.58
Educational Media Services	786,520.88	-	-	-	786,520.88
General Administration	1,506,386.39	696,740.08	-	-	2,203,126.47
School Administration	2,468,869.31	-	-	-	2,468,869.31
Business Administration	618,843.40	272,221.29	30.00	-	891,094.69
Maintenance and Operation of Plant	5,109,096.55	433,730.88	-	-	5,542,827.43
Student Transportation Services	4,348,747.31	935,100.00	-	-	5,283,847.31
Central Support Services	89,192.30	-	-	-	89,192.30
Other Support Services	17,723.91	-	-	-	17,723.91
Enterprise Operations	1,196,364.72	-	-	-	1,196,364.72
Food Services Operation	3,099,800.62	-	-	-	3,099,800.62
Capital Outlay	-	3,017,873.95	-	-	3,017,873.95
Debt Services					
Principal	-	-	1,820,000.00	-	1,820,000.00
Interest	-	-	94,233.00	-	94,233.00
Total Expenditures	<u>59,741,629.37</u>	<u>5,410,417.52</u>	<u>1,914,263.00</u>	<u>-</u>	<u>67,066,309.89</u>
Revenues over (under) Expenditures	<u>2,646,846.96</u>	<u>3,492,355.96</u>	<u>(1,914,260.21)</u>	<u>5.23</u>	<u>4,224,947.94</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds of Bonds	-	25,000,000.00	-	-	25,000,000.00
Premiums on Bonds Sold	-	2,228,859.45	-	-	2,228,859.45
Transfers In	-	-	1,914,233.00	-	1,914,233.00
Transfers Out	-	(1,914,233.00)	-	-	(1,914,233.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,314,626.45</u>	<u>1,914,233.00</u>	<u>-</u>	<u>27,228,859.45</u>
Net Change in Fund Balances	2,646,846.96	28,806,982.41	(27.21)	5.23	31,453,807.39
Fund Balances - Beginning	<u>8,193,781.66</u>	<u>7,197,328.96</u>	<u>1,047.16</u>	<u>18,224.92</u>	<u>15,410,382.70</u>
Fund Balances - Ending	<u>\$ 10,840,628.62</u>	<u>\$ 36,004,311.37</u>	<u>\$ 1,019.95</u>	<u>\$ 18,230.15</u>	<u>\$ 46,864,190.09</u>

MONROE COUNTY BOARD OF EDUCATION
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2023

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ 31,453,807.39

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 4,154,497.94	
Depreciation expense	<u>(2,851,250.38)</u>	1,303,247.56

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. (14,535.90)

Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (108,733.57)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

General obligation bonds issued, including a premium of \$2,228,859.45	(27,228,859.45)	
Bond principal retirements	<u>1,820,000.00</u>	(25,408,859.45)

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension expense	\$ (4,020,836.00)	
OPEB expense	<u>2,133,149.00</u>	<u>(1,887,687.00)</u>

Change in net position of governmental activities (Exhibit "B") \$ 5,337,239.03

MONROE COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

EXHIBIT "G"

PRIVATE
PURPOSE
TRUSTS

ASSETS

Cash and Cash Equivalents

\$ 97,802.15

NET POSITION

Restricted

Held in Trust for Private Purpose

\$ 97,802.15

MONROE COUNTY BOARD OF EDUCATION
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2023

EXHIBIT "H"

		PRIVATE PURPOSE TRUSTS
<u>ADDITIONS</u>		
Contributions		
Donors	\$	111.11
Interest		69.67
Total Additions		180.78
 <u>DEDUCTIONS</u>		
Scholarships		-
Change in Net Position		180.78
Net Position - Beginning		97,621.37
Net Position - Ending	\$	97,802.15

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

Basis of Presentation

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Government-Wide Statements:

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

The Statement of Net Position presents the School District's non-fiduciary assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. **Net investment in capital assets** consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
2. **Restricted net position** consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "I"

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

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

Fund Financial Statements

The fund financial statements provide information about the School District's funds, including fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST), bond proceeds and grants from Georgia State Financing and Investment Commission that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

The School District reports the following fiduciary fund type:

- Private purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which principal and income benefit individuals, private organizations or other governments.

All governmental funds not meeting the criteria established for major funds are presented in the nonmajor governmental column of the fund financial statements.

Basis of Accounting

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

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "I"

levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

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

New Accounting Pronouncements

In fiscal year 2023, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement. The adoption of this statement did not have a material impact on the School District's financial statements.

Cash and Cash Equivalents

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

Investments

The School District can invest its funds as permitted by O.C.G.A. §36-83-4. In selecting among options for investment or among institutional bids for deposits, the highest rate of return shall be the objective, given equivalent conditions of safety and liquidity.

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

EXHIBIT "I"

Investments made by the School District in nonparticipating interest-earning contracts (such as certificates of deposit) and repurchase agreements are reported at cost. Participating interest-earning contracts and money market investments with a maturity at purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Inventories

Food Inventories

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

Capital Assets

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

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

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

**MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

EXHIBIT "I"

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Land Improvements	All	15 years
Buildings	\$ 25,000.00	40 years
Portable Buildings	\$ 25,000.00	10 years
Buildings and Improvements	\$ 25,000.00	20 to 40 years
Equipment, Excluding Vehicles	\$ 25,000.00	5 to 15 years
Buses	\$ 25,000.00	8 to 14 years
Vehicles	\$ 25,000.00	5 to 10 years
Intangible Assets	\$ 25,000.00	5 to 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Liabilities and Bond Discounts/Premiums

In the School District’s government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

Pensions

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Fund Balances

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

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

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

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

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

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

Unassigned consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Taxes

The Monroe Board of Commissioners adopted the property tax levy for the 2022 tax digest year (calendar year) on September 15, 2022 (levy date) based on property values as of January 1, 2022. Taxes were due on December 1, 2022 (lien date). Taxes collected within the current fiscal year or

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

within 60 days after year-end on the 2022 tax digest are reported as revenue in the governmental funds for fiscal year 2023. The Monroe County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2023, for maintenance and operations amounted to \$22,038,374.53.

The tax millage rates levied for the 2022 tax digest year (calendar year) for the School District were as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>15.024</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$2,371,869.67 during fiscal year ended June 30, 2023.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$7,598,846.12 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

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

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

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

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

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

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

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2023, the School District had deposits with a carrying amount of \$8,948,877.03, and a bank balance of \$10,682,259.80. The bank balances insured by Federal depository insurance were \$255,215.94.

At June 30, 2023, \$10,427,043.86 of the School District's bank balances were in the State's Secure Deposit Program (SDP).

The School District participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%.

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The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

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

Cash and cash equivalents	
Statement of Net Position	\$ 47,540,514.98
Statement of Fiduciary Net Position	97,802.15
 Total cash and cash equivalents	 47,638,317.13
 Add:	
Deposits with original maturity of three months or more reported as investments	75,135.74
 Less:	
Cash on hand	14.00
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	38,764,561.84
 Total carrying value of deposits - June 30, 2023	 \$ 8,948,877.03

Categorization of Cash Equivalents

The School District reported cash equivalents of \$38,764,561.84 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Fitch. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2023 was 28 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

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NOTE 5: CAPITAL ASSETS

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

	Balances July 1, 2022	Increases	Decreases	Transfers	Balances June 30, 2023
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	\$ 3,165,429.20	\$ -	\$ -	\$ -	\$ 3,165,429.20
Construction in Progress	173,493.49	3,080,063.22	9,638.02	(458,662.43)	2,785,256.26
Total Capital Assets					
Not Being Depreciated	3,338,922.69	3,080,063.22	9,638.02	(458,662.43)	5,950,685.46
Capital Assets,					
Being Depreciated					
Buildings and Improvements	83,534,645.64	53,926.44	-	-	83,588,572.08
Equipment	9,296,125.49	1,030,146.30	-	-	10,326,271.79
Land Improvements	7,562,786.11	-	270,030.00	458,662.43	7,751,418.54
Less Accumulated					
Depreciation					
Buildings and Improvements	34,329,847.15	2,059,746.84	-	-	36,389,593.99
Equipment	6,865,115.93	505,066.02	-	-	7,370,181.95
Land Improvements	4,201,580.68	286,437.52	255,494.10	-	4,232,524.10
Total Capital Assets,					
Being Depreciated, Net	54,997,013.48	(1,767,177.64)	14,535.90	458,662.43	53,673,962.37
Governmental Activities					
Capital Assets - Net	\$ 58,335,936.17	\$ 1,312,885.58	\$ 24,173.92	\$ -	\$ 59,624,647.83

Current year depreciation expense by function is as follows:

Instruction		\$	1,993,813.78
Support Services			
General Administration	\$		95,924.03
Business Administration			2,481.08
Maintenance and Operation of Plant			401,755.53
Student Transportation Services			356,294.30
Food Services			856,454.94
			981.66
		\$	2,851,250.38

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NOTE 6: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfer to	Transfer From Capital Projects Fund
Debt Service Fund	\$ <u>1,914,233.00</u>

Transfers are used to move Special Purpose Local Option Sales Tax collected in the capital projects fund to the debt service fund as needed for repayment of bond debt principal and interest.

