PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2026

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: Enhanced: Moody's "Aa1"
Underlying: Moody's "A1"
See "MISCELLANEOUS - Ratings" herein.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. See Appendix B herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "TAX STATUS" herein.

$30,000,000*
GORDON COUNTY SCHOOL DISTRICT (GEORGIA)
General Obligation Sales Tax Bonds, Series 2026

Dated: Date of Issuance **Due: December 1, as shown on inside cover**

THE GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 (the "**Bonds**"), will be issued in registered form in the name of Cede & Co., as the nominee for The Depository Trust Company ("**DTC**"), New York, New York. Individual purchases of the Bonds must be made in book-entry form only in authorized denominations of $5,000 or any integral multiple thereof. Individual purchasers ("**Beneficial Owners**") of the Bonds will not receive physical delivery of the Bonds. Transfers of the Bonds will be effected through a book-entry system as described herein.

Interest on the Bonds will be payable on June 1 and December 1 of each year (each an "**Interest Payment Date**") beginning June 1, 2027. So long as Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the registered owner of the Bonds, disbursements of payments of principal of and interest on the Bonds to Cede & Co. are the responsibility of Regions Bank, Atlanta, Georgia, as Paying Agent; disbursements of such payments to DTC Participants are the responsibility of DTC; and disbursements of such payments to the Beneficial Owners are the responsibility of Direct and Indirect Participants as more fully described herein. See "THE BONDS - Book-Entry Only System of Delivery of Bonds" herein.

The Bonds are being issued to provide funds, together with other available funds of the Gordon County School District (the "**School District**"), to finance the costs of acquiring, constructing, and equipping certain capital outlay projects of the School District, and paying the costs of issuance of the Bonds. See "THE BONDS - Estimated Sources and Uses of Funds" and "THE BONDS - The Projects" herein.

The Bonds are not subject to redemption prior to maturity.*

The Bonds are general obligations of the School District. Principal of and interest on the Bonds are payable first from the School District's pro-rata share of receipts of a special one percent (1%) sales and use tax for educational purposes (the "**Educational Sales Tax**"). The School District reasonably expects that such receipts will be sufficient to pay all debt service on the Bonds. Nevertheless, if such receipts are insufficient, debt service on the Bonds will be paid, to the extent necessary, from the general fund of the School District or from an *ad valorem* tax to be levied, without limitation as to rate or amount, upon all property in the School District subject to taxation for school bond purposes. Prior to the issuance of the Bonds, the Board of Commissioners of Gordon County, upon recommendation of the School District, will provide for the assessment and collection of an *ad valorem* tax on all property in the School District subject to taxation for school bond purposes, which, together with such Educational Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. As additional security for the Bonds, the School District will participate in the State of Georgia Intercept Program.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as, and if issued by the School District, subject to the approval of legality by Gray Pannell LLC, Savannah, Georgia, Bond Counsel. Certain legal matters will be passed upon for the School District by its counsel, Elinor H. Portivent, P.C., Calhoun, Georgia. Gray Pannell LLC, Savannah, Georgia, is serving as Disclosure Counsel. Delivery of the Bonds in definitive form is expected to be made through DTC in New York, New York, on or about __________, 2026.

RAYMOND JAMES®

Official Statement dated: ________, 2026

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Bonds 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 a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

$30,000,000*
GORDON COUNTY SCHOOL DISTRICT (GEORGIA)
GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026

(December 1) Maturity	Principal Amount*	Interest Rate	Price/Yield	CUSIP[1]
2027	$5,165,000			
2028	5,760,000			
2029	6,050,000			
2030	6,355,000			
2031	6,670,000			

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[1] CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the School District, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the financing or the Underwriter of the Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Bonds.

GORDON COUNTY SCHOOL DISTRICT

Elected Officials
Board of Education of Gordon County
Charlie Walraven, *Chairperson, Post 1*
Christie Fox, *Vice Chairperson, Post 6*
Marsha Wilson, *Post 2*
Dana Stewart, *Post 3*
Jennifer Dixon, *Post 4*
Kacee Smith, *Post 5*
Eddie Hall, *Post 7*

Appointed Officials
Alice Mashburn, *Superintendent*
Mendy Goble, *Executive Director of Finance*

SPECIAL SERVICES

Auditor
State of Georgia Department of Audits and Accounts
Atlanta, Georgia

Attorney for the School District
Elinor H. Portivent, P.C.
Calhoun, Georgia

Bond Counsel and Disclosure Counsel
Gray Pannell LLC
Savannah, Georgia

Underwriter
Raymond James & Associates, Inc.
Atlanta, Georgia

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This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Raymond James & Associates, Inc. (the "**Underwriter**") has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in 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.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The information set forth herein has been furnished by the School District and by other sources which are believed to be reliable. The information and expressions of opinion contained 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 any implication that there has been no change in the affairs of the School District or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the School District. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, 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 such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) 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 (including the Appendices attached hereto), 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 disclaims 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 expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute a contract between the School District and any one or more owners of the Bonds, nor does this Official Statement constitute an offer to sell the Bonds or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the School District to give any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or any other person.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to the Underwriter who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES 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.

The Bonds have not been registered under the Securities Act of 1933, and the Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the School District that has been deemed final by the School District as of its date, except for the omission of no more than the information permitted by Rule 15c2-12.

OFFICIAL STATEMENT

Relating to

$30,000,000*
GORDON COUNTY SCHOOL DISTRICT (GEORGIA)
GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to furnish information with respect to the proposed issuance and sale by the Gordon County School District (the "**School District**") of its GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 (the "**Bonds**").

The information contained in this section entitled "INTRODUCTION" is a brief description of the terms of and security for the Bonds and does not purport to be comprehensive or definitive. A full review of the entire Official Statement, as well as the documents summarized or described herein, should be made. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution (as defined herein) unless the context requires otherwise.

The School District

The School District is a political subdivision of the State of Georgia (the "**State**"), and the affairs of the School District are managed by the Board of Education of Gordon County (the "**Board of Education**"). The School District is coextensive with the territorial limits of Gordon County (the "**County**"), except for the area located within the corporate limits of the City of Calhoun. The City of Calhoun has its own independent school system. The County is located in northwest Georgia, approximately 70 miles northwest of Atlanta, Georgia. For more detailed information, see "THE SCHOOL DISTRICT."

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the School District and will constitute a pledge of the full faith and credit of the School District. Principal of and interest on the Bonds are payable first from the School District's *pro rata* share of the receipts of a special one percent (1%) sales and use tax for educational purposes (the "**Educational Sales Tax**") collected within the territorial limits of Gordon County for a period of time not to exceed 20 calendar quarters, which will begin being collected upon the termination of the one percent sales and use tax for educational purposes currently in effect (presently anticipated to cease being collected on September 30, 2026), and then, if and to the extent necessary, from *ad valorem* taxes which may be levied, without limitation as to rate or amount, upon all taxable property subject to taxation for school bond purposes within the territorial limits of the School District. Prior to the issuance of the Bonds, the Board of Commissioners of Gordon County (the "**Board of Commissioners**") upon the recommendation from the Board of Education will provide for the assessment and collection of an *ad valorem* tax within the School District in an amount which, together with the Educational Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. As additional security for the Bonds, the School District will participate in the State of Georgia Intercept Program. For more detailed information, see "THE BONDS - Security and Sources of Payment for the Bonds" and "SCHOOL DISTRICT AD VALOREM TAXATION."

Purpose of the Bonds

The Bonds are being issued to provide funds to finance the cost, in whole or in part, of acquiring, constructing, and equipping certain capital outlay projects in the School District, and paying certain expenses relating to the sale and issuance of the Bonds. For more detailed information, see "THE BONDS - Estimated Sources and Uses of Funds" and "THE BONDS - The Projects."

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* The use of the asterisk (*) throughout this Preliminary Official Statement indicates information which is subject to change.

Bond Registrar and Paying Agent

Regions Bank, Atlanta, Georgia, will act as Bond Registrar ("**Bond Registrar**") and Paying Agent ("**Paying Agent**") for the Bonds.

Description of the Bonds

Redemption. The Bonds are not subject to redemption by the School District prior to their respective maturities.*

Denominations. The Bonds will be issued in denominations of $5,000 or any integral multiple thereof.

Registration and Transfer. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Bonds.

Manner of Making Payments. Interest on the Bonds is payable on June 1 and December 1 of each year (each an "**Interest Payment Date**"), beginning June 1, 2027. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the "**Record 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 (as defined herein) to the holders of the Bonds not less than 30 days preceding such subsequent date of record. The Bonds bear interest at the rates per annum and mature in the amounts and at the times as set forth on the inside cover page hereof.

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners (as defined herein). For more detailed information on the Bonds, see "THE BONDS."

Terms of the Offering

Authority for Issuance. The Bonds are to be issued under authority of the Constitution of the State of Georgia, the general laws of the State of Georgia, and a bond resolution of the Board of Education of Gordon County authorizing the issuance of the Bonds adopted on _______, 2026 (the "**Resolution**"). The issuance of the Bonds was approved by a majority of the votes cast in the School District in a sales and use tax referendum held in Gordon County on November 4, 2025.

Offering. The Bonds are offered when, as, and if issued by the School District and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice, to approval of legality by Gray Pannell LLC, Bond Counsel.

Delivery. The Bonds in definitive form are expected to be delivered through DTC in New York, New York on or about ________, 2026.

Tax Status

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “Appendix B” herein for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see “TAX STATUS” herein.

Professionals Involved in the Offering

Certain legal matters pertaining to the School District and its authorization and issuance of the Bonds are subject to the approving opinion of Gray Pannell LLC, Savannah, Georgia, Bond Counsel. See Appendix B for the proposed form of opinion of Bond Counsel to be delivered in connection with the issuance of the Bonds. Certain legal matters will be passed on for the School District by its counsel, Elinor H. Portivent, P.C., Calhoun, Georgia. Gray Pannell LLC, Savannah, Georgia is serving as Disclosure Counsel. The general purpose financial statements of the School District as of June 30, 2025, and for the fiscal year then ended, attached hereto as Appendix A, 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 A attached hereto.

Continuing Disclosure

The Board of Education will sign a Continuing Disclosure Certificate on the date of the sale of the Bonds, which will allow the Underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5). See “Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE.”

Additional Information

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the School District, the Bonds, the Resolution, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to, or summaries of, the Resolution or any other document or any constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to, or summaries of, the Bonds are qualified in their entirety by the definitive form thereof and the provisions with respect thereto included in the Resolution. Copies of all documents described herein are available upon request, prior to the delivery of the Bonds, from Raymond James & Associates, Inc., Two Buckhead Plaza, 3050 Peachtree Road, N.W., Suite 702, Atlanta, Georgia 30505, telephone (404) 240-6840, and after the delivery of the Bonds, upon payment to the Board of Education of a charge for copying, mailing, and handling, from the Board of Education of Gordon County, 7300 Fairmount Hwy SE, Calhoun, Georgia 30701, telephone (706) 629-7366.

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THE BONDS

Description

The Bonds, dated the date of issuance and delivery, will bear interest at the rates per annum, calculated on the basis of a 360-day year of twelve 30-day months, and mature on December 1 in the years and amounts set forth on the inside cover page hereof. Interest shall be payable on June 1 and December 1 of each year beginning June 1, 2027.

Redemption

The Bonds are not subject to redemption prior to maturity.*

Book-Entry Only System of Delivery of Bonds

The following description of the procedures and recordkeeping with respect to the beneficial ownership interests in the bonds, payment of interest and other payments on the bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners is based on certain information furnished by DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District does not take responsibility for the accuracy thereof. Accordingly, the School District does not make any representation concerning these matters.

The Depository Trust Company, New York, New York, 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 the 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 the 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 the 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 the 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 documents. For example, Beneficial Owners of the 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 Bond 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 District 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 the bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments 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 District 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 School District subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District 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 or remarketing 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 or remarketing agent. The requirement for physical delivery of the 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 or remarketing 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 District or 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 District 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.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE HOLDER OF THE BONDS, THE SCHOOL DISTRICT AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THE BOND RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE SCHOOL DISTRICT OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE BOND RESOLUTION. THE SCHOOL DISTRICT DOES NOT HAVE ANY 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 BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 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 BOND RESOLUTION TO BE GIVEN TO HOLDERS OF THE BONDS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

Beneficial Owners of the bonds may experience some delay in their receipt of distributions of principal and interest on the bonds since such distributions will be forwarded by the Paying Agent to DTC, and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to the authority granted by (i) the Constitution of the State of Georgia, particularly Article VIII, Section VI, Paragraph IV of the Constitution, (ii) the general laws of the State of Georgia, particularly the Sales Tax for Educational Purposes, codified in Official Code of Georgia Annotated ("**O.C.G.A.**") § 48-8-140 through § 48-8-143, and (iii) the Resolution. The Board of Education and the Board of Education of the City of Calhoun adopted a concurrent resolution on August 11, 2025, reimposing the Educational Sales Tax within Gordon County and authorizing, among other things, the issuance of general obligation debt of the School District in the maximum aggregate principal amount of $41,050,000, conditioned upon approval by a majority of the qualified voters residing within the County voting in an election thereon called for November 4, 2025 (the "**Election**"). The resolution calling the Election and the notice of Election stipulated an interest rate for the Bonds not exceeding 6.0% per annum.

The Election was held in accordance with Article 14 of Chapter 2 of Title 21 of O.C.G.A. The canvass of the Election showed 3,072 "Yes" votes and 2,172 "No" votes, a 58.6% approval rate county-wide, and 1,935 "Yes" votes and 1,571 "No" votes in the School District (not including the City of Calhoun), a 55.2% approval rate. Subsequent to such approval, the Board of Education adopted the Resolution authorizing and regulating the issuance of the Bonds.

Validation of the Bonds

On April 9, 2026, the Superior Court of Gordon County confirmed and validated the general obligation debt of the School District authorized to be issued pursuant to the results of the Election in the maximum aggregate principal amount of $41,050,000, and the security therefor, in accordance with the procedures of Article 2 of Chapter 82 of Title 36 of Official Code of Georgia Annotated (Civil Action No. 26CV76395).

Estimated Sources and Uses of Funds*

Sources of Funds:

Par Amount	$__________
[Net] Original Issue [Premium/Discount]	$__________
Total Sources of Funds:	$__________

Uses of Funds:

Costs of Projects[1]	$__________
Costs of Issuance[2]	$__________
Total Uses of Funds:	$__________

[1] See "THE BONDS - The Projects."

[2] Includes Underwriter's Discount and expenses, estimated legal and accounting fees, printing costs, validation court costs, rating agency fees, and other fees and expenses associated with the issuance of the Bonds.

Concurrently with the issuance and delivery of the Bonds, the Underwriter's Discount shall be paid, all costs and expenses in connection with the issuance and sale of the Bonds, including without limitation the fees and expenses of accountants, attorneys, and the cost of printing, validation fees, and other miscellaneous fees and expenses shall be paid to those persons entitled to receive the same, and the balance of the proceeds from the sale of the Bonds shall be deposited in the GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 CONSTRUCTION FUND (the "**Construction Fund**"), created by the Board of Education pursuant to the terms of the Resolution.

The Projects

The proceeds of the Bonds will fund in part the capital outlay projects approved by voters in the Election ballot question, which included the following: (a) the acquisition and installation of digital resources and improvements to technology throughout the School District; (b) acquisition and installation of safety and security improvements throughout the Gordon County School District; (c) acquisition and equipping of buses; (d) expansion and improvements of parking lots; (e) renovations and modifications at Sonoraville High School, Sonoraville Elementary School, Red Bud Middle School, Fairmount Elementary School, Belwood Elementary School, Tolbert Elementary School, Swain Elementary School, Ashworth Middle School, Gordon Central High School, Red Bud Elementary School, Central Office, and CTAE Pathway Facilities; (f) acquisition, construction, equipping, renovation, and expansion of athletic fields and facilities; (g) acquisition, construction, and equipping of new auditoriums; and (h) acquisition of any property, both real and personal, and equipment necessary for future schools, facilities, administrative offices, support services, and other purposes of the Gordon County School District (collectively, the "**Projects**").

The School District anticipates that proceeds from the Bonds will be primarily used to finance the costs of renovations and modifications at Sonoraville High School and technology improvements throughout the School District.

All plans and specifications for major construction projects are approved by the Board of Education and, when required, submitted to the Facilities Services Unit of the State of Georgia Department of Education for approval. After the plans and specifications are approved, the Board of Education will solicit bids for general contractors. After this selection and approval, the general contractors will select the construction subcontractors.

Contractors engaged in the construction of the Projects will be required to obtain performance and payment bonds, a certificate of insurance for general liability, a certificate of insurance for workers' compensation, a certificate of insurance/auto liability and excess liability, and evidence of property insurance for builder's risk.

The Board of Education anticipates that the Sonoraville High School project will be completed by June 30, 2028. Although the Board of Education believes it can achieve this construction schedule, unforeseen circumstances can occur which may delay completion of the project.

Plan of Financing. The School District has developed a plan to finance the Projects with proceeds from the sale of the Bonds and investment earnings thereon, proceeds of the Educational Sales Tax above the amount required for payment of principal of and interest on the Bonds, together with investment earnings thereon, and funds earned through the State capital outlay program administered by the Georgia Department of Education, the aggregate amount of which is expected to be sufficient to provide funding for the Projects. See "THE BONDS - Estimated Sources and Uses of Funds" herein.

The Georgia Department of Education disburses capital outlay earnings to the School District as the School District incurs capital expenditures if certain requirements are met. The School District's Sonoraville High School project has qualified for reimbursement under the State capital outlay program in the amount of $2,093,356.

Investment of Money

Construction Fund Money. The money in the Construction Fund will be held by the Construction Fund Depository designated under the Resolution (the "**Construction Fund Depository**") and will be disbursed by the Construction Fund Depository to pay the costs of the Projects. Money in the Construction Fund which is not needed at the time to pay current obligations during the construction and equipping of the Projects may be invested, upon direction to the Construction Fund Depository from the Board of Education, in any of the following investments allowed by O.C.G.A. § 36-82-7, and no others:

(a) investments and reinvestments in the local government investment pool created in O.C.G.A. § 36-83-8; or

(b) investment in the following securities and no others:

(1) bonds or other obligations of the issuer, or bonds or obligations of the State of Georgia or other states or other counties, municipal corporations, and political subdivisions of the State of Georgia;

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

(3) 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 a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(4) 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;

(5) certificates of deposit of national or state banks located within the State of Georgia 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 of Georgia 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 of Georgia or with a trust office within the State of Georgia, 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 of Georgia or other states or any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations included in paragraph (2) above, obligations of the agencies and instrumentalities of the United States government included in paragraph (3) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (4) above;

(6) 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:

(A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in paragraphs (2) and (3) above and repurchase agreements fully collateralized by any such obligations;

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

(C) 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

(D) 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 of Georgia; and

(7) interest-bearing time deposits, repurchase agreements, reverse repurchase 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.

Other Money.

(a) Pursuant to the Resolution it is authorized to be established, prior to or concurrently with the issuance and delivery of the Bonds, two special accounts, designated the GORDON COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 DEBT SERVICE ACCOUNT (the "**Debt Service Account**") and the GORDON COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 PROJECTS ACCOUNT (the "**Projects Account**"). Money in each of said accounts shall be held and kept separate and apart from all other funds of the School District and shall not in any manner be commingled with other funds of the School District. The Debt Service Account and the Projects Account will be maintained and held in trust by the School District with the custodian of each of said accounts and the owners of the Bonds shall have a beneficial interest therein.

Money in the Debt Service Account and the Projects Account shall be invested pursuant to O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4.

O.C.G.A. § 36-80-3 provides that the governing body of the School District, or the financial officer of the School District to whom investment authority is delegated pursuant to O.C.G.A. § 36-80-4, in addition to other legal investments, may invest and reinvest money subject to its control and jurisdiction in:

(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) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and

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

O.C.G.A. § 36-83-4 provides that the governing body of the School District, or the financial officer of the School District to whom investment authority is delegated, may invest and reinvest money subject to its control and jurisdiction in:

(a) obligations of the State of Georgia or of other states;

(b) obligations issued by the United States government;

(c) obligations fully insured or guaranteed by the United States government or by one of its agencies;

(d) obligations of any corporation of the United States government;

(e) prime bankers' acceptances;

(f) the local government investment pool established by O.C.G.A. § 36-83-8;

(g) repurchase agreements; and

(h) obligations of other political subdivisions of the State of Georgia.

Construction Fund Disbursements

Disbursements from the Construction Fund shall be made only upon the execution and filing with the Board of Education of a requisition and certificate signed by the project superintendent (the person or persons typically the school superintendent or finance director of the School District so designated by the Board of Education) certifying (i) the amount to be paid and the name of the person, firm, or corporation to whom payment is due; (ii) that an obligation has been incurred by the Board of Education, that the same is a proper charge and has not been paid, and that the project superintendent has a copy of the invoice for the obligation; (iii) that the project superintendent has no notice of any liens or rights to liens which should be satisfied before such payment is made; (iv) that such requisition contains no item representing retained percentages which the Board of Education is entitled to retain; and (v) that the materials, supplies, or equipment invoiced were actually installed in or about the construction site or delivered at the site for that purpose.

Change of Use of Bond Proceeds

O.C.G.A. § 36-82-4.2 allows the Board of Education, subsequent to the issuance of the Bonds, to expend the proceeds of the Bonds, including interest earnings thereon, for purposes of a nature substantially similar to the purpose stated in the election notice or to reduce the bonded indebtedness of the School District, provided certain conditions are met. First, the Board of Education must adopt a resolution by a two-thirds majority vote declaring that (1) a portion of the proceeds of the Bonds remains after the purpose stated in the election notice has been accomplished, (2) the purpose stated in the election notice is no longer necessary, or (3) circumstances have changed such that expenditure of all or part of the proceeds of the Bonds is no longer practicable or feasible and setting forth the reason the proceeds of the Bonds were not expended for the purpose stated in the election notice and stating the purpose for which the proceeds of the Bonds will be expended. Second, the Board of Education, not earlier than ten days prior to expending such Bond proceeds, must publish the resolution described above once in the official County newspaper. In addition, a copy of the resolution described above must be sent by registered or certified mail to the Paying Agent for the Bonds.

Security and Sources of Payment for the Bonds

Security from Ad Valorem Taxation. The Bonds will constitute general obligation debt of the School District within the meaning of Article IX, Section V, Paragraph I of the Constitution of Georgia and shall count against the limitation on debt contained therein. See "DEBT STRUCTURE OF THE SCHOOL DISTRICT - Debt Limitation." Said limitation requires that the debt of the School District shall never exceed 10% of the assessed value of taxable property within the territorial limits of the School District. Any liability on such debt which is not satisfied from the School District's share of the proceeds from the Educational Sales Tax shall be satisfied from the general fund of the School District, in which event the principal of and interest on the Bonds will be payable from *ad valorem* taxes levied, without limitation as to rate or amount, upon all taxable property within the School District which is subject to taxation for school bond purposes, in an amount sufficient to pay the principal of and interest on the Bonds.

Prior to the issuance of the Bonds, the Board of Commissioners, upon the recommendation of the Board of Education, as required by Article IX, Section V, Paragraph VI of the Constitution of Georgia, will provide for the assessment and collection of an *ad valorem* tax on all taxable property within the territorial limits of the School District subject to taxation for school bond purposes in an amount, which, together with the School District's share of the Educational Sales Tax collections, will be sufficient to pay the principal of and interest on the Bonds as the same become due and payable. The proceeds of the *ad valorem* tax assessed to pay the principal of and interest on the Bonds, together with any other money collected for such purpose, shall be placed, pursuant to Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia, in a sinking fund to be used exclusively for paying the principal of and interest on the Bonds. Such money shall be held and kept separate and apart from all other revenues collected by the School District.

Security from Educational Sales Tax. Payment of the principal of and interest on the Bonds will be secured by, and will be first payable from, the School District's share of the Educational Sales Tax. Said Educational Sales Tax was approved at the Election for the purpose of raising not more than $112,000,000, and will be levied in the County at the rate of 1% for a period of time not to exceed five years, beginning upon the termination of the sales and use tax for educational purposes presently in effect, which is anticipated to cease to be collected on September 30, 2026.

The Educational Sales Tax approved by the voters at the Election will be divided between and distributed to the School District and the City of Calhoun School System according to the ratio the student enrollment in the Gordon County School District and the City of Calhoun School System each bear to the total of such student enrollment based on the latest State FTE count prior to the election on imposing the Educational Sales Tax, which was October 2025. The method of distribution will result in monthly distributions from the State Revenue Commissioner as follows: 60.187% to the School District (approximately $67,409,440) and 39.813% to the City of Calhoun School System (approximately $44,590,560). The School District's share of the Educational Sales Tax will be used for the purpose of paying the principal of and interest on the Bonds and may be used to pay certain costs of the Projects.

The School District has pledged its total receipts of the Educational Sales Tax to the payment of the Bonds and, pursuant to the Resolution, will cause the proceeds of the Educational Sales Tax received by it to be deposited to the Debt Service Account. The Board of Education has covenanted to pay to the Paying Agent on or before each Interest Payment Date amounts sufficient to pay the interest, or principal and interest, on the Bonds on such dates. The Board of Education estimates that the receipts of the Educational Sales Tax will be sufficient to meet debt service requirements on the Bonds.

All funds provided by the Educational Sales Tax and any amount required from any *ad valorem* tax levied and collected for payment of the Bonds are pledged irrevocably to and appropriated for the payment of the principal of and interest on the Bonds so that all of the Bonds, as to both principal and interest, shall be fully paid as the same mature and become due. The costs of the Projects may be paid from proceeds of the Educational Sales Tax and not from proceeds of the Bonds; provided, however, that no part of the proceeds from the Educational Sales Tax received by the School District in any year shall be used to pay costs of such purposes until all debt service requirements of the Bonds for that year have been satisfied from the Debt Service Account.

Pursuant to Article VIII, Section VI, Paragraph IV of the Constitution of Georgia and Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (collectively, the "**Educational Sales Tax Act**") and the Election, the imposition of the Educational Sales Tax has been authorized upon the retail purchase, retail sale, rental, storage, use, and consumption of tangible personal property, and upon the services described and set forth in the Georgia Retailers' and Consumers' Sales and Use Tax Act (O.C.G.A. §§ 48-8-1 *et seq.*) (the "**State Sales Tax Act**") within the County, subject to numerous exemptions. The Educational Sales Tax is to correspond as nearly as practicable, except as to rate, with the 4% State of Georgia sales and use tax (the "**State Sales Tax**") levied pursuant to the State Sales Tax Act, except that the Educational Sales Tax applies to sales of motor fuels, food and beverages, and except that sales of tangible personal property ordered by and delivered to a purchaser outside the County shall not be subject to the Educational Sales Tax regardless of the point at which title passes, and building and construction materials are not subject to the Educational Sales Tax when the contract pursuant to which the materials are purchased or used was advertised for bid prior to the voters' approval of the imposition of the tax and the contract was entered into as a result of a bid actually submitted in response to the advertisement prior to approval of the imposition of the tax. A reciprocal credit is also allowed against the Educational Sales Tax for any amounts paid pursuant to any local sales and use tax on tangible personal property purchased outside the County.

The Educational Sales Tax shall be administered and collected by the Department of Revenue, Sales and Use Tax Division (the "**Collection Agent**") of the State of Georgia in the same manner as the State Sales Tax. On or before the 20th day of each month, Educational Sales Tax proceeds collected by retailers are required to be paid for the preceding month, except for retailers or providers of services with a very small tax liability who remit taxes to the Collection Agent quarterly. Retailers or providers of services are allowed, as a collection fee, a percentage of the amount of Educational Sales Tax receipts due to the Department of Revenue in the form of a deduction in paying the amount due, if said receipts are not delinquent at the time of payment to the Department of Revenue. The rate of the deduction shall be the same as the rate from time to time authorized for deductions under the State Sales Tax. The following deductions are allowed: (1) 3% of the first $3,000 of Educational Sales Tax reported due on each monthly return (other than Educational Sales Tax on motor fuel), (2) 0.50% of Educational Sales Tax in excess of $3,000 reported due on each monthly return (other than Educational Sales Tax on motor fuel), and (3) 3% of Educational Sales Tax on motor fuel reported due on each monthly return.

The proceeds of the Educational Sales Tax collected by the Collection Agent are required to be disbursed as soon as practicable after collection. One percent of the amount collected is retained by the Collection Agent and paid into the general fund of the state treasury to defray the costs of administration.

Pursuant to the Educational Sales Tax Act, excess proceeds of the Educational Sales Tax which remain following expenditure of proceeds for the Projects or purposes for education as described in the notice of the Election shall be used solely for the purpose of reducing any indebtedness of the School District. In the event there is no indebtedness, such excess proceeds shall be used for the purpose of reducing the maintenance and operations millage rate of the School District in an amount equivalent to the amount of such excess proceeds.

Historical Educational Sales Tax Data. A sales and use tax for educational purposes has been collected continuously in the County since January 1, 1998. Set forth below is the total amount of the sales and use tax for educational purposes distributed by the Collection Agent to the School District as of December 31 in the years 2021 through 2025, and through the first six months of 2026. Since July 1, 2022, the net proceeds of the one percent sales and use tax for educational purposes currently being imposed has been distributed between the School District and the City of Calhoun School System as follows: 60.2% to the School District and 39.8% to the City of Calhoun School System.