NOTE 7: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

	Governmental Activities				
	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General Obligation (G.O.) Bonds	\$ 5,575,000.00	\$ 25,000,000.00	\$ 1,820,000.00	\$ 28,755,000.00	\$ 1,860,000.00
Unamortized Bond Premiums	-	2,228,859.45	-	2,228,859.45	445,771.89
	\$ 5,575,000.00	\$ 27,228,859.45	\$ 1,820,000.00	\$ 30,983,859.45	\$ 2,305,771.89

General Obligation Bonds

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

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2023. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

During the current year, the School District issued general obligation bonds totaling \$25,000,000.00 for the construction of a new College and Career Academy/Freshman Campus building.

Of the total amount originally authorized, \$2,890,000.00 remains unissued for the General Government – Series 2019 General Obligation bonds.

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General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2019	2.02%	3/26/2019	8/1/2024	\$ 9,110,000.00	\$ 3,755,000.00
General Government - Series 2023	5.00%	3/8/2023	2/1/2029	25,000,000.00	25,000,000.00
				<u>\$ 34,110,000.00</u>	<u>\$ 28,755,000.00</u>

The following schedule details debt service requirements to maturity for the School District's total general obligation bonds payable:

Fiscal Year Ended June 30:	General Obligation Debt		Unamortized
	Principal	Interest	Bond Premium
2024	\$ 1,860,000.00	\$ 1,178,592.78	\$ 445,771.89
2025	6,585,000.00	1,269,139.50	445,771.89
2026	4,835,000.00	1,015,500.00	445,771.89
2027	4,990,000.00	773,750.00	445,771.89
2028	5,155,000.00	524,250.00	445,771.89
2029	5,330,000.00	266,500.00	-
Total Principal and Interest	<u>\$ 28,755,000.00</u>	<u>\$ 5,027,732.28</u>	<u>\$ 2,228,859.45</u>

NOTE 8: RISK MANAGEMENT

Insurance

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

Georgia School Boards Association Risk Management Fund

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

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Workers' Compensation

Georgia Education Workers' Compensation Trust

The School District participates in the Georgia Education Workers' Compensation Trust (the Trust), a public entity risk pool organized on December 1, 1991, to develop, implement and administer a program of workers' compensation self-insurance for its member organizations. The School District pays an annual premium to the Trust for its general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of \$1.0 million loss per occurrence, up to the statutory limit. Employers' Liability insurance coverage is also provided with limits of \$2.0 million. The Trust covers the first \$1.0 million of each Employers Liability claim with Safety National providing additional Employers Liability limits up to a \$2.0 million per occurrence maximum. Safety National Casualty Company also provides \$2.0 million in aggregate coverage to the Trust, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

Unemployment Compensation

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

Surety Bond

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

Position Covered	Amount
Superintendent	\$ 50,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2023:

Nonspendable		
Inventories	\$ 74,225.93	
Permanent Funds Principal	10,000.00	\$ 84,225.93
Restricted		
Bus Replacement	\$ 231,660.00	
Continuation of Federal Programs	593,580.21	
Capital Projects	33,609,858.09	
Debt Service	2,395,473.23	
Permanent Funds	8,230.15	36,838,801.68
Assigned		
School Activity Accounts		395,868.50
Unassigned		9,545,293.98
Fund Balance, June 30, 2023		\$ 46,864,190.09

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

NOTE 10: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2023, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2023 (2)	Funding Available From State (1)
Middle School Roof Top Units	\$ 9,709.00	\$ 858,629.82	\$ 150,284.20

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include contracts and retainages payable at year-end.

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

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

Litigation

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

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

Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately

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eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$1,057,756.00 for the year ended June 30, 2023. Active employees are not required to contribute to the School OPEB Fund.

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

At June 30, 2023, the School District reported a liability of \$28,143,061.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2021. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the School District's proportion was 0.284182%, which was an increase of 0.003607% from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2023, the School District recognized OPEB expense of (\$1,075,751.00). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,123,347.00	\$ 11,061,075.00
Changes of assumptions	4,286,246.00	5,691,973.00
Net difference between projected and actual earnings on OPEB plan investments	171,665.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,258,203.00	-
School District contributions subsequent to the measurement date	1,057,756.00	-
Total	\$ 7,897,217.00	\$ 16,753,048.00

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2024	\$ (2,848,661.00)
2025	\$ (2,184,538.00)
2026	\$ (1,639,443.00)
2027	\$ (2,102,141.00)
2028	\$ (1,030,537.00)
Thereafter	\$ (108,267.00)

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Actuarial Assumptions: The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2022:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

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

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

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Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projections scaled applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjust 104% for males and 99% for females) with the MP-2019 Project scale applied generationally.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	2.00%
Equities	70.00%	9.40%
Total	100.00%	

* Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.57% was used as the discount rate, as compared with last year's rate of 2.20%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

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Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 3.57%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.57%) or 1-percentage-point higher (4.57%) than the current discount rate:

	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
School District's proportionate share of the Net OPEB liability	\$ 31,833,181.00	\$ 28,143,061.00	\$ 25,015,522.00

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 24,248,611.00	\$ 28,143,061.00	\$ 32,929,323.00

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

NOTE 13: RETIREMENT PLANS

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

Teachers Retirement System of Georgia (TRS)

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

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

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

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 2023. The School District's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of annual School District payroll, of which 19.91% of payroll was required from the School District and 0.07% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$5,583,594.00 and \$20,585.23 from the School District and the State, respectively.

Employees' Retirement System

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

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

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

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

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the

MONROE COUNTY BOARD OF EDUCATION
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computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of cost-of-living adjustments (COLA) prefunding for certain retired ERS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$0.00 for the current fiscal year.

Public School Employees Retirement System (PSERS)

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

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 \$15.75, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$137,989.00.

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

At June 30, 2023, the School District reported a liability of \$64,269,749.00 for its proportionate share of the net pension liability for TRS.

**MONROE COUNTY BOARD OF EDUCATION
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The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	\$	64,269,749.00
State of Georgia's proportionate share of the net pension liability associated with the School District		<u>235,097.00</u>
Total	\$	<u><u>64,504,846.00</u></u>

The net pension liability for TRS was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2022.

At June 30, 2022, the School District's TRS proportion was 0.197924%, which was a decrease of 0.002694% from its proportion measured as of June 30, 2021. At June 30, 2022, the School District's ERS proportion was 0.000000%, which was a decrease of 0.000609% from its proportion measured as of June 30, 2021.

At June 30, 2023, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$1,044,113.00.

The PSERS net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$9,671,688.00 for TRS, (\$58,089.00) for ERS and \$262,385.00 for PSERS and revenue of \$9,169.00 for TRS and \$262,385.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

**MONROE COUNTY BOARD OF EDUCATION
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EXHIBIT "I"

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,667,853.00	\$ 334,539.00	\$ -	\$ -
Changes of assumptions	9,674,648.00	-	-	-
Net difference between projected and actual earnings on pension plan investments	12,694,563.86	81,585.00	-	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	998,194.00	397,183.00	-	32,873.00
School District contributions subsequent to the measurement date	5,583,594.00	-	-	-
Total	\$ 31,618,852.86	\$ 813,307.00	\$ -	\$ 32,873.00

The School District contributions subsequent to the measurement date for TRS and ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS		ERS	
2024	\$ 6,927,541.00	\$	(29,877.00)	
2025	\$ 5,323,505.00	\$	(2,996.00)	
2026	\$ 3,851,834.00	\$	-	
2027	\$ 9,133,270.00	\$	-	

MONROE COUNTY BOARD OF EDUCATION
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EXHIBIT "I"

Actuarial Assumptions: The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

Employees' Retirement System:

Inflation	2.50%
Salary increases	3.00% – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

Public School Employees Retirement System:

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Mortality rates are as follows:

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

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Setback (-)</u>	<u>Adjustment to Rates</u>
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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

MONROE COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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EXHIBIT "I"

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

<u>Asset Class</u>	<u>TRS/ERS/PSERS Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.20%
Domestic large stocks	46.30%	9.40%
Domestic small stocks	1.20%	13.40%
International developed market stocks	12.30%	9.40%
International emerging market stocks	5.20%	11.40%
Alternative	5.00%	10.50%
Total	<u>100.00%</u>	

* Rates shown are net of inflation

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

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EXHIBIT "I"

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
	(5.90%)	(6.90%)	(7.90%)
School District's proportionate share of the net pension liability	\$ 96,961,766.00	\$ 64,269,749.00	\$ 37,572,392.00

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publicly available at www.trsga.com/publications and <http://www.ers.ga.gov/financials>.

NOTE 14: SUBSEQUENT EVENTS

On September 18, 2023, the Monroe County School District signed a Construction Manager contract with Parrish Construction Group to build the new College and Career Academy/Freshman Campus Building. On March 13 2024, an amendment to the contract was signed to establish a Guaranteed Maximum Price of \$22,593,186.00.

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MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.197924%	\$ 64,269,749.00	\$ 235,097.00	\$ 64,504,846.00	\$ 26,812,069.34	239.70%	72.85%
2022	0.200618%	\$ 17,743,324.00	\$ 63,414.00	\$ 17,806,738.00	\$ 26,137,343.55	67.88%	92.03%
2021	0.192405%	\$ 46,608,022.00	\$ 148,493.00	\$ 46,756,515.00	\$ 24,891,484.71	187.24%	77.01%
2020	0.191693%	\$ 41,219,178.00	\$ 159,120.00	\$ 41,378,298.00	\$ 23,490,186.66	175.47%	78.56%
2019	0.192220%	\$ 35,680,149.00	\$ 139,402.00	\$ 35,819,551.00	\$ 22,984,172.62	155.24%	80.27%
2018	0.191634%	\$ 35,615,769.00	\$ 251,459.00	\$ 35,867,228.00	\$ 22,175,353.84	160.61%	79.33%
2017	0.192562%	\$ 39,727,688.00	\$ 496,385.00	\$ 40,224,073.00	\$ 21,393,966.39	185.70%	76.06%
2016	0.194108%	\$ 29,551,016.00	\$ 292,453.00	\$ 29,843,469.00	\$ 20,821,711.00	141.92%	81.44%
2015	0.198660%	\$ 25,098,071.00	\$ 323,928.00	\$ 25,421,999.00	\$ 20,678,210.00	121.37%	84.03%

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	\$ 5,583,594.00	\$ 5,583,594.00	\$ -	\$ 28,037,705.24	19.91%
2022	\$ 5,293,665.00	\$ 5,293,665.00	\$ -	\$ 26,812,069.34	19.74%
2021	\$ 4,964,007.89	\$ 4,964,007.89	\$ -	\$ 26,137,343.55	18.99%
2020	\$ 5,245,228.71	\$ 5,245,228.71	\$ -	\$ 24,891,484.71	21.07%
2019	\$ 4,888,974.76	\$ 4,888,974.76	\$ -	\$ 23,490,186.66	20.81%
2018	\$ 3,848,600.70	\$ 3,848,600.70	\$ -	\$ 22,984,172.62	16.74%
2017	\$ 3,139,455.22	\$ 3,139,455.22	\$ -	\$ 22,175,353.84	14.16%
2016	\$ 3,013,891.51	\$ 3,013,891.51	\$ -	\$ 21,393,966.39	14.09%
2015 (1)	\$ 2,738,055.10	\$ 2,738,055.10	\$ -	\$ 20,821,711.00	13.15%
2014 (1)	\$ 2,539,284.15	\$ 2,539,284.15	\$ -	\$ 20,678,210.00	12.28%

(1) For years 2015 and earlier, the contribution amounts included payments made on-behalf of the School District employees by the Georgia Department of Education.

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	0.000000%	\$ -	\$ -	0.00%	67.44%
2022	0.000609%	\$ 14,244.00	\$ 21,881.07	65.10%	87.62%
2021	0.003517%	\$ 148,240.00	\$ 88,680.96	167.16%	76.21%
2020	0.003316%	\$ 136,836.00	\$ 83,592.00	163.70%	76.74%
2019	0.003197%	\$ 131,430.00	\$ 81,552.96	161.16%	76.68%
2018	0.000000%	\$ 129,150.00	\$ 78,003.96	165.57%	76.33%
2017	0.000000%	\$ -	\$ -	0.00%	72.34%
2016	0.000349%	\$ 14,139.00	\$ 7,984.46	177.08%	76.20%
2015	0.002270%	\$ 85,139.00	\$ 47,990.46	177.41%	77.99%

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2023	\$ -	\$ -	\$ -	\$ -	0.00%
2022	\$ -	\$ -	\$ -	\$ -	0.00%
2021	\$ 5,395.86	\$ 5,395.86	\$ -	\$ 21,881.07	24.66%
2020	\$ 21,868.68	\$ 21,868.68	\$ -	\$ 88,680.96	24.66%
2019	\$ 20,714.04	\$ 20,714.04	\$ -	\$ 83,592.00	24.78%
2018	\$ 20,233.32	\$ 20,233.32	\$ -	\$ 81,552.96	24.81%
2017	\$ 19,352.76	\$ 19,352.76	\$ -	\$ 78,003.96	24.81%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ 1,753.44	\$ 1,753.44	\$ -	\$ 7,984.46	21.96%

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.00%	\$ -	\$ 1,044,113.00	\$ 1,044,113.00	\$ 1,723,376.41	N/A	81.21%
2022	0.00%	\$ -	\$ 112,511.00	\$ 112,511.00	\$ 1,628,545.13	N/A	98.00%
2021	0.00%	\$ -	\$ 756,994.00	\$ 756,994.00	\$ 1,611,307.11	N/A	84.45%
2020	0.00%	\$ -	\$ 739,659.00	\$ 739,659.00	\$ 1,569,727.12	N/A	85.02%
2019	0.00%	\$ -	\$ 723,381.00	\$ 723,381.00	\$ 1,446,184.38	N/A	85.26%
2018	0.00%	\$ -	\$ 657,570.00	\$ 657,570.00	\$ 1,234,909.83	N/A	85.69%
2017	0.00%	\$ -	\$ 854,291.00	\$ 854,291.00	\$ 1,332,623.23	N/A	81.00%
2016	0.00%	\$ -	\$ 520,150.00	\$ 520,150.00	\$ 1,369,387.64	N/A	87.00%
2015	0.00%	\$ -	\$ 458,285.00	\$ 458,285.00	\$ 2,064,334.96	N/A	88.29%

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 SCHOOL OPEB FUND

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered-employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.284182%	\$ 28,143,061.00	\$ -	\$ 28,143,061.00	\$ 28,120,421.94	100.08%	6.17%
2022	0.280575%	\$ 30,388,594.00	\$ -	\$ 30,388,594.00	\$ 25,506,206.75	119.14%	6.14%
2021	0.276426%	\$ 40,600,542.00	\$ -	\$ 40,600,542.00	\$ 23,743,399.44	171.00%	3.99%
2020	0.274476%	\$ 33,684,094.00	\$ -	\$ 33,684,094.00	\$ 22,693,079.89	148.43%	4.63%
2019	0.270680%	\$ 34,402,597.00	\$ -	\$ 34,402,597.00	\$ 20,647,717.12	166.62%	2.93%
2018	0.270494%	\$ 38,004,298.00	\$ -	\$ 38,004,298.00	\$ 21,690,661.74	175.21%	1.61%

MONROE COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 SCHOOL OPEB FUND

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2023	\$ 1,057,756.00	\$ 1,057,756.00	\$ -	\$ 27,194,435.60	3.89%
2022	\$ 1,027,530.00	\$ 1,027,530.00	\$ -	\$ 28,120,421.94	3.65%
2021	\$ 1,043,692.00	\$ 1,043,692.00	\$ -	\$ 25,506,206.75	4.09%
2020	\$ 934,807.00	\$ 934,807.00	\$ -	\$ 23,743,399.44	3.94%
2019	\$ 1,478,242.00	\$ 1,478,242.00	\$ -	\$ 22,693,079.89	6.51%
2018	\$ 1,402,911.00	\$ 1,402,911.00	\$ -	\$ 20,647,717.12	6.79%
2017	\$ 1,410,380.00	\$ 1,410,380.00	\$ -	\$ 21,690,661.74	6.50%

Teachers Retirement System

Change of benefit terms: There have been no changes in benefit terms.