Year	Total Distributions	School District's Share[1]	Percentage Change
2021	$12,054,374.38	$7,498,124.03	-
2022	14,967,985.29	9,199,877.60	18.50%
2023	15,688,601.26	9,427,487.64	2.41
2024	15,720,063.26	9,463,510.53	0.38
2025	15,952,358.32	9,602,190.16	1.44
2026[2]	8,095,746.92	4,873,852.58	2.65

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

[2] January through June 2026. Percentage change for 2026 reflects percentage change from June 2025 ($7,886,325.88) to June 2026.

Source: State of Georgia Department of Revenue.

The historical sales tax data presented above should not be considered to represent future results that may be obtained by the School District from collections of the Educational Sales Tax. Although the Board of Education believes that future financial results will be comparable to, or exceed, those set forth above, certain of the assumptions upon which it presently is relying may not materialize, and unanticipated events and circumstances, such as a recession, may occur that may adversely affect such results.

Additional Security Provided by State of Georgia Intercept Program. Prior to the issuance of the Bonds, the Board of Education, pursuant to O.C.G.A. § 20-2-480, will notify the State of Georgia Board of Education (the "**State Board**") of the proposed issuance of the Bonds and authorize and direct the State Board to withhold and transfer School District funds as hereinafter set forth. Under the terms of the Resolution, the Debt Service Account Custodian is required to transfer to the Paying Agent for the Bonds such amounts of money as are necessary to provide for the payment of the interest, or principal and interest, on the Bonds coming due each Interest Payment Date. Under the terms of the Resolution, if on the 15th day of the calendar month preceding each Interest Payment Date (or, if such 15th day is not a business day, the next succeeding business day) there shall not be on deposit in the Debt Service Account an amount sufficient to pay in full the interest, or principal and interest, coming due on the Bonds on such Interest Payment Date, as the case may be, and the Board of Education does not immediately remedy the deficiency, the Debt Service Account Custodian shall notify the State Board of the amount of any such deficiency. Upon such notification, the State Board will withhold such amount from any State appropriation to which the School District may be entitled and thereafter transfer the amount so withheld to the Debt Service Account Custodian not less than two business days prior to such payment date.

State Funding. Set forth below is the total amount of State funding received by the School District for general operating purposes for fiscal years 2021 through 2025.

Fiscal Year	Amount
2021	$43,174,075.34
2022	46,376,429.68
2023	48,713,561.33
2024	52,614,544.87
2025	58,737,549.78

Source: Gordon County School District.

Enforcement of Remedies

The realization of value from the pledge of the taxing power of the School District to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

O.C.G.A. § 36-80-5 provides that no school district 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. O.C.G.A. § 36-80-5 also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any school district 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.

Additional Debt

The School District has reserved the right to incur additional general obligation indebtedness approved by the voters at the Election, secured by the Educational Sales Tax, provided that the aggregate principal amount of such indebtedness together with the principal amount of the Bonds shall not exceed $41,050,000.

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Estimated Debt Service Schedule for the Bonds*

Set forth below are the principal and interest payment requirements of the School District with respect to the Bonds.

Payment Date	Principal*	Interest	Total Debt Service Requirements
06/01/2027	-		
12/01/2027	$5,165,000.00		
06/01/2028	-		
12/01/2028	5,760,000.00		
06/01/2029	-		
12/01/2029	6,050,000.00		
06/01/2030	-		
12/01/2030	6,355,000.00		
06/01/2031	-		
12/01/2031	6,670,000.00		
TOTAL	$30,000,000.00		

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THE SCHOOL DISTRICT

Introduction

The School District is a political subdivision of the State of Georgia, the boundaries of which comprise the entire County except the area located within the corporate limits of the City of Calhoun. The City of Calhoun has its own independent school system. See "GORDON COUNTY." The School District is separate from and legally and fiscally independent of the County, the City of Calhoun, and all other political subdivisions of the State of Georgia. The School District is vested, pursuant to constitutional authority, with the power to conduct a system of public education within its boundaries. The School District operates public schools in unincorporated portions of the County and in the incorporated cities of Fairmount, Plainville, and Resaca.

Board of Education

The Board of Education of Gordon County is composed of seven members, each of whom serves for a term of four years. The terms are staggered. The seven members are voted upon by all eligible voters from the County outside the corporate limits of the City of Calhoun. The holders of Posts 1 through 6, inclusive, must reside in certain precincts. The holder of Post 7 may reside anywhere in the County, exclusive of the corporate limits of the City of Calhoun. The members are elected in partisan elections in even-numbered years. The chair is elected by majority vote of the members of the Board of Education.

Each member must be a United States citizen having reached his or her 21st birthday and must be and remain a resident of the precinct(s) which comprise that member's district. In the event a vacancy occurs on the Board of Education, the remaining members of the Board of Education elect a person from the vacating member's geographical precinct(s) which comprise that member's district.

The above information is based upon local legislation of 1970, which created a new Board of Education in the County. The local law of 1970 has been amended by local legislation in 1972, 1981, and 1984. Prior to 1970, the Board of Education members were appointed by the Gordon County Grand Jury. There has been no known objection to any local legislation or referenda ordered thereunder by the Civil Rights Division of the U.S. Department of Justice.

Information regarding the members and officers of the Board of Education is set forth below:

Name	Expiration Date of Current Term	Years in Office	Principal Occupation
Charlie Walraven, *Chairperson*	12-31-2026	11 years	Retired Educator
Christie Fox, *Vice Chairperson*	12-31-2028	5 years	Asst. Controller, Piedmont Hosp.
Marsha Wilson	12-31-2028	1 year	Retired
Dana Stewart	12-31-2026	11 years	CNA Instructor
Jennifer Dixon	12-31-2028	> 1 year	Program Director
Kacee Smith	12-31-2026	7 years	Business Owner, Insurance
Eddie Hall	12-31-2028	7 years	Sales, Yanmar

Administration

School Superintendent. The Board of Education appoints the Superintendent of Schools (the "**Superintendent**"), who is the executive officer of the Board of Education and acts as its official secretary. Alice Mashburn was appointed Superintendent in July 2023, following a 4-year tenure as the Assistant Superintendent of Gordon County Schools. Prior to that role, she served the School District for 23 years in many roles, including as a teacher, media specialist, assistant principal, and director of human resources. Currently, Mashburn sits on the Gordon County Board of Health, which is responsible for evaluating the health needs and resources of the County, and developing programs, activities and facilities responsive to those needs. Ms. Mashburn has earned a B.S. in Computer Science from LaGrange College, an M.Ed. in Business Education from University of West Georgia, and an Ed.S. in Educational Leadership from Lincoln Memorial University.

Executive Director of Finance. Mendy Goble has been the Executive Director of Finance for the School District since December 2012, when she was appointed by the Board of Education. As Executive Director of Finance, she is responsible for the financial affairs of the School District. She has been employed by the Board of Education since June 2008, when she was hired as the School District's full-time accountant. Prior to joining the School District, Ms. Goble was employed for nine years as a staff accountant with Boggs, Coffey & Estes and R.M. Dobbs & Company accounting firms, working in the areas of corporate and governmental audits, financial statement preparation, and tax return preparation. Ms. Goble holds a Bachelor of Business Administration degree from Freed-Hardeman University and is licensed in the State of Georgia as a Certified Public Accountant. Ms. Goble has served on the Georgia Association of School Business Officials since 2014 and is currently the Conference Application Coordinator of said organization.

Operations

The School District serves all of the area within the County except the area located within the corporate limits of the City of Calhoun. Funds for the general maintenance and operation ("**M&O**") of the School District are derived from local, state, and federal sources. Local revenues consist primarily of *ad valorem* property taxes. The Board of Education adopts an annual operating and capital budget and determines the rate of tax levy necessary to support the budget. The Board of Education then certifies the rate of levy to the Board of Commissioners, which is required to collect taxes for the Board of Education based upon the *ad valorem* property tax certified by the Board of Education. See "SCHOOL DISTRICT AD VALOREM TAXATION - Annual Tax Levy." 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 District in relation to other school districts in the State, as established by the State of 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. During the fiscal years 2021-2024, approximately 28% of the School District's revenues were derived from local sources, approximately 56% from State sources (including State of Georgia lottery proceeds), and approximately 16% from federal sources.

Enrollment

Set forth below is information concerning enrollment in the School District over the past five school years, based on FTE counts conducted in March of each school year. FTE reports are taken on the first Tuesday in October and March of each school year and reported to the State of Georgia Department of Education.

School Year	(PK)	(K)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Total
2021-2022	373	433	473	410	427	458	402	478	502	519	530	493	498	439	6,435
2022-2023	368	429	447	463	412	432	457	417	497	502	529	514	466	480	6,413
2023-2024	352	430	443	452	457	414	459	460	436	497	509	515	481	446	6,351
2024-2025	347	406	440	455	442	448	432	472	467	430	493	495	486	452	6,265
2025-2026	312	383	408	437	448	429	474	429	460	446	434	473	456	462	6,051

Enrollment numbers reflect the FTE count taken in March of each school year.
(PK) = Preschool; (K) = Kindergarten. Special education students are mainstreamed throughout K-12th grades.

Employees, Employee Relations, and Labor Organizations

The School District had approximately 852 employees as of July 1, 2026, in the following categories:

Category	Number of Employees
Classroom teachers	450
Administrators and Supervisors	39
Librarians, Guidance Counselors, and Social Workers	24
Aides and Clerical Personnel	125
Transportation and Maintenance Personnel	80
Food Service Personnel and Custodians	75
Other Certified Personnel	59
Total	852

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

Schools; 2026-2027 School Term

The present facilities of the School District consist of six elementary schools, two middle schools, two high schools, and one college and career academy, located on ten separate campuses. In addition, the School District has one maintenance/transportation facility and one central office facility that are located on separate campuses. Set forth below is information concerning the schools in the School District during the present school term:

School Name	Grades	Enrollment[1]	Size of Site (Acres)	Year Occupied[2]	Number of Classrooms[3]	Special Rooms[4]	Portable Classrooms
Ashworth Middle	6-8	565	27.0	1992	37	7	0
Belwood Elementary	PK-5	534	12.5	1939	45	5	0
Fairmount Elementary	PK-5	367	10.0	1939	29	5	0
Gordon Central High	9-12	816	44.0	1974	61	8	0
Red Bud Elementary	PK-5	537	25.0	1956	50	6	0
Red Bud Middle School	6-7	770	25.0	2013	43	8	0
Sonoraville Elementary	PK-5	567	57.0	2009	41	4	0
Sonoraville High Bldg 1	9-12	1,009	33.0	2005	45	8	0
Sonoraville High Bldg 2[5]	9-12	N/A	65.0	1992	18	5	0
Tolbert Elementary	PK-5	371	27.0	1976	43	5	0
W.L. Swain Elementary	PK-5	515	22.9	1975	41	5	0
Totals:		6,051	348.4		453	66	0

[1] As of March 2026 FTE count.

[2] Dates given refer to the earliest construction. Classrooms and/or buildings may have been added in subsequent years.

[3] Instructional units available including Special Education.

[4] Special Rooms include cafeterias, media centers, gymnasiums, art and music, and vocational rooms.

[5] As of the beginning of the 2017-2018 school year, the Sonoraville Middle School building is known as Sonoraville High Building 2. Sonoraville High School students travel between buildings 1 and 2 for classes. Total enrollment has been reported under Building 1.

There are approximately 459 certificated personnel serving 6,051 students in the various schools. Specialists are available in the fields of speech, hearing, vision, learning disabilities, emotionally disturbed, physically handicapped, mentally handicapped, hospital/homebound, and gifted children. The 2026-2027 estimated pupil-classroom teacher ratio for all schools is 13:1, which does not include non-teaching personnel such as counselors and librarians.

All teachers in the school system hold bachelor's degrees, many have master's degrees, and some have specialist and doctoral degrees. Most have a continuing interest in professional and personal growth through formal study and staff development workshops.

All schools in the School District are accredited with quality by the Georgia Accrediting Commission and have met the requirements for Standard Schools as set forth by the Georgia Department of Education. In addition, all schools are fully accredited by Cognia. Criteria for accreditation include qualification of personnel, adequacy of instructional supplies, equipment, and buildings, and libraries and media centers.

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DEBT STRUCTURE OF THE SCHOOL DISTRICT

Summary of School District Debt by Category

Set forth below is information concerning debt of the School District as of June 30, 2026, and as of the anticipated date of issuance of the Bonds. The information set forth below should be read in conjunction with the School District's financial statements included as Appendix A attached hereto.

Category of Obligation	Amount Authorized or Issued	Amount Outstanding as of June 30, 2026	Amount to be Outstanding Upon Issuance of the Bonds
General Obligation Bonds[1]			
Series 2022 Bonds[1]	$24,000,000	$10,250,000	$5,250,000
Series 2026 Bonds[2]	41,050,000	-0-	30,000,000*
TOTALS:	$65,050,000	$10,250,000	$35,250,000*

[1] General obligations of the School District to which its full faith and credit and taxing power are pledged. Debt service on the Series 2022 Bonds is payable first from the School District's receipts of the special one percent (1%) sales and use tax for educational purposes currently being levied. Debt service on the Series 2026 Bonds is payable first from the Educational Sales Tax which is anticipated to begin being collected on October 1, 2026, after the expiration of the current sales tax.

Note 7 of the general purpose financial statements of School District included as Appendix A to this Official Statement contains a detailed discussion of the School District's long-term liabilities.

Long and Short-Term Indebtedness

The School District has no current plans to issue any other short term obligations and no plans to issue any long term indebtedness other than the Bonds. However, the School District has reserved the right to incur additional general obligation indebtedness approved by the voters at the Election, secured by the Educational Sales Tax, provided that the aggregate principal amount of such indebtedness together with the principal amount of the Bonds shall not exceed $41,050,000.

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Debt Limitations

State Law. Article IX, Section V, Paragraph I(a) of the Constitution of the State of Georgia provides that the School District may not incur long-term obligations (other than refunding 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 of Georgia, the School District may not incur long-term obligations payable out of general property taxes in excess of 10% of the assessed value of all taxable property within the School District. 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.

As computed in the table below, based upon assessed values as of January 1, 2025, the School District could incur, upon necessary voter approval, immediately after the issuance of the Bonds, approximately $127,747,145* of long-term obligations payable out of general property taxes. Assessments for the year 2026 have not been finalized; however, it is not expected that the assessed value of all taxable property would be materially less than the assessed value of all taxable property of the School District for the year 2025.

Computation of Legal Debt Margin

Gross Tax Digest for the School District as of January 1, 2025	$2,039,866,325
Less Bond Exemptions[1]	(409,894,878)
Net Tax Digest	$1,629,971,447
Debt Limit (10% of Net Bond Tax Digest)	$162,997,145
Less Amount of Debt Outstanding, after Issuance of the Bonds, Applicable to Debt Limit	(35,250,000)*
Legal Debt Margin	$127,747,145*

Source: Gordon County Tax Commissioner.