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

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

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

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

Employees' Retirement System

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

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected scale BB (set forwarded 2 years for both males and females).

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

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

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

Public School Employees Retirement System

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

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

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

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

MONROE COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE "8"

School OPEB Fund

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

Changes in assumptions: June 30, 2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement 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 the Retirement Systems' experience studies.

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

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

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	NONAPPROPRIATED BUDGETS		ACTUAL AMOUNTS	VARIANCE OVER/UNDER
	ORIGINAL (1)	FINAL (1)		
REVENUES				
Property Taxes	\$ 27,109,261.00	\$ 27,109,261.00	\$ 24,410,244.20	\$ (2,699,016.80)
Sales Taxes	550,000.00	550,000.00	400,105.20	(149,894.80)
State Funds	22,877,181.00	25,512,964.00	26,083,762.70	570,798.70
Federal Funds	1,470,280.51	7,665,548.51	8,350,336.72	684,788.21
Charges for Services	15,000.00	125,000.00	1,277,924.21	1,152,924.21
Investment Earnings	3,200.00	3,200.00	161,320.39	158,120.39
Miscellaneous	617,500.00	617,500.00	1,704,782.91	1,087,282.91
Total Revenues	<u>52,642,422.51</u>	<u>61,583,473.51</u>	<u>62,388,476.33</u>	<u>805,002.82</u>
EXPENDITURES				
Current				
Instruction	37,343,575.31	38,638,202.06	36,599,852.06	2,038,350.00
Support Services			-	
Pupil Services	2,462,599.11	2,608,202.52	2,112,184.34	496,018.18
Improvement of Instructional Services	1,299,907.00	1,825,739.08	1,788,047.58	37,691.50
Educational Media Services	769,995.00	767,145.37	786,520.88	(19,375.51)
General Administration	1,773,260.79	1,776,460.79	1,506,386.39	270,074.40
School Administration	2,768,262.96	2,769,143.00	2,468,869.31	300,273.69
Business Administration	530,195.00	530,195.00	618,843.40	(88,648.40)
Maintenance and Operation of Plant	4,952,073.00	5,002,073.00	5,109,096.55	(107,023.55)
Student Transportation Services	4,664,193.93	4,656,588.93	4,348,747.31	307,841.62
Central Support Services	30,850.00	133,100.00	89,192.30	43,907.70
Other Support Services	-	4,500.00	17,723.91	(13,223.91)
Enterprise Operations	-	-	1,196,364.72	(1,196,364.72)
Food Services Operation	-	2,848,657.00	3,099,800.62	(251,143.62)
Total Expenditures	<u>56,594,912.10</u>	<u>61,560,006.75</u>	<u>59,741,629.37</u>	<u>1,818,377.38</u>
Excess of Revenues over (under) Expenditures	<u>(3,952,489.59)</u>	<u>23,466.76</u>	<u>2,646,846.96</u>	<u>2,623,380.20</u>
OTHER FINANCING SOURCES (USES)				
Other Sources	52,797.00	52,797.00	-	105,594.00
Other Uses	(52,797.00)	(52,797.00)	-	(105,594.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,952,489.59)	23,466.76	2,646,846.96	2,623,380.20
Fund Balances - Beginning	9,933,286.65	9,933,286.65	8,193,781.66	(1,739,504.99)
Adjustments	53,424.55	16,931.20	-	(16,931.20)
Fund Balances - Ending	<u>\$ 6,034,221.61</u>	<u>\$ 9,973,684.61</u>	<u>\$ 10,840,628.62</u>	<u>\$ 866,944.01</u>

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

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.

The actual revenues and expenditures of the various principal accounts are \$1,096,472.26 and \$1,064,955.40, respectively.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	235GA324N1199	\$ 428,753.49
National School Lunch Program	10.555	225GA324N1099	2,451,307.82
COVID-19 - National School Lunch Program	10.555	225GA324N1099	<u>129,073.49</u>
Total Child Nutrition Cluster			<u>3,009,134.80</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
State Administrative Expenses for Child Nutrition	10.560	235GA904N2533	<u>7,741.87</u>
Total U. S. Department of Agriculture			<u>3,016,876.67</u>
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	1,937.88
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	3,936,994.31
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210011	<u>14,697.25</u>
Total Education Stabilization Fund			<u>3,953,629.44</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A210073	294,102.00
Grants to States	84.027A	H027A220073	648,146.28
COVID-19 - American Rescue Plan - Grants to States	84.027X	H027X210073	94,728.11
Preschool Grants	84.173A	H173A220081	31,519.00
COVID-19 - American Rescue Plan - Preschool	84.173X	H173X210081	<u>10,547.50</u>
Total Special Education Cluster			<u>1,079,042.89</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A220010	48,694.70
Supporting Effective Instruction State Grants	84.367A	S367A220001	99,835.90
Title I Grants to Local Educational Agencies	84.010A	S010A210010-21A	73,055.00
Title I Grants to Local Educational Agencies	84.010A	S010A220010	<u>936,685.00</u>
Total Other Programs			<u>1,158,270.60</u>
Total U. S. Department of Education			<u>6,190,942.93</u>

MONROE COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Federal Communications Commission, U.S. Direct COVID-19 - Emergency Connectivity Fund Program	32.009		219,597.57
Defense, U. S. Department of Direct Department of the Army R.O.T.C. Program	12. UNKNOWN		<u>46,555.69</u>
Total Expenditures of Federal Awards			\$ <u><u>9,473,972.86</u></u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Monroe County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Elementary and Secondary School Emergency Relief Fund Activity

For the year ended June 30, 2023, the amount reflected on the Schedule for the American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ALN 84.425U) includes \$1,721,280.07 of approved eligible expenditures that were incurred in a prior fiscal year.

Note 5: Transfers Between Programs

Funds totaling \$52,797.00 were transferred from the Student Support and Academic Enrichment program (ALN 84.424A) and expended in the Title I Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2023.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2023

SCHEDULE "11"

<u>AGENCY/FUNDING</u>	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL PROJECTS	
	FUND	FUND	
GRANTS			
Bright From the Start:			
Georgia Department of Early Care and Learning			
Pre-Kindergarten Program	\$ 914,728.67	\$ -	\$ 914,728.67
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	1,506,372.00	-	1,506,372.00
Kindergarten Program - Early Intervention Program	192,874.00	-	192,874.00
Primary Grades (1-3) Program	3,244,594.00	-	3,244,594.00
Primary Grades - Early Intervention (1-3) Program	531,385.00	-	531,385.00
Upper Elementary Grades (4-5) Program	1,421,145.00	-	1,421,145.00
Upper Elementary Grades - Early Intervention (4-5) Program	371,962.00	-	371,962.00
Middle School (6-8) Program	2,684,497.00	-	2,684,497.00
High School General Education (9-12) Program	2,518,629.00	-	2,518,629.00
Vocational Laboratory (9-12) Program	904,247.00	-	904,247.00
Students with Disabilities	3,833,249.00	-	3,833,249.00
Gifted Student - Category VI	1,721,337.00	-	1,721,337.00
Remedial Education Program	228,531.00	-	228,531.00
Alternative Education Program	205,738.00	-	205,738.00
English Speakers of Other Languages (ESOL)	53,991.00	-	53,991.00
Media Center Program	502,969.00	-	502,969.00
20 Days Additional Instruction	151,672.00	-	151,672.00
Staff and Professional Development	85,718.00	-	85,718.00
Principal Staff and Professional Development	1,319.00	-	1,319.00
Indirect Cost			
Central Administration	668,091.00	-	668,091.00
School Administration	929,816.00	-	929,816.00
Facility Maintenance and Operations	981,226.00	-	981,226.00
Categorical Grants			
Pupil Transportation			
Regular	706,933.00	-	706,933.00
Bus Replacement	5,016.00	-	5,016.00
Nursing Services	91,827.00	-	91,827.00
State Health Reimbursement	1,034,730.00	-	1,034,730.00
Other State Programs			
Agriculture Construction Related Equipment - State Bonds	9,671.05	-	9,671.05
Food Services	78,240.00	-	78,240.00
Hygiene Products	3,277.00	-	3,277.00
Math and Science Supplements	23,530.71	-	23,530.71
Preschool Disability Services	63,030.00	-	63,030.00
School Security Grant	51,009.00	-	51,009.00
Teachers Retirement	20,585.23	-	20,585.23
Vocational Education	103,834.04	-	103,834.04
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	664,570.80	664,570.80
Office of the State Treasurer			
Public School Employees Retirement	137,989.00	-	137,989.00
Technical College System of Georgia			
College and Career Academy	100,000.00	-	100,000.00
	<u>\$ 26,083,762.70</u>	<u>\$ 664,570.80</u>	<u>\$ 26,748,333.50</u>