O.C.G.A. § 20-2-506(a)(4) provides that lease and installment purchase contracts subject to annual appropriation must contain provisions limiting the total combined annual payments for such contracts and intergovernmental contracts in any calendar year, except for energy savings contracts, to an amount equal to 7.5% of the total local revenue collected for M&O of the School District in the most recently completed fiscal year.

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Indebtedness of Overlapping Governmental Entities

Property owners in the School District are responsible for both the School District's debt obligations and any debt obligations of other taxing entities ("**Overlapping Entities**") in the proportion to which the jurisdiction of the School District overlaps such entities. Set forth below are the estimated overlapping general obligation debt and overlapping property tax supported contractual obligations. Although the School District has attempted to obtain accurate information as to the overlapping debt, it does not guarantee its completeness or accuracy. Information regarding overlapping debt is based on information supplied by others, as there is no central reporting entity which has this information available.

Name of Overlapping Entity and Type of Overlapping Obligation	Outstanding Debt
Gordon County[1]	
Leases	$51,710
Subscription IT Assignments	88,174
Purchased Financing	3,139,968
Resaca[2]	
USDA Loan	937,067
Total:	$4,216,919

[1] As of June 30, 2025.
[2] As of April 30, 2026.

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SCHOOL DISTRICT FINANCIAL INFORMATION

Five-Year 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 the past five fiscal years. Information in the table for fiscal years 2021 to 2025 has been extracted from audited financial statements of the School District for the years ended June 30, 2021 to June 30, 2025. Although taken from audited financial statements, 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. For more complete information, reference is made to the audited financial statements of the School District for fiscal year 2025, which is included in this Official Statement as Appendix A, and to the audited financial statements of the School District for fiscal years 2021 to 2024, copies of which are available from the School District upon request.

	Fiscal Years Ended June 30				
	2021	2022	2023	2024	2025
Revenues					
Property Taxes	$19,776,880.09	$20,080,475.12	$21,588,178.42	$22,057,290.73	$25,055,932.57
Sales Taxes	756,576.31	898,592.18	575,533.88	481,702.37	571,039.57
State Funds	43,174,075.34	46,376,429.68	48,713,561.33	52,614,544.87	58,737,549.78
Federal Funds	10,853,097.71	21,173,879.94	14,148,286.87	13,117,435.09	11,121,110.12
Charges for Services	928,750.69	1,095,987.93	1,707,064.47	1,402,292.90	1,305,560.32
Investment Earnings	23,051.39	30,227.63	537,779.09	940,291.41	669,371.49
Miscellaneous	1,358,385.60	1,686,337.38	1,809,717.06	1,963,657.57	1,773,096.93
Total Revenues	76,870,817.13	91,341,929.86	89,080,121.12	92,577,214.94	99,233,660.78
Expenditures					
Current					
Instruction	45,319,485.42	53,896,667.68	50,282,395.91	52,963,222.02	56,780,279.64
Support Services					
Pupil Services	3,169,754.74	3,793,829.54	4,140,787.67	4,513,008.13	4,749,720.63
Improvement of Instructional Services	2,607,537.73	3,004,112.53	3,003,914.21	3,223,834.78	3,132,113.89
Educational Media Services	974,146.25	1,012,419.00	1,105,310.00	1,085,167.42	1,041,277.27
General Administration	900,163.00	981,322.89	976,835.44	1,112,755.15	1,083,952.30
School Administration	5,121,355.86	5,608,834.69	5,525,729.49	5,911,627.30	6,160,850.15
Business Administration	760,221.39	738,188.17	736,234.97	667,377.29	688,141.19
Maintenance & Operation of Plant	6,210,141.48	6,890,086.21	7,699,387.02	7,725,032.25	8,089,679.95
Student Transportation Services	3,586,182.30	4,050,196.01	4,611,302.94	4,784,814.34	4,800,030.79
Central Support Services	1,393,168.21	1,373,362.27	1,451,002.00	2,019,833.33	1,901,798.00
Other Support Services	37,736.33	10,355.11	1,936.64	10,000.00	74,493.75
Enterprise Operations	18,989.43	33,353.46	129,755.18	105,036.52	128,614.08
Community Services	775,728.37	761,426.19	772,633.24	953,328.73	699,092.37
Food Service Operation	3,649,081.24	4,874,618.17	4,889,849.61	5,604,564.91	6,277,733.43
Capital Outlay	-	57,070.72	430,999.50	-	-
Total Expenditures	74,523,691.75	87,085,842.64	85,758,073.82	90,679,602.17	95,607,777.44
Revenues Over (Under) Expenditures	2,347,125.38	4,256,087.22	3,322,047.30	1,897,612.77	3,625,883.34
Other Financing Source (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(6,000,000.00)	(1,499,941.68)	(1,366,610.00)
Total Other Finance Sources (Uses)	-	-	(6,000,000.00)	(1,499,941.68)	(1,366,610.00)
Net Change in Fund Balances	2,347,125.38	4,256,087.22	(2,677,952.70)	397,671.09	2,259,273.34
Fund Balance Beginning of Year	19,462,676.68	21,809,802.06	26,065,889.28	23,387,936.58	23,785,607.67
Fund Balance End of Year	$21,809,802.06	$26,065,889.28	$23,387,936.58	$23,785,607.67	$26,044,881.01

Budgetary Process

General Description. 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 function level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School 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 a public input session. After approval of this tentative budget by the Board, such budget is advertised on 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.

General Fund Budget. Set forth below is a summary of the School District's adopted budgets for its General Fund for the fiscal years ending June 30, 2026 and June 30, 2027. 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 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 budgets could materially vary from those projected in the budget shown below.

General Fund Budgets
Fiscal Year Ending June 30

	FY 2026	FY 2027
Estimated Revenues		
Local Taxes	$27,608,021	$27,998,021
Other Local Sources	1,181,125	1,321,125
State Sources	55,077,563	57,146,643
Other Sources (Transfers)	-	-
Total Estimated Revenues	83,866,709	86,465,789
Estimated Expenditures		
Instruction	53,249,724	50,078,985
Pupil Services	2,785,118	6,148,236
Improvement of Instruction	1,704,317	1,679,572
Instructional Staff Training	248,313	1,040,590
Educational Media Services	1,147,619	1,247,697
General Administration	1,136,403	1,159,678
School Administration	6,309,395	5,971,268
Business Services	758,971	730,002
Maintenance and Operation of Plant	7,403,221	7,815,432
Safety & Security	690,800	669,800
Student Transportation Services	5,081,916	5,178,632
Central Support Services	1,711,617	1,784,526
Other Support Services	66,743	66,743
Other Uses (Transfers)	2,367,698	2,894,628
Total Estimated Expenditures	$84,661,855	$86,465,789

Accounting Policies

The School District's financial statements 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 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. Note 2 of the general purpose financial statements of School District included as Appendix A to this Official Statement contains a detailed discussion of the School District's significant accounting policies**.**

Retirement Plans

The School District participates in various retirement plans administered by the State of Georgia as further explained in Note 13 of the general purpose financial statements of School District and the supplemental schedules relating thereto included as Appendix A to this Official Statement.

Other Post-Employment Benefits

Reference is made to Note 12 of the general purpose financial statements of the School District and supplemental schedules related thereto included as Appendix A to this Official Statement for a description of the School District's Other Post-Employment Benefits (OPEB).

Other Employee Benefits

Employees covered by the Teachers Retirement System of Georgia ("**TRS**") may apply unused sick leave toward early retirement. The liability for early retirement will be borne by TRS rather than by the School District. Otherwise, sick leave does not vest with the employee. Vacation leave of 10 days is awarded on a fiscal year basis to all full time personnel employed on a 12-month basis. Full-time personnel with 10 years or more of service receive 15 vacation days annually. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation does not exceed five days. The School District does pay accrued unused vacation up to 15 days for full time employees upon retirement or termination. In addition, the School District offers health insurance, life insurance, long-term and short-term disability insurance, accident, vision, dental and cancer insurance, personal days off for holidays, and educational opportunities. Employees are also covered under statutory plans for social security and all employees are covered under plans for workers' compensation.

Governmental Immunity and Insurance Coverage

Governmental Immunity and Official Immunity. Article I, Section II, Paragraph IX of the Constitution of the State of Georgia extends sovereign immunity to the School District, as a political subdivision of the State of Georgia, except as to actions for the breach of written contracts and actions for recovery of damages for any claim for which automobile insurance coverage exists, but only to the extent of the liability insurance provided. The same constitutional provision also provides official immunity to officers and employees of the School District so that they are immune from liability when they are performing an official, non-ministerial or discretionary function and they act without actual malice or actual intent to cause injury. 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. In addition, the Georgia Whistleblower Act (O.C.G.A. § 45-1-4) (the "Whistleblower Act"), protects public employees who disclose, or who refuse to participate in, an alleged violation of or non-compliance with any federal, state, or local law, rule or regulation pertaining to the possible existence of any activity constituting fraud, waste, and abuse in or relating to any state programs or operations. Any public employee who reports a potential violation shall be free from discipline or reprisal from his employer, unless such disclosure was made with false and reckless disregard. A public employee who has been the object of retaliation in violation of the Whistleblower Act may institute a civil action for relief against the employer. The School District is a public employer subject to the Whistleblower Act.

Insurance Coverage. The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job-related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 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. The Trust currently self-funds aggregate excess insurance as approved by the Department of Insurance annually.

The School District is self-insured with regard to unemployment compensation claims. In connection with this program, a self-insurance reserve has been established within the general fund by the School District. 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 has purchased surety bonds to provide additional insurance coverage as follows:

School Superintendent	$105,000
School Nutrition Director	$5,000
Finance Director	$5,000
Each Principal	$5,000

See Note 8 of the general purpose financial statements of School District included as Appendix A to this Official Statement for a summary of the School District insurance and risk management.

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SCHOOL DISTRICT AD VALOREM TAXATION

Introduction

Ad valorem property taxes accounted for an annual average of approximately 24% of the general fund revenues of the School District for the fiscal years ended June 30, 2021, through June 30, 2025. *Ad valorem* property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value. The School District uses county-assessed valuations for real and personal property.

County and county school *ad valorem* taxes are collected by the county tax commissioner. Even though the official due date for *ad valorem* tax payment is December 20th, the local governing authority may adopt a resolution changing the official due date for tax payment to December 1st or November 15th, or may implement installment billing with multiple due dates. Each taxpayer shall be afforded 60 days from date of postmark of the tax bill to make full payment of taxes due before the interest accrues. In addition to interest, delinquent taxes may accrue penalties on unpaid balances. Municipal governing authorities also levy *ad valorem* tax and the city clerk is responsible for billing and collecting the city tax. In some counties, the municipal and county governments have entered an agreement to have the county tax commissioner collect all taxes in a single billing. In all counties, only the county tax commissioner is authorized to collect tax on motor vehicles.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, on real and personal property within the School District subject to taxation for school bond purposes. The boundaries of the School District are coextensive with the territorial limits of the County excluding the area located within the corporate limits of the City of Calhoun. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property, and personal effects.

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. Georgia law requires all counties to assess taxable tangible property, with certain exceptions, at 40% of its fair market value and to tax such property on a levy made by each tax jurisdiction according to 40% of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for *ad valorem* property tax purposes at 75% of the value of which other real property is assessed and requires certain historical property to be valued at a lower fair market value for *ad valorem* property tax purposes. Conservation use property represents up to 2,000 acres of real property of a single owner that is either devoted to the good faith production of agricultural products or timber or is a type of environmentally sensitive property. Forest Land Conservation Use property ("**FLCU**") designated property is valued at 40% of its current use assessment and Conservation Use property is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from the use of the property and (b) 35% of its current use value. "Standing timber" is assessed one time, following its sale or harvest, at 100% of its fair market value.

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles, mobile homes, 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 to the County Board of Tax Assessors by April 1 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns by June 1 of each year. The Tax Commissioner then certifies the digest and forwards a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The 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 may be appealed by property owners within 45 days of the date of receiving an assessment notice based on taxability, value, uniformity, and/or denial of an exemption.

Assessments and appeals are subject to review at various stages by the County Board of Equalization and by state courts.

The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the county which bills these taxes to the utilities.

Tax Relief Initiatives

For the purposes of reducing the burden of *ad valorem* taxation for property owned by a taxpayer and occupied as his or her legal residence ("**homesteads**"), the State has granted several types of homestead exemptions more particularly described below. In addition, local governments are authorized to provide for increased exemption amounts and several have done so. Local government exemption amounts supersede the State exemption amount when the local exemption is greater than the State exemption. The deductions are taken from the homestead's 40% assessed value before utilizing millage rates to determine tax owed. Taxpayers can make application for the statewide homestead exemptions, which are as follows:

Standard Homestead Exemption. The home of each resident of Georgia that is actually occupied and used as the primary residence by the owner may be granted a $2,000 exemption from county and school taxes except for school taxes levied by municipalities and except to pay interest on and to retire bonded indebtedness. The $2,000 is deducted from the 40% assessed value of the homestead. The owner of a dwelling house or a farm that is granted a homestead exemption may also claim a homestead exemption in participation with the program of rural housing under contract with the local housing authority.

Individuals 65 Years of Age and Older May Claim a $4,000 Exemption. Individuals 65 years of age or over may claim a $4,000 exemption from all county ad valorem taxes if the income of that person and his spouse does not exceed $10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act.

Individuals 62 Years of Age and Older May Claim Additional Exemption for Educational Purposes. Individuals 62 years of age or over that are residents of each independent school district and of each county school district may claim an additional exemption from all ad valorem taxes for educational purposes and to retire school bond indebtedness if the income of that person and his spouse does not exceed $10,000 for the prior year. Income from retirement sources, pensions, and disability income is excluded up to the maximum amount allowed to be paid to an individual and his spouse under the federal Social Security Act. The owner must notify the county tax commissioner if for any reason they no longer meet the requirements for this exemption. This exemption may not exceed $10,000 of the homestead's assessed value.

Floating Inflation-Proof Exemption. Individuals 62 years of age or over may obtain a floating inflation-proof county homestead exemption, except for taxes to pay interest on and to retire bonded indebtedness, based on natural increases in the homestead's value. If the appraised value of the home has increased by more than $10,000, the owner may benefit from this exemption. Income, together with spouse or any other person residing in the house cannot exceed $30,000. This exemption does not affect any municipal or educational taxes and is meant to be used in the place of any other county homestead exemption.

Disabled Veteran or Surviving Spouse. Any qualifying disabled veteran may be granted an exemption of $60,000 plus an additional sum from paying property taxes for county, municipal, and school purposes. The additional sum is determined according to an index rate set by United States Secretary of Veterans Affairs. The value of the property in excess of this exemption remains taxable. This exemption is extended to the unremarried surviving spouse or minor children as long as they continue to occupy the home as a residence.

Surviving Spouse of U.S. Service Member. The unremarried surviving spouse of a member of the armed forces who was killed in or died as a result of any war or armed conflict will be granted a homestead exemption from all ad valorem taxes for county, municipal and school purposes in the amount of $60,000 plus an additional sum. The additional sum is determined according to an index rate set by United States

Secretary of Veterans Affairs. The surviving spouse will continue to be eligible for the exemption as long as they do not remarry.

Surviving Spouse of Peace Officer or Firefighter. The unremarried surviving spouse of a peace officer or firefighter killed in the line of duty will be granted a homestead exemption for the full value of the homestead for as long as the applicant occupies the residence as a homestead.

Homeownership Opportunity and Market Equalization Act. During the 2026 legislative session, the Georgia General Assembly enacted Senate Bill 33, known as the "Homeownership Opportunity and Market Equalization Act." Among other provisions, the legislation makes Georgia's statewide floating homestead exemption applicable to all local governments and school districts and limits annual growth in the taxable value of qualifying homestead property. The floating homestead exemption provides that the base value of homesteads for property tax purposes will be adjusted and will increase by a rate of inflation determined by the State of Georgia Revenue Commissioner in lieu of market increases. The legislation also authorizes local governments, subject to additional legislative and voter approval requirements, to impose a Local Homestead Option Sales Tax for property tax relief purposes.

Local Homestead Exemptions. In addition, the County allows the following local homestead exemptions for seniors: homesteads of persons 65 years of age or older, up to $50,000 of assessed value; homesteads of persons 70 years of age or older, up to $115,000 of assessed value; homesteads of persons 75 or older, up to $125,000 of assessed value.

In addition to the various homestead exemptions, qualified homestead property owners 62 and older with a gross income of $15,000 or less may defer but not exempt the payment of *ad valorem* taxes on part or all of the homestead property. Generally, the tax would be deferred until the property ownership changes or until such time that the deferred taxes plus interest reach a level equal to 85% of the fair market value of the property.

Freeport Exemptions. Voters in the County have approved for exemption the following types of tangible personal property from *ad valorem* taxation, known as "freeport" exemptions: (1) inventory of goods in the process of being manufactured, (2) inventory of finished goods manufactured or produced in the State held by the manufacturer or producer for a period not to exceed 12 months, and (3) inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf which are destined for shipment outside the State for a period not to exceed 12 months.

Conservation Use and Forest Land. The FLCU property designation was created pursuant to the Forest Land Protection Act, a constitutional amendment that became effective on January 1, 2009, after approval by the State's voters in the preceding November of 2008 general election. The FLCU designation allows for a lower tax rate for property owners that qualify for the designation. The FLCU designation is available for timber land that either (a) has been certified by the U.S. Department of Natural Resources as "environmentally sensitive property" or (b) is kept in accordance with a recognized sustainable forestry certification program. Real property receiving the FLCU designation is valued at 40% of its current use value and not 40% of its actual fair market value. FLCU property must remain employed for its current use for at least 15 years after its designation. Conservation Use property is real property that consists of timber land or agricultural land and is assessed at a value equal to the sum of (a) 65% of the capitalization of the net income generated from use of the property and (b) 35% of its current use value. The purpose of this tax treatment is designed to protect property owners of agricultural and timber lands from being pressured by property tax burdens to convert their land to residential or commercial use. Conservation Use property must remain undeveloped and employed for a qualifying use (i.e., agricultural or timber land) for at least 10 years after its original designation. The value of conservation use property is not permitted to be increased or decreased by more than 3% from the current use valuation for the immediately preceding tax year or increased or decreased during the ten year covenant period by more than 34.39% from its current use valuation in the initial year of the 10-year period.

Tax Abatements. The School District is also subject to tax incentive agreements, usually in the form of property tax abatements, that the County's local development authority enters into with businesses. The tax incentives are negotiated with businesses for the purpose of attracting or retaining businesses within the

County and have various requirements regarding job creation and capital investments. Incentives may be granted to any business located within or promising to relocate to the County. Typically, the tax incentive agreement contains a recapture provision that requires repayment of a portion of the abated taxes if the business fails to meet its jobs or investment goals. For the year ended June 30, 2025, the School District property tax revenues were reduced by $1,152,203.73 under agreements entered into by the County's development authority.

Annual Tax Levy

The School District does not have the power to levy *ad valorem* property taxes. The Board of Commissioners of Gordon County annually levies the *ad valorem* property taxes for the School District. The Board of Education is required by Georgia law to certify annually to the Board of Commissioners of Gordon County the rate of levy needed to produce the amount of property tax revenues necessary 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 Georgia law, the Board of Commissioners of Gordon County is required to levy annually the *ad valorem* property tax, as certified to it by the Board of Education, upon the assessed value of all taxable property within the School District.

The Georgia Constitution provides that the annual rate of levy for support and maintenance of a school system may not exceed 20 mills, except where a school system had in effect on June 30, 1983, a millage rate in excess of 20 mills. On June 30, 1983, the rate of levy in effect for support and maintenance of the School District was 30 mills and that is the School District's present millage limitation for support and maintenance. The millage limitation for a school system may be increased or removed by action of the board of education of the affected school system, but only after such action has been approved by a majority of the qualified voters of the school system.

Under Georgia 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. See "THE BONDS - Security and Sources of Payment for the Bonds."

Property Tax Collections

The County bills and collects the property taxes of the School District on behalf of the School District. Under Georgia law, the tax collector of the County is required to pay over to the Board of Education once a month 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 on the assessed value listed as of January 1 of that calendar year. Taxes levied by the County are normally billed around October 20^{th} and are normally payable by December 20, but the law allows taxpayers 60 days from the date of mailing before interest may be charged. Pursuant to O.C.G.A. § 48-2-40, past due taxes bear interest at an annual rate equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 or any publication that may supersede it, plus 3%, to accrue monthly until the tax is paid. Such annual interest rate is determined for each calendar year based on the first weekly posting of statistical release H. 15 on or after January 1 of each calendar year. Pursuant to O.C.G.A. § 48-2-44(b)(1), taxpayers who willfully fail to pay *ad valorem* taxes within 120 days of the date when due, shall be assessed a penalty of 5% of the amount of tax due and not paid at the time such penalty is assessed, together with interest as specified by law. Thereafter, additional penalties of 5% of any tax amount remaining unpaid are applied every 120 days from the imposition of the initial penalty, together with interest as specified by law. The aggregate amount of penalties imposed pursuant to O.C.G.A. § 48-2-44(b)(1) shall not exceed an amount equal to 20% of the principal amount of the tax originally due. These penalties do not apply to *ad valorem* taxes of $500 or less on homestead property. Pursuant to O.C.G.A. § 48-2-44(b)(2), any city or county authorized as of April 22, 1981, by statute or constitutional amendment to receive a penalty of greater than 10 percent for failure to pay an *ad valorem* tax is authorized to continue to receive that 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 tax arising after January 1 in the year in which taxed. The lien becomes enforceable 30 days after notification. Georgia 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 such 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 the 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 collector notifies the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after 30 days from giving the notice described in the preceding sentence, the sheriff may issue 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 ten days written notice by registered or certified mail. A public sale of the property is then made by the sheriff at the Gordon County Courthouse on the first Tuesday of the month after the required notices are given.

Motor Vehicle Property Taxes

The State of Georgia Motor Vehicle Tax Unit assesses the value of all motor vehicles by make, model, and year and provides this information to each county's tax office. The State has two types of motor vehicle property taxes, the Title Ad Valorem Tax ("**TAVT**") and the Annual Ad Valorem Tax ("**AAVT**"). The TAVT applies to most vehicles purchased on March 1, 2013 or later, with a few exceptions. The AAVT applies to most vehicles purchased prior to March 1, 2013 and non-titled vehicles. The TAVT is a one-time tax that is paid at the time the vehicle is titled. It replaced motor vehicle sales tax and the AAVT and is paid every time vehicle ownership is transferred or a new resident registers the vehicle in Georgia for the first time. The current TAVT rate is 7.0% of the fair market value of the vehicle with respect to title transfers, 3.0% of the fair market value of the vehicle with respect to new resident registrations, and 0.5% of the fair market value of the vehicle for family member or inheritance title transfers. The AAVT applies to most vehicles not taxed under the TAVT method. The AAVT is a value tax that is assessed annually and must be paid at the time of registration. Payment of the AAVT is a prerequisite to receiving a tag or renewal decal. The AAVT is due each year on all vehicles whether they are operational or not, even if the tag or registration renewal is not being applied for. The AAVT must be paid by the last day of a vehicle owner's registration period (birthday) to avoid a 10% penalty. Tax amounts vary according to the current fair market value of the vehicle and the tax district in which the owner resides. Tax receipts are distributed by each county tax office to the State, and applicable county, school district and municipality.

M&O Tax Digest

Set forth below is information concerning the assessed and estimated actual value of taxable property within the School District for the past five calendar years.

Categories[1]	2021	2022	2023	2024	2025
Agricultural	$130,653,981	$143,293,380	$150,914,070	$157,004,940	$192,927,177
Brownfield Property	0	0	0	54,026,028	49,220,444
Commercial	83,746,279	82,870,230	130,463,892	121,909,965	112,552,893
Industrial	121,819,553	152,124,606	172,862,071	203,021,982	243,849,329
Forest Land Cons. Use	3,300,920	3,300,920	3,300,920	5,760,720	6,333,760
Preferential	1,681,428	1,541,160	1,451,096	1,411,684	2,649,285
Qualified Timberland	0	6,641,920	3,884,580	2,979,355	2,952,493
Residential	639,986,675	804,295,106	892,706,391	983,539,351	1,168,387,553
Residential Transitional	0	0	840	800	1,840
Conservation Use	158,999,857	154,439,756	152,003,650	150,962,124	149,743,632
Public Utility[2]	72,615,517	69,550,431	69,694,868	126,309,259	78,467,785
Motor Vehicles[3]	22,494,360	22,162,060	22,501,840	22,423,180	23,992,740
Mobile Homes[4]	4,972,223	5,440,701	8,093,129	8,216,572	8,364,264
Timber (100%)	159,402	952,072	620,693	564,627	338,681
Heavy Equipment	2,865,405	1,033,052	964,620	696,229	84,449
Gross Tax Digest	1,244,941,013	1,447,645,394	1,609,462,660	1,838,826,816	2,039,866,325
Less Bond Exemptions	N/A	N/A	N/A	N/A	(409,894,878)
Net Bond Tax Digest[5]	1,244,941,013	1,447,645,394	1,609,462,660	1,838,826,816	1,629,971,447
Gross Tax Digest	1,244,941,013	1,447,645,394	1,609,462,660	1,838,826,816	2,039,866,325
Less M&O Exemptions	(326,490,417)	(370,915,971)	(399,110,747)	(436,347,693)	(426,728,116)
Net M&O Tax Digest[6]	918,450,596	1,076,729,423	1,210,351,913	1,402,479,123	1,613,138,209
Estimated Actual Value[7]	$3,112,113,430	$3,617,685,377	$4,022,725,611	$4,596,220,100	$5,099,157,791

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1 The State requires all counties to assess real estate and personal property at the rate of at least 40% of estimated actual value, with the exception of Timber, which is assessed at 100%.

2 The State of Georgia Property Tax Unit assesses the value of the property of public utilities at the percentage of fair market value used by the County. The Property Tax Unit then divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these figures to the County which bills these taxes to the utilities with the amount of tax for each.

3 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. The State of Georgia assesses the value of motor vehicles at the percentage of fair market value used by the County. Any motor vehicle purchased on or after March 1, 2013 is not subject to county ad valorem. Any motor vehicle purchased on or after March 1, 2013 is not subject to annual ad valorem taxes, but are subject to a one time title ad valorem tax.

4 The State of Georgia assesses the value of mobile homes at the percentage of fair market value used by the County.

5 Total assessed value, after deducting exemptions, for purposes of levying tax for the School District's general obligation bonds. N/A indicates years in which no bond tax digest is available.

6 Total assessed value, after deducting exemptions, for purposes of levying tax for the M&O of the School District.

7 Calculated by taking the Gross Tax Digest, less Timber (assessed at 100%), divided by 40%, plus Timber at 100%.

Sources: State of Georgia Department of Revenue.

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, unincorporated and incorporated County, and the municipalities located within the territorial limits of the School District for the past five calendar years. Since 2016, there has been no State levy for *ad valorem* taxation.

	2021	2022	2023	2024	2025
School District					
School M&O[1]	18.500	17.500	16.364	16.364	15.650
School Bond[2]	0.000	0.000	0.000	0.000	0.000
County					
County Incorporated	9.515	9.515	9.042	9.042	9.042
County Unincorporated	9.515	9.515	9.042	9.042	9.042
Municipalities					
Fairmount	5.747	5.747	5.747	5.747	5.747
Plainville	5.500	5.500	5.500	5.500	5.500
Resaca	0.000	6.100	0.000	0.000	0.000

[1] The annual rate of levy for M&O of the School District may not exceed 20 mills. See "SCHOOL DISTRICT AD VALOREM TAXATION, -Annual Tax Levy."

[2] The annual rate of levy for payment of debt service of the School District is without limitation as to rate or amount.

[3] Millage rates for municipalities exclude the City of Calhoun which is the same territorial limits as the City of Calhoun Independent School District.

Source: Georgia Department of Revenue.

Ten Largest Taxpayers

Set forth below is information concerning the ten largest taxpayers in the School District in calendar year 2025. A determination of the largest taxpayers within the School District can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table. Furthermore, the taxpayers shown in the table may own additional parcels within the School District. 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 or whether such taxpayers will continue to maintain their status as major taxpayers in the School District.

Taxpayer	Type of Business	2025 Assessed Value for the School District	Assessed Value as a Percent of Gross Assessed Values[1]	2025 Taxes Levied for the School District
CFL Holdings USA LLC	Manufacturing	$49,775,464	2.44%	$707,878
Thor Adairsville LLC	Warehouse	42,605,400	2.09	552,955
LX Hausys America Inc.	Manufacturing	40,731,871	2.00	602,255
North Georgia EMC	Public Utility	17,908,859	0.88	272,520
LEX Momeni GA LLC	Warehouse	17,550,200	0.86	274,661
Georgia Power Co.	Public Utility	20,350,140	1.00	244,160
Forty-One Logistics	Warehouse	15,960,607	0.78	212,316
Pilgrims Pride Corp	Food	14,882,031	0.73	195,389
CSX Transportation	Transportation	12,375,510	0.61	188,712
Dogwood Enterprise Holdings Inc.	Public Utility	18,222,202	0.89	142,589
Totals:		$250,362,284	12.27%	$3,393,435

[1] Based on calendar year 2025 Gross Tax Digest of $2,039,866,325.