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2023

SCHEDULE "12"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
2019 SPLOST			
(i) Acquiring miscellaneous new equipment, fixtures and furnishing for the School District, including technology equipment, software and safety and	\$ 4,200,000.00	\$ 4,200,000.00	6/30/2024
(ii) Adding to, renovating, repairing, improving and equipping existing school buildings and School District facilities;	1,550,000.00	3,841,075.23	6/30/2024
(iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;	1,200,000.00	1,200,000.00	6/30/2024
(iv) Acquiring school buses, vehicles and transportation and maintenance equipment;	2,800,000.00	2,800,000.00	6/30/2024
(v) Constructing and equipping new schools facilities, including instructional, fine arts and athletic facilities;	2,200,000.00	2,200,000.00	6/30/2024
(vi) Acquiring land for future schools and facilities;	-	-	6/30/2024
(vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and	12,000,000.00	12,000,000.00	7/31/2024
(viii) Paying expenses incidental to accomplishing the foregoing.	50,000.00	50,000.00	6/30/2024
Subtotal 2019 Projects	<u>24,000,000.00</u>	<u>26,291,075.23</u>	
2023 SPLOST			
(i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and	-	-	7/31/2029
(ii) Adding to, renovating, repairing, improving, and equipping existing school buildings and School District facilities;	-	-	7/31/2029
(iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;	-	-	7/31/2029
(iv) Acquiring school buses, vehicles, and transportation and maintenance equipment;	-	-	7/31/2029
(v) Constructing and equipping new school facilities, including a ninth grade campus, field house, and stadium improvements;	-	-	7/31/2029
(vi) Acquiring land for future schools and facilities;	-	-	7/31/2029
(vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and	-	-	7/31/2029
(viii) Paying expenses incident to accomplishing the foregoing.	-	-	7/31/2029
Subtotal 2023 Projects	<u>39,500,000.00</u>	<u>39,500,000.00</u>	
Total	<u>\$ 63,500,000.00</u>	<u>\$ 65,791,075.23</u>	

MONROE COUNTY BOARD OF EDUCATION
 SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
 YEAR ENDED JUNE 30, 2023

SCHEDULE "12"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)	AMOUNT EXPENDED IN PRIOR YEARS (3)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
2019 SPLOST				
(i) Acquiring miscellaneous new equipment, fixtures and furnishing for the School District, including technology equipment, software and safety and	\$ 784,430.41	\$ 2,823,263.17	\$ -	\$ -
(ii) Adding to, renovating, repairing, improving and equipping existing school buildings and School District facilities;	1,713,190.56	2,127,884.67	-	-
(iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;	54,751.32	588,759.03	-	-
(iv) Acquiring school buses, vehicles and transportation and maintenance equipment;	935,100.00	899,944.44	-	-
(v) Constructing and equipping new schools facilities, including instructional, fine arts and athletic facilities;	1,658,886.32	121,995.00	-	-
(vi) Acquiring land for future schools and facilities;	-	-	-	-
(vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and	1,914,233.00	7,647,360.64	-	-
(viii) Paying expenses incidental to accomplishing the foregoing.	454.92	197.30	-	-
Subtotal 2019 Projects	<u>7,061,046.53</u>	<u>14,209,404.25</u>	<u>-</u>	<u>-</u>
2023 SPLOST				
(i) Acquiring miscellaneous new equipment, fixtures and furnishings for the School District, including technology equipment, software and safety and	-	-	-	-
(ii) Adding to, renovating, repairing, improving, and equipping existing school buildings and School District facilities;	-	-	-	-
(iii) Acquiring band instruments and equipment, text books and library books for the School District, including electronic media;	-	-	-	-
(iv) Acquiring school buses, vehicles, and transportation and maintenance equipment;	-	-	-	-
(v) Constructing and equipping new school facilities, including a ninth grade campus, field house, and stadium improvements;	-	-	-	-
(vi) Acquiring land for future schools and facilities;	-	-	-	-
(vii) Paying any general obligation debt of the School District issued in conjunction with the continuation of such sales and use tax including associated interest; and	272,221.29	-	-	-
(viii) Paying expenses incident to accomplishing the foregoing.	-	-	-	-
Subtotal 2023 Projects	<u>272,221.29</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,333,267.82</u>	<u>\$ 14,209,404.25</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

(3) The voters of Monroe County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt.

Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) Project is jointly funded through a combination of SPLOST, Bond, and/or GSFIC funding.

Section II

Compliance and Internal Control Reports



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Jim Finch, Superintendent and Members of the
Monroe County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Monroe County Board of Education (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 11, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in findings FS 2023-001 and FS 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



Greg S. Griffin
State Auditor

September 11, 2024



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Jim Finch, Superintendent and Members of the
Monroe County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monroe County Board of Education's (School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in findings FA 2023-001 and FA 2023-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the internal control over compliance findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

September 11, 2024

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

**MONROE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2022-001 Strengthen Controls over Special Reporting

Federal Awarding Agency: U.S. Department of Agriculture
Pass-Through Entity: Georgia Department of Education
Repeat of Prior Year Finding: None

Finding Status: Partially Resolved

The entity has returned to following its procedures that are in place for meal claims and reimbursements. The estimated completion date is July 1, 2023.

FA 2022-002 Improve Controls over Procurement and Suspension and Debarment

Federal Awarding Agency: U.S. Department of Agriculture
Pass-Through Entity: Georgia Department of Education
Repeat of Prior Year Finding: None

Finding Status: Partially Resolved

The entity has returned to following its approved procurement policy. The estimated completion date is July 1, 2023.

Section IV

Findings and Questioned Costs

MONROE COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2023

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
 Governmental Activities, Each Major Fund, and
 Aggregate Remaining Fund Information Unmodified

Internal control over financial reporting:
 ■ Material weakness(es) identified? No
 ■ Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
 ■ Material weakness(es) identified? No
 ■ Significant deficiency(ies) identified? Yes

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

Any audit findings disclosed that are required to be reported in
 accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
10.553, 10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? No

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

II FINANCIAL STATEMENT FINDINGS

FS 2023-001

Internal Controls at the Central Office

Internal Control Impact:

Significant Deficiency

Compliance Impact:

None

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls at the Central Office.

Criteria:

The School District's management is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are processed according to established procedures.

Condition:

The auditor noted the following inadequate controls at the central office:

Cash and Cash Equivalents

- The reported cash balances per the financial statements were not reconciled to bank balances by \$20,000.33.
- Four bank reconciliations did not have evidence that the reviewer dated the reconciliations. Two of the four were also not dated by the preparer.
- One bank reconciliation did not have a reviewer signature.
- One employee has custody of checks, records receipts in the system, and performs bank reconciliations.

Capital Assets

- A complete physical inventory has not been performed over fixed assets since fiscal year 15.
- One title for a vehicle was not maintained on file for a vehicle purchased in the prior year.
- Two fully depreciated assets were unable to be located and were improperly included on the Fixed Asset Listing.