Source: Gordon County Tax Commissioner.

M&O Tax Levies and Collections

The County levies M&O taxes on behalf of the School District on January 1 of each year and normally bills said taxes by October 20. M&O taxes are due and payable on the earlier of December 20 or 60 days after the tax bill is mailed. Set forth below is information concerning total real and personal property tax and public utilities tax collections of the School District reported as of the School District's fiscal years ended June 30, 2021 through June 30, 2025, for the prior calendar year's tax levy. The figures below exclude taxes levied and collected on motor vehicles, mobile homes, heavy equipment and timber. The County may place liens on property once the related tax payments become delinquent.

	Fiscal Years Ending June 30				
	2021	2022	2023	2024	2025
Current Year's M&O Tax Levy[1]	$16,285,835	$16,355,057	$18,201,771	$18,768,392	$22,428,147
Less 2.5% Collection Fee	(407,146)	(408,876)	(455,044)	(469,210)	(560,704)
Current Year's Net M&O Tax Levy	$15,878,689	$15,946,181	$17,746,727	$18,299,182	$21,867,443
Tax Collections Distributed to School District[2]					
Distribution of Current Year's Taxes	$15,049,156	$15,351,909	$17,274,842	$17,627,506	$20,128,049
Distribution of Prior Years' Taxes	1,134,651	1,548,852	988,663	463,813	765,133
Total Tax Collections	$16,183,807	$16,900,761	$18,263,505	$18,091,319	$20,893,182
Current Years' Tax Collections as a Percent of Current Year's Net M&O Tax Levy	94.8%	96.3%	97.3%	96.3%	92.0%
Total Tax Collections as a Percent of Current Year's Net M&O Tax Levy	101.9%	106.0%	102.9%	98.9%	95.5%
Uncollected Current Year's M&O Property Taxes	$597,213	$554,082	$629,723	$580,581	$763,034
Due Date of Taxes	12/20/2020	12/20/21	12/31/22	12/31/23	12/31/24
Fiscal Year Begins	07/01/2020	07/01/21	07/01/22	07/01/23	07/01/24
Fiscal Year Ends	06/30/2021	06/30/22	06/30/23	06/30/24	06/30/25

[1] Current year relates to the tax digest/calendar year preceding the fiscal year end. See dates at the bottom of the table.
[2] Net of 2.5% collection fee.

Delinquent property taxes of the School District are written off when the statute of limitations for their collection (seven years) expires or, if no property is found to levy upon, earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

Source: Gordon County Tax Commissioner

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GORDON COUNTY

Introduction

Gordon County is located in northwest Georgia, approximately 50 miles south of the Tennessee state line and 70 miles northwest of Atlanta, Georgia. Interstate 75 runs through the County providing access to both Atlanta, Georgia and Chattanooga, Tennessee within a one hour drive. The City of Calhoun is the county seat and serves as the economic and retail center for the surrounding area. The County's location has attracted and continues to attract commercial and industrial enterprises such as major carpet and floor covering manufacturers, food processors, heavy machinery assembly companies, and distribution firms. The County and the surrounding area offer a vast array of quality-of-life resources including civil war historic sites, state parks, quality health care, excellent public and higher educational opportunities, a cultural arts center, a regional outlet mall, and the nearby fast pace urban life of Georgia's capital city of Atlanta.

The population of the County grew approximately 30.4% during the 20-year period from 2000 to 2020, from 44,104 residents in 2000 to 57,544 residents in 2020. This compares with the State's total population growth of 30.8% during the same 20-year period.

Government Format

The County is a political subdivision of the State of Georgia and is governed by a five-member Board of Commissioners. The Commissioners serve staggered four-year terms and the chairman is elected by the members of the Board of Commissioners. Other elected officials include the Sherrif, Tax Commissioner, Clerk of Superior Court, Coroner, and judges. The County provides a full range of services including public safety, court systems, public works, public health and welfare, and general administrative services.

Land Use

The land area of the County is approximately 358 square miles. Set forth below are the percentages of land use for various categories within the territorial limits of the County, computed based upon the acres of land for the various categories set forth in the tax digest of the County for the year 2021 through 2025.

	2021	2022	2023	2024	2025
Residential	17.58%	17.14%	17.46%	17.25%	17.54%
Agricultural	18.89	17.42	18.94	19.69	20.60
Commercial	1.61	1.72	1.78	1.77	1.40
Industrial	1.71	1.68	1.76	2.03	2.02
Conservation Use	55.25	53.06	52.36	50.89	49.83
Other	4.96	8.98	7.70	8.37	8.61
	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Georgia Department of Revenue, Tax Digest Consolidated Summary.

Population Information

The following table sets forth the population, including percentage change, in the County, the State, and the United States for decennial census years 1980 through 2020 and for the U.S. Census Bureau estimates as of July 1, 2025.

Year	Gordon County	Percentage Change	State of Georgia	Percentage Change	United States	Percentage Change
1980	30,070	--	5,463,105	--	226,505,000	--
1990	35,067	16.6%	6,478,216	18.6%	248,710,000	9.8%
2000	44,104	25.8	8,186,453	26.4	281,421,906	13.2
2010	55,186	25.1	9,687,653	18.3	308,745,538	9.7
2020	57,544	4.2	10,711,908	10.6	331,449,281	7.4
2025	61,701	7.2	11,302,748	5.5	341,784,857	3.1

Source: U.S. Department of Commerce, Bureau of the Census.

The following table sets forth the age estimates of the County population as a percentage of total population.

Age	% of Population	Age	% of Population
Under 5 years	6%	45 to 54 years	14%
5 to 9 years	7	55 to 59 years	6
10 to 14 years	6	60 to 64 years	7
15 to 19 years	7	65 to 74 years	10
20 to 24 years	6	75 to 84 years	5
25 to 34 years	13	85 years and over	1
35 to 44 years	12		

Source: U.S. Census Bureau, 2024 American Community Survey, 5-Year Estimates

Per Capita Personal Income

The following table sets forth the per capita personal income in the County, the State, and the United States for the years 2020 through 2024.

Year	Gordon County	State of Georgia	United States
2020	$38,209	$51,496	$59,151
2021	43,145	56,262	64,692
2022	45,305	57,396	66,298
2023	45,972	60,006	70,002
2024	49,001	63,006	73,204

Source: U.S. Bureau of Economic Analysis, last updated February 5, 2026.

Median Household Income

The following table sets forth the median household income for the County, the State, and the United States for the years 2020 through 2024.

Year	Gordon County	State of Georgia	United States
2020	$48,662	$61,224	$64,994
2021	50,520	65,030	69,021
2022	57,555	71,355	75,149
2023	61,997	74,664	78,538
2024	63,650	77,353	80,734

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates

Median Home Values

The following table shows the median values for owner-occupied housing units in the County, the State, and the United States for years 2020 through 2024.

Year	Gordon County	State of Georgia	United States
2020	$148,300	$190,200	$229,800
2021	148,300	206,700	244,900
2022	155,600	245,900	281,000
2023	205,600	272,900	303,400
2024	222,900	303,300	332,700

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates

Building Permits

The following table shows a summary of annual new building permits for housing units in the County for years 2021 through 2025.

Year	Building Permits	Value
2021	480	$64,737,312
2022	631	81,954,932
2023	391	68,250,401
2024	429	83,594,321
2025	289	67,377,101

Source: Georgia Department of Labor, Georgia Labor Market Explorer.

Bank Deposits

As of June 30, 2025, eight financial institutions with a total of nine offices provided banking services within the County. The following are the total deposits in the County's financial institutions as of June 30 in each of the years 2021 through 2025.

Year	Amount
2021	$1,005,707,000
2022	1,106,159,000
2023	1,077,907,000
2024	1,066,339,000
2025	1,083,534,000

Source: Federal Deposit Insurance Corporation, Summary of Deposits Institution Branch Report

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Industry and Employment

Civilian Employment Statistics of the County. Average monthly employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	2021	2022	2023	2024	2025
Employment	27,699	28,106	28,258	28,462	28,304
Unemployment	924	836	868	976	940
Total Labor Force	28,623	28,942	29,126	29,438	29,244
County Unemployment Rate	3.2%	2.9%	3.0%	3.3%	3.2%
State Unemployment Rate	3.9%	3.1%	3.2%	3.4%	3.4%
U.S. Unemployment Rate	5.3%	3.6%	3.6%	4.0%	4.3%

Source: Georgia Department of Labor, Workforce Statistics & Economic Research.

Economic Sector Distribution. The following table shows the average percentage of persons who worked in each major sector of the local economy in the County in the years 2021 through 2025. Data are annual averages for each respective year. Figures are based on jobs covered by State unemployment insurance laws.

	Industry Mix				
Industry or Service	2021	2022	2023	2024	2025
Agriculture, Forestry, Fishing & Hunting	0.8%	0.6%	0.6%	0.6%	0.5%
Construction	3.3	3.9	3.2	3.3	3.4
Manufacturing	37.8	36.8	36.7	36.5	36.3
Utilities	*	*	*	*	*
Wholesale Trade	6.8	7.1	7.4	7.2	7.1
Retail Trade	10.0	9.8	9.7	9.7	9.7
Transportation and Warehousing	2.8	2.5	5.1	5.9	6.2
Information	0.2	0.1	0.2	0.2	0.3
Finance and Insurance	1.2	1.4	1.2	1.4	1.4
Real Estate and Rental and Leasing	0.5	0.6	0.6	0.5	0.5
Professional Scientific & Technical Svc	1.9	2.1	1.9	1.4	1.4
Management of Companies and Enterprises	*	*	*	*	*
Admin., Support, Waste Mgmt, Remediation	6.7	5.5	2.7	2.0	2.1
Education Services	0.1	0.1	0.1	0.1	0.0
Health Care and Social Assistance	8.5	9.7	10.7	11.8	11.6
Arts, Entertainment, and Recreation	0.3	0.2	0.2	0.2	0.2
Accommodation and Food Services	6.8	6.8	7.0	6.8	6.9
Other Services (except Public Admin.)	0.9	1.0	0.9	0.9	0.9
Unclassified - industry not assigned	0.2	0.3	0.3	0.1	0.1
Federal, State and Local Government	11.2	11.3	11.3	11.3	11.4
All Industries	100.0%	100.0%	100.0%	100.0%	100.0%

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.

Source: State of Georgia Department of Labor, Labor Information Systems.

Principal Employers. Set forth below are the principal employers located in the County as of December 31, 2025, their type of service, and their approximate number of employees. There can be no assurance that any employer listed below will continue employment at the level stated.

Employer	Type of Business	Employees
Mohawk Industries	Carpet Manufacturer	2,030
Advent Health Gordon	Healthcare	1,360
Mannington	Carpet Manufacturer	1,000
Shaw Industries Group	Carpet Manufacturer	980
Gordon County Schools	County School System	868
Apache Mills	Mat Manufacturer	750
LX Hausys America	Flooring Manufacturer	600
Engineered Floors, LLC	Carpet Manufacturer	550
Calhoun City Schools	City School System	400
Gordon County Government	County Government	400
CFL Flooring	Carpet Manufacturer	350
Nourison Industries	Carpet Manufacture	290
Prestige Mills	Carpet Retail	220

Source: Gordon County Chamber of Commerce

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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, after reviewing the current status of all pending and threatened litigation relating to the School District with its counsel, Elinor H. Portivent, P.C., believes that, while the outcome of litigation cannot be predicted, the final settlement of 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 a material adverse effect upon the financial position or results of operations of the School District.

There is no litigation now pending or, to the knowledge of the Board of Education, threatened against the School District which seeks to restrain or enjoin the issuance or delivery of the Bonds, the imposition of the Educational Sales Tax, the assessment and collection of an *ad valorem* tax for payment of debt service on the Bonds, or the use of the proceeds from the sale of the Bonds, or which questions or contests the validity of the Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization, or existence of the School District or the Board of Education nor the title of the present members or other officials of the Board of Education to their respective offices is being contested or questioned.

Legal Proceedings

Validation of Bonds. In accordance with the laws of the State of Georgia, the Bonds and the security therefor were confirmed and validated by judgment of the Superior Court of Gordon County, Georgia, on April 9, 2026, Civil Action No. 26CV76395. Under Georgia law, the judgment of validation is forever conclusive against the School District with respect to such validation of the Bonds and the security therefor.

Opinions of Counsel. All legal matters incidental to authorization and issuance of the Bonds are subject to the approval of Gray Pannell LLC, Savannah, Georgia, Bond Counsel. It is anticipated that the approving opinion of Bond Counsel will be in substantially the form included in Appendix B. Certain legal matters will be passed upon for the School District by its counsel, Elinor H. Portivent, P.C., Calhoun, Georgia. The payment of legal fees is contingent upon issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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TAX STATUS

Federal Tax Exemption

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

State Tax Exemption

In the opinion of Bond Counsel, interest on the Bonds is exempt from present State of Georgia income taxation.

Maintenance of Tax Status

The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Bonds. The School District has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the School District complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinion expressed by Bond Counsel is based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "**IRS**") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the School District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The School District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the beneficial owners of the Bonds regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the School District and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Bonds is difficult, obtaining an independent review of IRS positions with which the School District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the School District or the beneficial owners of the Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the School District and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the Bonds attached hereto in Appendix B for the complete text thereof. See also "LEGAL MATTERS" herein.

Premium Bonds*

Certain of the Bonds have been sold to the public at an original issue premium. The Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the "**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

Original Issue Discount Bonds*

Certain of the Bonds have been sold to the public at an original issue discount (the "**Discount Bonds**"). Generally, original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under § 1288 of the Code, original issue discount on Bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption, or payment of a Discount Bond in excess of the owner's adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner's hands), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale, or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Other Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Bonds should consult independent advisors as to the consequences of owning the Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding

Interest paid on the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This backup withholding generally applies if the owner of Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner's social security number or other taxpayer identification number ("**TIN**"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Bonds

Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond may result in a taxable event for federal income tax purposes.

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RISK FACTORS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Bonds.

Ad Valorem Property Taxes

State and local laws, regulations, or judicial interpretations relating to the assessment, levy, collection, or limitation of *ad valorem* property taxes (including, but not limited to, changes affecting assessment practices, exemptions, homestead or other relief measures, millage rate caps, rollback provisions, or voter approval requirements) are subject to change and could adversely affect the School District's capacity to generate *ad valorem* tax revenues if adopted. No assurance can be given as to the nature or extent of any future legislative, regulatory, or judicial actions affecting *ad valorem* property taxation.