Expenditures/Liabilities/Disbursements

- Invoice documentation was not maintained to support one expenditure out of a sample of 14 paid out from principal accounts.
- There was no evidence to support two expenditures were received out of a sample 14 paid from general fund.
- There was no evidence to support two expenditures were received out of a sample 17 paid from capital projects fund.
- One expenditure selected in the sample of 17 was not properly recorded in the correct function in the capital projects fund.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Employee Compensation

- Salaries and benefits payable per the financial statements were not reconciled to the subsidiary ledger by \$701,966.11.
- One employee can enter new employees and change compensation and benefits.

Cause:

In discussing these deficiencies with the School District, they indicated the deficiencies occurred due to not following established internal control policies and procedures.

Effect:

Without following established satisfactory accounting controls and procedures, the School District could place itself in a position where potential misappropriation of assets could occur. In addition, lack of proper controls and failure to follow the established procedures impacts its reporting and financial position and results of operations.

Recommendation:

The School District should review accounting procedures in place and design and implement procedures relative to the above control categories to strengthen the internal controls over the accounting functions.

Views of Responsible Officials:

We concur with this finding.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

FS 2023-002

Internal Controls over Financial Reporting

Internal Control Impact:

Significant Deficiency

Compliance Impact:

None

Description:

The School District did not have adequate internal controls in place over the financial statement reporting process.

Criteria:

Management is responsible for having adequate controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The School District's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, Basic Financial Statements – *Management's Discussion and Analysis – for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental fund balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities. In addition, the statement requires information about the government's major and nonmajor funds in the aggregate to be provided in the fund financial statements.

Chapter II – 2, *Annual Financial Reporting of the Financial Management for Georgia Local Units of Administration* provides that School Districts must prepare their financial statements in accordance with generally accepted accounting principles.

Condition:

The following errors and omissions were noted in the School District's financial statements, note disclosures and supplementary information presented for audit:

- Georgia State Financing and Investment Commission reimbursements totaling \$664,570.80 were not accrued by the School District. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report revenue in the capital projects fund and government-wide financial statements.
- Emergency Connectivity Funds totaling \$219,597.57 were not properly reported in the current year. They were misclassified as miscellaneous revenue rather than federal funds. The related expenditures were also not recognized on the Schedule of Expenditures of Federal Awards.
- Education Stabilization Funds - ARP Funds in the amount of \$186,968.21 deferred in the prior year were not properly reported in the current year. This resulted in miscellaneous revenue being overstated and understated federal funds. The related expenditures were also not included in the Schedule of Expenditures of Federal Awards originally presented for audit. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report revenue in the general fund, government-wide financial statements and expenditures on the Schedule of Expenditures of Federal Awards.

**MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

- Interfund transfers totaling \$214,446.76 were not properly eliminated on the fund financial statements. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report transfers in the general fund.
- Capital outlay in the amount of \$647,494.84 and depreciation expense in the amount of \$661,919.43 were overstated on Exhibit F. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report these amounts.
- One bank account with a reconciled balance of \$18,361.09 was reported as an investment but should have been reported as cash. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report cash and investments in the non-major governmental fund.
- Unexpended bond proceeds in the amount of \$25,133,466.12 were not properly accounted for in the calculation of net investment in capital assets and net position restricted for capital projects. An audit adjustment was proposed by the auditors and accepted by the School District to correctly report net position in the government-wide financial statements.
- Bank balances totaling \$10,427,043.86 that were collateralized by the Secured Deposit Program were not properly disclosed. An audit adjustment was proposed by the auditors and accepted by the School District to correct the note disclosure.
- There was no significant commitment note to disclose payments through June 30 in the amount of \$776,650.44 for the Middle School roof top units project. An audit adjustment was proposed by the auditors and accepted by the School District to correct the note disclosure.
- The 2023 SPLOST was not reported on the SPLOST Schedule, resulting in the omission of \$39,500,000.00 in original and current estimated costs, as well as \$272,221.29 in bond issuance costs. An audit adjustment was proposed by the auditors and accepted by the School District to correct the schedule.
- Contracts Payable in the amount of \$320,745.63 related to the 2019 SPLOST projects were not reported on the SPLOST Schedule. An audit adjustment was proposed by the auditors and accepted by the School District to correct the schedule.

Cause:

In discussing these deficiencies with the School District, they indicated the errors occurred due to oversight in preparing the financial statements.

Effect:

Significant misstatements were included in the financial statements presented for audit. Several adjustments were necessary for the School District's financial statements to be in conformity with GAAP. The lack of controls and monitoring over the financial statement process could impact the reporting of the School District's financial position and results of operations.

Recommendation:

The School District should strengthen their internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of the applicable GAAP statements, GASB pronouncements and knowledge of the School District's activities and operations. The School District should also consider implementing the use of a review checklist to assist in the review process over the financial statements.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Views of Responsible Officials:

We concur with this finding.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2023-001 Strengthen Controls over Special Reporting

Compliance Requirement:	Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
AL Numbers and Titles:	10.553 – School Breakfast Program 10.555 – National School Lunch Program
Federal Award Number:	235GA324N1199 (Year: 2023) 225GA324N1099 (Year: 2023)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA 2022-001

Description:

The policies and procedures of the School District were insufficient to provide adequate internal controls over the monthly Claims for Reimbursement process.

Background:

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential child care institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding is granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) based upon each School District's monthly Form DE0106 Claim Data report submissions. These DE0106 reports are to be supported by the corresponding Form DE0112 Daily Record of Number of Breakfasts Served and Form DE0118 Daily Record of Number of Lunches Served, which are prepared by the School District from their School Food Service meal sales system.

Criteria:

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Section 200.303 – Internal Controls.

**MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Provisions included in Title 7 CFR Section 210.7(c) require that the School District "base Claims for Reimbursement on lunch counts, taken daily at the point of service, which correctly identify the number of free, reduced price and paid lunches served to eligible children" and "correctly record, consolidate and report those lunch and supplement counts on the Claim for Reimbursement."

In addition, provisions included in Title 7 CFR Section 220.11(d) state that the School District "shall establish internal controls which ensure the accuracy of breakfast counts prior to the submission of the monthly Claim for Reimbursement."

Condition:

A sample of four months during the standard school year in which a DE-0112, DE-0118, DE-0106 and DE-0107 should have been filed was randomly selected for testing using a non-statistical sampling approach. Additionally, the Form DE0106 reports for the months of July 2022 and June 2023 were selected for testing. These reports were reviewed to determine if appropriate internal controls were implemented and applicable reporting compliance requirements were met. The following deficiencies were noted:

- No Form DE0112 or DE0118 reports were prepared during the period under review.
- Daily meal count sheets maintained by the schools did not reflect evidence of review and approval by lunchroom managers in eight instances, including four breakfast and four lunch counts.

Cause:

In discussing these deficiencies with management, the School District believed completion of DE0112 and DE0018 was not a requirement due to the election of Seamless Summer Option. As a result, the School District did not follow its policies and procedures that govern the reporting process for federal programs.

Effect:

The School District is not in compliance with the Uniform Guidance and GaDOE guidance. Failure to submit accurate monthly Claims for Reimbursement to GaDOE can result in the School District obtaining less federal funding than they are eligible to receive. This deficiency may expose the School District to unnecessary financial strains and shortages within the CNC fund.

Recommendation:

The School District should evaluate their internal control processes regarding the preparation of the Form DE0112 or DE0118 reports and develop or modify procedures to ensure Claims for Reimbursement are based on final and accurate meals counts. The School District should become more familiar with the Federal regulations related to the CNC programs in order to develop or modify internal control procedures that will ensure accurate reporting of meals served. Furthermore, management should develop and implement a monitoring process to ensure that controls are functioning properly.

Views of Responsible Officials:

We concur with this finding.

MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

FA 2023-002 Improve Controls over Suspension and Debarment

Compliance Requirement:	Procurement and Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
AL Numbers and Titles:	10.553 – School Breakfast Program 10.555 – National School Lunch Program
Federal Award Number:	235GA324N1199 (Year: 2023) 225GA324N1099 (Year: 2023)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA 2022-002

Description:

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District’s internal control procedures were not operating appropriately to ensure that the School District’s suspension and debarment procedures were followed.

Background:

The Child Nutrition Cluster (CNC) is comprised of various programs that are intended to assist states in administering and overseeing food service program operators that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential childcare institutions, and summer programs. This Cluster of programs also fosters healthy eating habits in children by providing fresh fruits and fresh vegetables to children attending elementary and secondary schools and encourages the domestic consumption of nutritious agricultural commodities.

CNC funding was granted to the Georgia Department of Education (GaDOE) by the U.S. Department of Agriculture. GaDOE is responsible for distributing funds to local educational agencies (LEAs) and overseeing the various CNC programs. CNC funds totaling \$3,009,134.80 were expended and reported on the Monroe County Board of Education’s Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2023.

Criteria:

As a recipient of federal awards, the School District is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Additionally, Title 2 CFR Section 180.300 states in part that the non-Federal entity must “verify that the entity with whom you intend to do business is not excluded or disqualified. You can do this by: (a) Checking System for Awards Management (SAM) exclusions; or (b) Collecting a certification from the entity; or (c) Adding a clause or condition to the covered transaction with the entity.”

**MONROE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Condition:

A sample of 60 covered transactions was randomly selected for testing using a non-statistical sampling approach. These expenditures were reviewed to determine if appropriate internal controls were implemented and suspension and debarment compliance requirements were met. The following exception was noted:

- For five expenditures, documentation could not be provided to support the entity's verification that the vendor was not suspended or debarred or otherwise excluded from participating in the transaction.

Cause:

The School District did not follow its policies and procedures that govern the suspension and debarment process for federal programs.

Effect:

The School District is not in compliance with the Uniform Guidance and Georgia Department of Education guidance. Failure to appropriately implement procedures to address suspension and debarment compliance requirements exposes the School District to unnecessary risk of error and misuse of federal funds and could result in the expenditure of federal funds with unqualified vendors. In addition, this deficiency could lead to the return of grant funds associated with unallowable expenditures.

Recommendation:

The School District should evaluate and improve internal control procedures to ensure that vendors are not suspended, debarred or otherwise excluded prior to entering into covered transactions and required suspension and debarment documentation is properly retained. In addition, management should develop a monitoring process to ensure that these procedures are operating appropriately.

Views of Responsible Officials:

We concur with this finding.

Section V

Management's Corrective Action



MONROE COUNTY SCHOOLS

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CORRECTIVE ACTION PLANS - FINANCIAL STATEMENT FINDINGS

FS 2023-001 Internal Controls at the Central Office

Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:

The accounting procedures of the School District were insufficient to provide adequate internal controls at the Central Office.

Corrective Action Plans:

The School District will strengthen internal controls and review procedures in the following areas:

Cash and Cash Equivalents – All bank balances will be reconciled to the financial statements and are signed and dated by both preparer and approver. Quarterly School Bookkeeper meetings will be held to ensure that all school level accounts are reconciled as well. The accounts payable clerk will review bank deposits before and after deposits are made.

Capital Assets – A complete physical inventory will be conducted in September of 2024.

Expenditures/Liabilities/Disbursements – During the School Bookkeepers meetings, training will be given for the proper documentation required for expenditures, to include receiving documentation.

Employee Compensation – Salaries and benefits payable accounts per the financial statements will be documented before the submission of the financial statements. The Assistant Superintendent of Personnel and Finance will review all compensation amounts.

Estimated Completion Date: September 30, 2024

Contact Person: Chris Johnson, Director of Financial Services

Telephone: 478-994-2031

Email: chris.johnson@mcschools.org

FS 2023-002 Internal Controls over Financial Reporting

Internal Control Impact: Significant Deficiency
Compliance Impact: None

Description:

The School District did not have adequate internal controls in place over the financial statement reporting process.

Corrective Action Plans:

The School District will strengthen internal controls and review procedures over the financial reporting process to ensure that the financial statements presented for audit are complete and



MONROE COUNTY SCHOOLS

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accurate. This will be completed by having the Adjusting Journal Entries reviewed and utilizing the checklists provided by the Georgia Department of Audits and Accounts prior to the submission of the reports.

Estimated Completion Date: July 1, 2024

Contact Person: Chris Johnson, Director of Financial Services

Telephone: 478-994-2031

Email: chris.johnson@mcschools.org



MONROE COUNTY SCHOOLS

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CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2023-001 Strengthen Controls over Special Reporting

Compliance Requirement:		Reporting
Internal Control Impact:	Significant Deficiency	
Compliance Impact:	Nonmaterial Noncompliance	
Federal Awarding Agency:	U.S. Department of Agriculture	
Pass-Through Entity:	Georgia Department of Education	
AL Numbers and Title:	10.553 – School Breakfast Program 10.555 – National School Lunch Program	
Federal Award Number:	235GA324N1199 (Year: 2023)	
Questioned Costs:	None Identified	
Repeat of Prior Year Finding:	FA 2022-001	

Description:

The policies and procedures of the School District were insufficient to provide adequate internal controls over the monthly Claims for Reimbursement process.

Corrective Action Plans:

The School District has returned to collecting Free and Reduce applications and recording the student meals accordingly.

Estimated Completion Date: July 1, 2024

Contact Person: Chris Johnson, Director of Financial Services

Telephone: 478-994-2031

Email: chris.johnson@mcschools.org

FA 2023-002 Improve Controls over Suspension and Debarment

Compliance Requirement:	Procurement and Suspension and Debarment
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	Georgia Department of Education
AL Numbers and Title:	10.553 – School Breakfast Program 10.555 – National School Lunch Program
Federal Award Number:	235GA324N1199 (Year: 2023)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA 2022-002



MONROE COUNTY SCHOOLS

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Description:

A review of expenditures charged to the Child Nutrition Cluster revealed that the School District's internal control procedures were not operating appropriately to ensure that the School District's suspension and debarment procedures were followed.

Corrective Action Plans:

The School District has returned to following its approved procurement procedures.

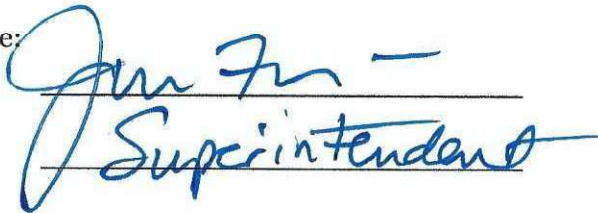
Estimated Completion Date: July 1, 2024

Contact Person: Chris Johnson, Director of Financial Services

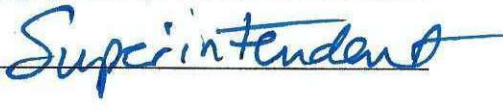
Telephone: 478-994-2031

Email: chris.johnson@mcschools.org

Signature:



Title:



APPENDIX C

BOOK-ENTRY ONLY SYSTEM OF REGISTRATION

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

A beneficial owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant to a tender agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the tender agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the tender agent's DTC account.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School System believes to be reliable, but the School System takes no responsibility for the accuracy thereof.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by the Monroe County School District (the “**School District**”), a political subdivision organized pursuant to the Constitution and laws of the State of Georgia, managed and controlled by the Monroe County Board of Education (the “**Board of Education**”), as an obligated person on behalf of the Monroe County Public Facilities Authority (the “**Authority**”) in connection with the issuance of the Monroe County Public Facilities Authority (Monroe County School District Projects) Revenue Bonds, Series 2024, dated as of November 12, 2024*, in the principal amount of \$16,175,000* (the “**Bonds**”). The Series 2024 Bonds are being issued pursuant to a resolution adopted by the Authority on October 15, 2024* (the “**Bond Resolution**”). The School District, as an obligated person on behalf of the Authority, covenants and agrees as follows:

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

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

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

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

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

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

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

*Preliminary; subject to change.

Section 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to, not later than one (1) year after the end of each Fiscal Year (the “**Annual Filing Date**”), commencing with the Fiscal Year ended June 30, 2024, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the School District shall include unaudited financial information in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements when available will be provided to the MSRB through EMMA in an electronic format. In addition, the School District shall, or cause the Dissemination Agent to, provide to the MSRB the School District’s audited general purpose financial statements, for Fiscal Year ended June 30, 2024, together with the independent auditor’s report, not later than ten business days after receipt of the financial statements by the School District.

(b) If the School District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the School District shall send a notice to the MSRB in substantially the form attached as **Exhibit A** hereto. If the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Authority irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(c) The Dissemination Agent shall:

- (i) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;
- (ii) if the Dissemination Agent is other than the School District, notify the School District that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate and stating the date it was provided; and
- (iii) if the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

(d) The School District shall promptly file a notice of any change in its Fiscal Year with the MSRB.