The School District's *ad valorem* tax revenues are derived from the assessed value of taxable property within its jurisdiction. Assessed values and collection of taxes may be adversely affected by unfavorable economic conditions, including declines in real estate market values, reduced new development, business closures, changes in industry composition, population shifts, or other economic disruptions. Such conditions could result in a reduction in the taxable digest or slower growth than anticipated. A material decrease in the tax base may require the School District to increase millage rates or reduce expenditures in order to maintain financial balance.

Educational Sales Tax

Collections from the Educational Sales Taxes are dependent on the level of retail sales and other taxable transactions within the jurisdiction. Sales tax revenues are sensitive to general economic conditions, including employment levels, population growth, consumer confidence, inflation, tourism activity, and regional or national economic downturns. Adverse economic conditions may reduce consumer spending and business activity, which could result in lower than anticipated sales tax collections. Any sustained decline or volatility in sales tax revenues could adversely affect the School District's ability to fund planned capital projects and require the School District to identify alternative funding sources, defer or reduce planned projects, or otherwise adversely affect the School District's financial position. No assurance can be given regarding the stability or future growth of sales tax collections.

Force Majeure Events

Natural disasters, public health emergencies, acts of terrorism, civil disturbances, severe weather events, and other extraordinary events beyond the control of the School District may adversely affect the operations or financial condition of the School District.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the School District. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the School District, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and cause a loss of confidence in the operations of the School District, which could materially adversely affect the operations of the School District.

MISCELLANEOUS

Ratings

Moody's Investors Service, Inc. ("**Moody's**") has assigned the rating of "Aa1" to the Bonds, based upon the School District's participation in the State of Georgia Intercept Program. See "THE BONDS - Security and Sources of Payment for the Bonds -*Additional Security Provided by State of Georgia Intercept Program*." Moody's has assigned an underlying rating (without regard to the State of Georgia Intercept Program) of "A1" to the Bonds.

The ratings reflect only the views of the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. An explanation of the significance of the ratings may be obtained from the rating agency furnishing such rating. There is no assurance that the ratings will remain unchanged for any given period of time or that either or both 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 a rating may have an adverse effect on the liquidity and market price of the Bonds.

The rating agency may be contacted as follows: Moody's Investors Service, Public Finance Department, 99 Church Street - 10th Floor, New York, New York 10007, telephone (212) 553-0300.

Underwriting

Pursuant to a Bond Purchase Agreement executed by and between the School District and the Underwriter on ________, 2026, the Underwriter has agreed to purchase the Bonds at a price of $__________, which represents the par amount of the Bonds, $__________, less Underwriter's Discount of $__________ (not including expense) [plus/less net Original Issue Premium/Discount] of $__________. The obligation of the Underwriter to accept delivery of the Bonds is subject to numerous conditions set forth in the Bond Purchase Agreement. The Underwriter may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the inside cover hereof. The initial public offering prices may be changed from time to time by the Underwriter.

Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**") under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to assist the Underwriter of the Bonds in complying with the Rule, the Board of Education will sign a Continuing Disclosure Certificate on the date of issuance and delivery of the Bonds, under the provisions of which it shall covenant for the benefit of the beneficial owners of the Bonds to provide (i) certain financial information and/or operating data relating to the School District (the "**Annual Report**") and (ii) notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed electronically with the Electronic Municipal Market Access website ("**EMMA**"), an Internet based electronic filing system supported by the Municipal Securities Rulemaking Board ("**MSRB**").

The Annual Report shall contain or incorporate by reference, among other items, the general purpose financial statements of the School District for the prior Fiscal Year. The School District's current fiscal year began on July 1, 2026, and will end June 30, 2027. The specific nature of the information to be contained in the Annual Report or in the notices of material events is in "Appendix C: FORM OF THE CONTINUING DISCLOSURE CERTIFICATE."

Over the last five years, the School District has been responsible for continuing disclosure under the Rule relating to its GENERAL OBLIGATION SALES TAX BONDS, SERIES 2022 and GENERAL OBLIGATION SALES TAX BONDS, SERIES 2017. The School District believes it has been in material compliance with its continuing disclosure obligations over the last five years. The School District has engaged Raymond James

& Associates, Inc. as dissemination agent for the continuing disclosure obligations related to the Bonds to ensure future continuing disclosure filings are completed and filed with EMMA in a timely manner.

Financial Statements

The general purpose financial statements of the Board of Education as of June 30, 2025, and for the year then ended, included as Appendix A, 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 such appendix. 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 A. 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 Board of Education's financial statements.

Miscellaneous

The references herein to the Bonds and the Resolution are brief outlines of certain provisions thereof. Such outlines do not purport to be complete. For full and complete statements of such provisions, reference is made to the Bonds and the Resolution. A copy of the Resolution is on file in the offices of the School District and following the delivery of the Bonds will be on file at the designated corporate trust office of the Paying Agent.

The agreement of the School District with the holders of the Bonds is fully set forth in the Bonds and the Resolution, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement by the School District with the purchasers of the Bonds.

The attached Appendices are integral parts of this Official Statement and should be read together with all of the foregoing statements. All estimates and other statements in this Official Statement, including the Appendices attached hereto, involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

Insofar as any statement in this Official Statement involves matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements 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 Holders of the Bonds.

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

Forward Looking Statements

Any statements made in this Official Statement, including in the Appendices, 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.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward looking statements. All forward looking statements included in this Official Statement are based on information available on the date hereof and the School District does not assume any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements. The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the School District. Any such assumptions could be inaccurate and, therefore, there can be no assurance that the forward looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

Certification

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Board of Education.

GORDON COUNTY SCHOOL DISTRICT

By: ______________________________

Chairperson
Board of Education of Gordon County

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Appendix A

FINANCIAL STATEMENTS OF THE
GORDON COUNTY SCHOOL DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2025

The general purpose financial statements of the Gordon County School District as of June 30, 2025, and for the year then ended, included as this Appendix A, 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 this Appendix A. 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 this Appendix A. 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 Gordon County School District's financial statements.

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ANNUAL FINANCIAL REPORT • FISCAL YEAR 2025

Gordon County Board of Education

Calhoun, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor

DOAA
Georgia Department of Audits & Accounts

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Section I Financial

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Section I

Financial

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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
Mrs. Alice Mashburn, Superintendent and Members of the
Gordon 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 fiduciary activities of the Gordon County Board of Education (School District) as of and for the year ended June 30, 2025, 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 fiduciary activities of the School District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the 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.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2025, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The School District restated beginning balances for the effect of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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 June 3, 2026 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,

Greg S. Griffin
State Auditor

June 3, 2026

Management's Discussion and Analysis

(Required Supplementary Information)

INTRODUCTION

Our discussion and analysis of the Gordon County Board of Education's (School District) financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2025. 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 notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1) Government-Wide financial statements including the Statement of Net Position and the Statement of Activities, which provide both short-term and long-term overviews of the School District's finances.

2) Fund financial statements including the balance sheets that provide a greater level of detail and focus on how well the School District has performed in the short-term in the most significant or major funds.

3) Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

On the government-wide financial statements:

- GASB Statement No. 101, *Compensated Absences*, was implemented in fiscal year 2025 and replaced GASB Statement No. 16. This is considered a change in accounting principle that affects the School District's reporting of its compensated absences liability. This change in accounting policy required a beginning balance restatement for the fiscal year 2025. Ending balances for fiscal year 2024 presented inside the Management's Discussion and Analysis section do not show the accounting impact of these restated balances. Additional information may be found in Note 2, Summary of Significant Accounting Policies and Note 14, Restatement of Prior Year Net Position.

- Total assets and deferred outflows of resources of the School District exceeded total liabilities and deferred inflows of resources by $40.8 million for the fiscal year ended June 30, 2025. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $39.4 million for the fiscal year ended June 30, 2024. This represented an increase of $1.4 million in net position when compared to the prior year. This increase in net position is due to the reduction in bond debt of $5.1 million and other factors.

- The School District had $98.9 million in expenses relating to governmental activities; only $63.7 million of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of $45.0 million provided for these programs as well.

- As stated above, general revenues accounted for $45.0 million or about 41.4% of all revenues totaling $108.7 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for the remaining balance of these revenues.

On the fund financial statements:

- Among major funds, the general fund had $99.2 million in revenues and $95.6 million in expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis (this section), 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 School District's overall financial status.

The fund financial statements focus on individual parts of the School District, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending. The fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. In the case of the Gordon County School District, the general fund, capital projects fund, and debt service fund are all considered to be major funds. The School District has no nonmajor funds as defined by GASB Statement No. 34 for the purposes of this report.

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

Government-Wide Statements

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

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

The 'Statement of Net Position' and the 'Statement of Activities' reflect the School District's governmental activities.

Fund Financial Statements

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

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

Fiduciary Funds – The School District is the trustee, or fiduciary, for assets that belong to 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

As discussed previously, the Statement of Net Position provides a financial snapshot of the School District as a whole. The reader can think of the School District's net position as the difference between its assets plus deferred outflows and its liabilities plus deferred inflows at the end of a fiscal year. This balance represents one way to measure the School District's financial health or its financial position. In the case of the School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $43.8 million at June 30, 2025.

To better understand the School District's actual financial position and ability to deliver services in future periods, it is necessary to review the various components of the net position category. For example, of the $43.8 million of net position, about $17.2 million was restricted for continuation of federal programs, capital projects, debt service, and net OPEB asset. Accordingly, these funds were not available to meet the School District's ongoing obligations to citizens and creditors.

In addition, the School District also had $119.4 million (net of related debt) investment in capital assets (e.g., land, buildings, and equipment). The School District uses these capital assets to provide educational services to students within geographic boundaries served by the School District. Because of the very nature and on-going use of the assets being reported in this component of net position, it must be recognized that this portion of net position is not available for future spending.

The remaining *unrestricted net position* reflected a deficit of $5.84 million due to the adoption of GASB Statement No. 68 and GASB Statement No. 71 for pension plans, and GASB Statement No. 75 for other post-employment benefits.

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

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024 (1)
Assets		
Current and Other Assets	$ 47,412,199	$ 49,064,482
Capital Assets, Net	133,788,225	130,407,593
Total Assets	181,200,424	179,472,075
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	22,783,385	29,841,988
Related to OPEB Plan	10,007,047	12,219,064
Total Deferred Outflows of Resources	32,790,432	42,061,052
Liabilities		
Current and Other Liabilities	7,073,758	10,126,327
Long-Term Liabilities	26,237,094	32,093,399
Net Pension Liability	68,891,325	89,853,698
Net OPEB Liability	42,109,470	41,865,913
Total Liabilities	144,311,647	173,939,337
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	15,181,186	453,816
Related to OPEB Plan	13,715,325	18,011,726
Total Deferred Inflows of Resources	28,896,511	18,465,542
Net Position		
Net Investment in Capital Assets	119,372,988	106,641,484
Restricted	16,792,779	21,402,197
Unrestricted (Deficit)	(95,383,068)	(88,665,767)
Total Net Position	$ 40,782,699	$ 39,377,914

(1) Fiscal year 2024 balances do not reflect the effects of the Restatement of Net Position. See Note 14 in the Notes to the Basic Financial Statements for additional information.

Table 2 shows the changes in net position for this fiscal year as compared to the prior fiscal year.

Table 2
Change in Net Position

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024 (1)
Revenues		
Program Revenues:		
Charges for Services and Sales	$ 1,305,560	1,402,293
Operating Grants and Contributions	61,659,236	59,095,073
Capital Grants and Contributions	749,812	2,215,292
Total Program Revenues	63,714,608	62,712,658
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	24,556,310	21,814,024
Other Taxes	410,174	423,361
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	9,539,343	9,450,543
Other Sales Tax	571,040	481,702
Grants and Contributions not Restricted to Specific Programs	7,196,423	6,070,768
Investment Earnings	923,031	1,355,174
Miscellaneous	1,776,337	2,271,939
Total General Revenues	44,972,658	41,867,511
Total Revenues	108,687,266	104,580,169
Program Expenses:		
Instruction	59,533,327	60,618,300
Support Services		
Pupil Services	5,113,756	5,214,915
Improvement of Instructional Services	3,045,732	3,548,177
Educational Media Services	1,007,799	1,204,884
General Administration	1,110,727	1,271,946
School Administration	6,013,113	6,563,873
Business Administration	683,102	746,241
Maintenance and Operation of Plant	8,608,695	8,363,237
Student Transportation Services	4,612,973	4,469,486
Central Support Services	1,686,235	2,275,062
Other support Services	74,494	10,000
Operations of Non-Instructional Services		
Enterprise Operations	128,614	105,037
Community Services	699,695	961,047
Food Services	6,269,934	5,720,909
Interest on Long-Term Debt	266,322	432,256
Total Expenses	98,854,519	101,505,370
Increase in Net Position	$ 9,832,747	$ 3,074,799

(1) Fiscal Year 2024 balances do not reflect the effect of the restatement of balances.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

Cost of Providing Services

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2025	Fiscal Year 2024 (1)	Fiscal Year 2025	Fiscal Year 2024 (1)
Instruction	$ 59,533,328	60,618,300	14,406,496	17,485,538
Support Services:				
Pupil Services	5,113,756	5,214,915	4,060,182	3,731,373
Improvement of Instructional Services	3,045,732	3,548,177	2,005,307	2,487,971
Educational Media Services	1,007,799	1,204,884	(79,998)	179,314
General Administration	1,110,727	1,271,946	(389,156)	(152,531)
School Administration	6,013,113	6,563,873	3,420,304	3,895,412
Business Administration	683,102	746,241	681,781	723,838
Maintenance and Operation of Plant	8,608,695	8,363,237	5,633,785	5,694,259
Student Transportation Services	4,612,973	4,469,486	2,436,631	2,609,422
Central Support Services	1,686,235	2,275,062	1,285,367	1,327,751
Other Support Services	74,494	10,000	74,492	10,000
Operations of Non-Instructional Services:				
Enterprise Operations	128,614	105,037	126,703	104,282
Community Services	699,695	961,047	187,970	568,529
Food Services	6,269,934	5,720,909	(722,790)	(304,703)
Interest on Long-Term Debt	266,322	432,256	266,322	432,256
Total Expenses	$ 98,854,519	$ 101,505,370	$ 33,393,396	$ 38,792,711

(1) Fiscal year 2024 balances do not reflect the effect of the restatement of balances.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's governmental funds is presented starting on Exhibit "C" of this report. Governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of $116.5 million and total expenditures and other financing uses of $115.1 million in fiscal year 2025. Total governmental fund balances of $39.3 million at June 30, 2025, increased $1.4 million from the prior year.

General Fund Budget Highlights

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

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

For the general fund, the final actual revenues of $99.2 million were over the final budgeted amount of $93.4 million by $5.8 million. This difference (final actual vs. final budget) was primarily attributable to state revenues over the final budget by $2.1 million, federal revenues over the final budget by $1.9 million, charges for services over the final budget by $313 thousand, and miscellaneous revenues over the final budget by $1.6 million. The School District traditionally estimates revenue on a conservative basis to avoid shortfalls in actual revenues.