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

(1) the School District's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

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

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

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the School District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The School District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the School District;

(13) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the School District, any of which reflect financial difficulties.

(b) If the School District obtains knowledge of the occurrence of a Listed Event, the School District shall file, in a timely manner not in excess of ten business days after the occurrence of the event, a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) (other than tender offers) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution. For the purpose of the event identified in subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U. S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the School District.

(c) For the purposes of the events described in subsection (a)(15) and (a)(16), the term “Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

(d) The content of any notice of the occurrence of a Listed Event shall be determined by the School District and shall be in substantially the form attached hereto as **Exhibit B**.

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

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

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

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

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

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

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

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

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

Section 10. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an "event of default" or "default" under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the School District has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Annual Report of the School District, any audited financial statements of the School District, any Listed Events or any other information, disclosures or notices provided to it by the School District and shall not be deemed to be acting in any fiduciary capacity for the School District, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the School District's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the School District has complied with this Disclosure Certificate.

The Dissemination Agent may conclusively rely upon certifications of the School District at all times.

(b) The School District agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the School District under this subsection shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(c) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the School District.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

[Signature Page to the Continuing Disclosure Certificate]

DATE: November 12, 2024*

MONROE COUNTY SCHOOL DISTRICT

[SEAL]

By: _____
Stuart Pippin, Chairman
Board of Education of Monroe County

Attest:

Dr. Jim Finch,
Superintendent and Ex-Officio Secretary
Board of Education of Monroe County

EXHIBIT “A”

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Monroe County School District (the “**School District**”)
Name of Bond Issue: \$16,175,000* Monroe County Public Facilities Authority (Monroe County School District Projects) Revenue Bonds, Series 2024 Bonds (the “**Series 2024 Bonds**” or the “**Bonds**”)
Date of Issuance: November 12, 2024*
CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the School District has not provided an Annual Report with respect to the above-named Bonds as required by the by the resolution adopted by the Board of Education of Monroe County (the “**Board of Education**”) on November 12, 2024*. The School District anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

¹ No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT “B”

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

**Relating to
\$16,175,000* MONROE COUNTY PUBLIC
FACILITIES AUTHORITY (MONROE COUNTY
SCHOOL DISTRICT PROJECTS) REVENUE
BONDS, SERIES 2024**

CUSIP Numbers¹: _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

Dated: _____

¹ No representation is made as to the correctness of the CUSIP numbers either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

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[Form of Opinion of Bond Counsel]

November 12, 2024*

Monroe County Public Facilities Authority
Forsyth, Georgia

Monroe County School District
Forsyth, Georgia

Re: \$16,175,000* MONROE COUNTY PUBLIC FACILITIES AUTHORITY
REVENUE BONDS (MONROE COUNTY SCHOOL DISTRICT
PROJECTS), SERIES 2024

To the Addressees:

We have acted as bond counsel to our client, the Monroe County School District (the “**School District**”) in connection with the issuance by the Monroe County Public Facilities Authority (the “**Authority**”) of its MONROE COUNTY PUBLIC FACILITIES AUTHORITY (MONROE COUNTY SCHOOL DISTRICT PROJECTS) REVENUE BONDS, SERIES 2024, issued in the aggregate principal amount of \$16,175,000* (the “**Series 2024 Bonds**”).

The Series 2024 Bonds are being issued pursuant to the Constitution and laws of the State of Georgia, including the “Monroe County Public Facilities Authority Act,” codified at Ga. L. 2008, p. 4432 (the “**Act**”); the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 *et seq.*, as amended); and a bond resolution adopted by the Authority on October 15, 2024*, (the “**Bond Resolution**”). The proceeds from the sale of the Series 2024 Bonds will be used for the purpose of paying in whole or in part, one or more of the following capital outlay projects of the School District including: (i) renovations to the School District’s Dan Pitts Stadium including: (a) construction of a new field house, including visitor restroom renovations and necessary equipment and furnishings; (b) football field improvements, including natural grass; (c) field lighting improvements and landscaping; (d) construction of a new plaza; (e) visitor bleachers, concessions, and press box improvements; and (f) parking lot additions and improvements (collectively the “**Projects**”) located within the School District, and (ii) the costs associated with the sale and issuance of the Series 2024 Bonds.

The Authority and the School District, a political subdivision of the State of Georgia, have entered into an Intergovernmental Contract, dated as of November 1, 2024* (the “**Contract**”). Under the terms of the Contract, the Authority agreed to, among other things, issue the Series 2024 Bonds, and the School District agreed to, among other things, make payments to the Authority in amounts sufficient to enable the Authority to pay the principal of and interest on the Series 2024 Bonds as the same become due (the “**Contract Payments**”). The Contract, Contract Payments, and moneys held in the Sinking Fund and the Construction Fund (as created under the Bond Resolution) are pledged as security for the performance of the obligations under the Bond Resolution and the Series 2024 Bonds.

As bond counsel, we have examined the law and the Bond Resolution, the Series 2024 Bonds, the Contract, a certified copy of the proceedings in and judgment of the Superior Court of Monroe County, Georgia, by which the Series 2024 Bonds were validated, and such other

* Preliminary; subject to change.

documents, resolutions, and records of the Authority and other instruments as we have deemed necessary or relevant to enable us to express the opinions set forth below. In making the examinations described above, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents. With your consent, we have relied on the Closing Certificate of the Authority, dated as of even date herewith, the Closing Certificate of the School District, dated as of even date herewith, certifications made in the Tax Regulatory Agreement and Non-Arbitrage Certificate, dated as of even date herewith, and upon representations and warranties contained in the Contract, as to factual matters represented therein without independent verification of the accuracy or completeness of such matters. We have also assumed that the Authority and its representatives know of no conflict of interest which would give rise to the disqualification or recusal of a member or members of the Authority, or that, to the extent any such conflict exists, the Authority and the affected members have complied with applicable laws and rules governing such member conflicts.

We express no opinion as to the compliance by the Authority, the School District, or the purchaser of the Series 2024 Bonds with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2024 Bonds.

Based upon the foregoing, and subject to the qualifications and assumptions herein, we are of the opinion, as of the date hereof and under existing statutes, regulations, rulings, and court decisions, that:

(1) The Authority is a duly created and validly existing public body corporate and politic of the State of Georgia with the corporate power to (i) adopt the Bond Resolution and perform its obligations thereunder; (ii) issue, execute, deliver, and perform its obligations under the Series 2024 Bonds; (iii) execute, deliver, and perform its obligations under the Contract; and (iv) carry out the transactions contemplated on its part by the Bond Resolution and the Contract.

(2) The Bond Resolution has been duly adopted by the Authority and constitutes the legal, valid, binding, and enforceable obligation of the Authority. The Bond Resolution creates a lien on the Contract, the Contract Payments, and moneys held in the Sinking Fund and the Construction Fund as security for the Series 2024 Bonds.

(3) The Series 2024 Bonds have been duly authorized, executed and delivered by the Authority and, assuming authentication thereof by Regions Bank as the authenticating agent, constitute legal, valid, binding, and enforceable limited obligations of the Authority.

(4) The Contract has been duly authorized, executed and delivered by the Authority and the School District and constitutes a legal, valid, binding, and enforceable obligation of the Authority and the School District; provided however, no opinion is given with respect to any indemnification provisions contained therein.

(5) Interest on the Series 2024 Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “**Tax Code**”), and interest on the Series 2024 Bonds is excludable from federal alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the School District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and the School District have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on corporations.

(6) The interest on the Series 2024 Bonds is exempt from all present State of Georgia income taxes.

Except as expressly stated above, we express no opinion as to any other federal or any other state income tax consequences of acquiring, carrying, owning, or disposing of the Series 2024 Bonds. Owners of the Series 2024 Bonds should consult their tax advisors as to the applicability of any collateral tax consequences of ownership of the Series 2024 Bonds, which may include purchase at a market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

The rights of the owners of the Series 2024 Bonds and the enforceability of the Bond Resolution, the Series 2024 Bonds, and the Contract may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings, and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This opinion is given solely for the use and benefit of the addressees hereof, and only in connection with the issuance and delivery of the Series 2024 Bonds, and may not be used or relied upon by any other person or in connection with any other transaction, except with express consent of this firm.

Very truly yours,