The general fund's final actual expenditure of $95.6 million were more than the final budget amount of $92.7 million by $2.9 million. This difference (final actual vs. final budget) was primarily attributable to improvement of pupil services expenses coming over budget by $1.1 million.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At fiscal year ended June 30, 2025, the School District had $133.8 million invested in capital assets, net of accumulated depreciation, all in governmental activities. Table 4 reflects a summary of these balances, net of accumulated depreciation, as compared to the prior fiscal year.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024
Land	$ 1,834,333	1,834,333
Construction In Progress	647,335	20,564,987
Building and Improvements	119,857,919	96,748,012
Equipment	6,023,257	5,848,174
Land Improvements	5,425,381	5,412,087
Total	$ 133,788,225	$ 130,407,593

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

Long-Term Liabilities

At June 30, 2025, the School District had $26.2 million in total long-term liabilities which consisted of $15.0 million in bond debt outstanding, $1.2 million in unamortized premiums, and $10.1 million in compensated absences. Table 5 summarizes the School District's long-term liabilities as compared to the prior fiscal year.

Table 5
Long-Term Liabilities at June 30

	Governmental Activities	
	Fiscal Year 2025	Fiscal Year 2024 (1)
General Obligation Bonds	$ 15,015,000	19,595,000
Compensated Absences	10,052,254	558,965
Unamortized Bond Premium	1,169,839	1,689,768
Total	$ 26,237,093	$ 21,843,733

(1) Fiscal year 2024 balances do not reflect the effect of the restatement of balances.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

At June 30, 2025, the School District's assigned bond rating was "AA+" as determined by Standard and Poor's.

Additional information about the School District's long-term liabilities can be found in the Notes to the Basic Financial Statements.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

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

- Local Economy - Gordon County has continued to experience steady growth with the 2024 Digest seeing growth of 15%. The School District remains confident in the ability to maximize resources to provide the best possible educational experience for all of our students.

- Capital Improvements –The School District plans capital improvements as future capital needs arise due to facility repair and maintenance needs. To that end, the School District held a March 16, 2021 vote of our citizens to renew our ESPLOST. The vote passed in favor of the ESPLOST which should run July 2022 - June 2027. Sales tax collections continue to be higher that projections; therefore, we anticipate this ESPLOST to reach maximum allowed collections sooner than June 2027. We are projecting collections will cap three or four quarters early. Due to this, the School District held a November 4, 2025 vote to ask our citizens to continue the ESPLOST. That resolution passed; therefore, the School District should not see a lapse in sales tax collections.

- The passage of the HB 581 by the Georgia Legislature has threatened our tax base by imposing a floating homestead exemption. The bill included an opt out clause, and after much consideration, the Gordon County Board of Education held three public hearings in January and February 2025 to get public input on opting out of the floating homestead requirement. In February 2025, the board approved to opt out of HB 581.

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 Mrs. Mendy Goble, Executive Director of Finance, Gordon County Board of Education, 7300 Fairmount Hwy SE, Calhoun, Georgia 30701. You may also email your questions to Mrs. Goble at mgoble@gcbe.org.

Gordon County Board of Education

Exhibits: Basic Financial Statements

Government-Wide Financial Statements

Gordon County Board of Education

Exhibit "A"

Statement of Net Position
June 30, 2025

	Governmental Activities
<u>Assets</u>	
Cash and Cash Equivalents	$ 35,839,992.92
Receivables, Net	
Taxes	2,620,124.40
State Government	6,639,366.33
Federal Government	1,471,883.98
Other	14,367.58
Inventories	784,156.37
Net Other Postemployment Benefits Asset	42,308.00
Capital Assets, Non-Depreciable	2,481,666.80
Capital Assets, Depreciable (Net of Accumulated Depreciation)	131,306,558.19
Total Assets	181,200,424.57
<u>Deferred Outflows of Resources</u>	
Related to Defined Benefit Pension Plan	22,783,385.00
Related to OPEB Plan	10,007,046.97
Total Deferred Outflows of Resources	32,790,431.97
<u>Liabilities</u>	
Accounts Payable	537,516.65
Salaries and Benefits Payable	5,437,123.30
Interest Payable	253,525.52
Contracts Payable	811,587.63
Retainages Payable	34,004.84
Net Pension Liability	68,891,325.00
Net OPEB Liability	42,109,470.00
Long-Term Liabilities	
Due Within One Year	8,103,116.22
Due in More Than One Year	18,133,977.57
Total Liabilities	144,311,646.73
<u>Deferred Inflows of Resources</u>	
Related to Defined Benefit Pension Plan	15,181,186.00
Related to OPEB Plan	13,715,325.00
Total Deferred Inflows of Resources	28,896,511.00
<u>Net Position</u>	
Net Investment in Capital Assets	119,372,988.15
Restricted for	
Continuation of Federal Programs	5,553,891.77
Debt Service	4,886,849.48
Capital Projects	6,309,729.56
Net OPEB Asset	42,308.00
Unrestricted (Deficit)	(95,383,068.15)
Total Net Position	$ 40,782,698.81

The notes to the basic financial statements are an integral part of this statement.

Statement of Activities
for the Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities					
Instruction	$ 59,533,326.77	$ 542,179.23	$ 42,372,034.36	$ 466,102.95	$ (16,153,010.23)
Support Services					
Pupil Services	5,113,755.46	-	997,394.93	56,178.51	(4,060,182.02)
Improvement of Instructional Services	3,045,731.81	-	1,040,425.00	-	(2,005,306.81)
Educational Media Services	1,007,799.32	-	1,087,796.89	-	79,997.57
General Administration	1,110,727.27	-	1,495,119.14	4,764.25	389,156.12
School Administration	6,013,113.41	-	2,590,096.89	2,712.98	(3,420,303.54)
Business Administration	683,102.44	-	196.90	1,124.89	(681,780.65)
Maintenance and Operation of Plant	8,608,695.05	50,400.00	2,813,343.73	111,165.96	(5,633,785.36)
Student Transportation Services	4,612,972.97	-	2,088,232.46	88,110.00	(2,436,630.51)
Central Support Services	1,686,235.28	-	394,516.00	6,352.34	(1,285,366.94)
Other Support Services	74,493.75	-	1.85	-	(74,491.90)
Operations of Non-Instructional Services					
Enterprise Operations	128,614.08	-	1,910.70	-	(126,703.38)
Community Services	699,695.05	505,977.90	5,747.30	-	(187,969.85)
Food Services	6,269,933.72	207,003.19	6,772,420.08	13,300.21	722,789.76
Interest on Long-Term Debt	266,322.17	-	-	-	(266,322.17)
Total Governmental Activities	$ 98,854,518.55	$ 1,305,560.32	$ 61,659,236.23	$ 749,812.09	$ (35,139,909.91)

General Revenues	
Taxes	
Property Taxes	
For Maintenance and Operations	24,556,310.17
Other Taxes	410,174.27
Sales Taxes	
Special Purpose Local Option Sales Tax	
For Capital Projects	9,539,342.65
Other Sales Tax	571,039.57
Grants and Contributions not Restricted to Specific Programs	7,196,423.00
Investment Earnings	923,030.65
Miscellaneous	1,776,336.93
Total General Revenues	44,972,657.24
Change in Net Position	9,832,747.33
Net Position - Beginning of Year, as Previously Presented	39,377,914.12
Change in Accounting Principle - GASB Statement No. 101	(8,427,962.64)
Net Position - Beginning of Year, as Restated	30,949,951.48
Net Position - End of Year	$ 40,782,698.81

The notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total
Assets				
Cash and Cash Equivalents	$ 22,539,873.72	$ 13,300,114.41	$ 4.79	$ 35,839,992.92
Receivables, Net				
Taxes	1,811,004.27	809,120.13	-	2,620,124.40
State Government	6,639,366.33	-	-	6,639,366.33
Federal Government	1,471,883.98	-	-	1,471,883.98
Other	14,367.58	-	-	14,367.58
Inventories	784,156.37	-	-	784,156.37
Total Assets	$ 33,260,652.25	$ 14,109,234.54	$ 4.79	$ 47,369,891.58
Liabilities				
Accounts Payable	$ 505,976.65	$ 31,540.00	$ -	$ 537,516.65
Salaries and Benefits Payable	5,437,123.30	-	-	5,437,123.30
Contracts Payable	-	811,587.63	-	811,587.63
Retainages Payable	-	34,004.84	-	34,004.84
Total Liabilities	5,943,099.95	877,132.47	-	6,820,232.42
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	1,272,671.29	-	-	1,272,671.29
Total Deferred Inflows of Resources	1,272,671.29	-	-	1,272,671.29
Fund Balances				
Nonspendable	784,156.37	-	-	784,156.37
Restricted	4,769,735.40	13,232,102.07	4.79	18,001,842.26
Assigned	1,290,199.01	-	-	1,290,199.01
Unassigned	19,200,790.23	-	-	19,200,790.23
Total Fund Balances	26,044,881.01	13,232,102.07	4.79	39,276,987.87
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,260,652.25	$ 14,109,234.54	$ 4.79	$ 47,369,891.58

The notes to the basic financial statements are an integral part of this statement.

Gordon County Board of Education

Exhibit "D"

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds (Exhibit "C")		$ 39,276,987.87
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	$ 1,834,333.33	
Construction in progress	647,333.47	
Buildings and improvements	170,580,264.46	
Equipment	18,183,377.45	
Land improvements	14,659,227.60	
Accumulated depreciation	(72,116,311.32)	133,788,224.99
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (68,891,325.00)	
Net OPEB asset	42,308.00	
Net OPEB liability	(42,109,470.00)	(110,958,487.00)
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	$ 7,602,199.00	
Related to OPEB	(3,708,278.03)	3,893,920.97
Taxes that are not available to pay for current period expenditures are deferred in the funds.		1,272,671.29
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	$ (15,015,000.00)	
Accrued interest payable	(253,525.52)	
Compensated absences payable	(10,052,254.40)	
Unamortized bond premiums	(1,169,839.39)	(26,490,619.31)
Net position of governmental activities (Exhibit "A")		$ 40,782,698.81

The notes to the basic financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total
Revenues				
Property Taxes	$ 25,055,932.57	$ -	$ -	$ 25,055,932.57
Sales Taxes	571,039.57	9,539,342.65	-	10,110,382.22
State Funds	58,737,549.78	661,702.09	-	59,399,251.87
Federal Funds	11,121,110.12	-	-	11,121,110.12
Charges for Services	1,305,560.32	-	-	1,305,560.32
Investment Earnings	669,371.49	253,659.16	-	923,030.65
Miscellaneous	1,773,096.93	3,240.00	-	1,776,336.93
Total Revenues	99,233,660.78	10,457,943.90	-	109,691,604.68
Expenditures				
Current				
Instruction	56,780,279.64	75,000.00	-	56,855,279.64
Support Services				
Pupil Services	4,749,720.63	-	-	4,749,720.63
Improvement of Instructional Services	3,132,113.89	-	-	3,132,113.89
Educational Media Services	1,041,277.27	-	-	1,041,277.27
General Administration	1,083,952.30	12,016.00	-	1,095,968.30
School Administration	6,160,850.15	-	-	6,160,850.15
Business Administration	688,141.19	-	20.00	688,161.19
Maintenance and Operation of Plant	8,089,679.95	-	-	8,089,679.95
Student Transportation Services	4,800,030.79	-	-	4,800,030.79
Central Support Services	1,901,798.00	22,246.60	-	1,924,044.60
Other Support Services	74,493.75	-	-	74,493.75
Enterprise Operations	128,614.08	-	-	128,614.08
Community Services	699,092.37	-	-	699,092.37
Food Services Operation	6,277,733.43	-	-	6,277,733.43
Capital Outlay	-	7,130,182.07	-	7,130,182.07
Debt Service				
Principal	-	-	4,580,000.00	4,580,000.00
Interest	-	-	842,350.00	842,350.00
Total Expenditures	95,607,777.44	7,239,444.67	5,422,370.00	108,269,592.11
Revenues over (under) Expenditures	3,625,883.34	3,218,499.23	(5,422,370.00)	1,422,012.57
Other Financing Sources (Uses)				
Transfers In	-	1,366,610.00	5,422,350.00	6,788,960.00
Transfers Out	(1,366,610.00)	(5,422,350.00)	-	(6,788,960.00)
Total Other Financing Sources (Uses)	(1,366,610.00)	(4,055,740.00)	5,422,350.00	-
Net Change in Fund Balances	2,259,273.34	(837,240.77)	(20.00)	1,422,012.57
Fund Balances - Beginning	23,785,607.67	14,069,342.84	24.79	37,854,975.30
Fund Balances - Ending	$ 26,044,881.01	$ 13,232,102.07	$ 4.79	$ 39,276,987.87

The notes to the basic financial statements are an integral part of this statement.

Gordon 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, 2025

Net change in fund balances total governmental funds (Exhibit "E")		$ 1,422,012.57
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	$ 8,049,954.63	
Depreciation expense	(4,655,732.61)	3,394,222.02
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.		(13,589.92)
Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(89,448.13)
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.		
Bond principal retirements	$ 4,580,000.00	
Amortization of bond premium	519,928.62	5,099,928.62
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	$ (823,600.00)	
OPEB expense	1,852,449.97	1,028,849.97
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Net decrease in accrued interest	$ 56,099.21	
Compensated absences	(1,065,327.01)	(1,009,227.80)
Change in net position of governmental activities (Exhibit "B")		$ 9,832,747.33

The notes to the basic financial statements are an integral part of this statement.

Gordon County Board of Education

Statement of Net Fiduciary Position
Fiduciary Funds
June 30, 2025

	Private Purpose Trusts
Assets	
Cash and Cash Equivalents	$ 137,558.21
Investments	295,853.30
Receivables, Net	
Other	29,331.73
Total Assets	462,743.24
Liabilities	
Accounts Payable and Accrued Liabilities	313.80
Net Position	
Held in Trust for Private Purposes	$ 462,429.44

The notes to the basic financial statements are an integral part of this statement.

Gordon County Board of Education

Exhibit "H"

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2025

	Private Purpose Trusts
Additions	
Contributions	
Donors	$ 89,132.73
Investment Earnings	
Net Increase (Decrease) in Fair Value of Investments	20,021.46
Interest	12,336.96
Total Investment Earnings	32,358.42
Miscellaneous	21,769.00
Total Additions	143,260.15
Deductions	
Administrative Expenses	1,100.47
Other Deductions	70,545.88
Total Deductions	71,646.35
Change in Net Position	71,613.80
Net Position - Beginning	390,815.64
Net Position - Ending	$ 462,429.44

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Gordon 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.

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.

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.

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 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 and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities 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 revenues.

New Accounting Pronouncements

In fiscal year 2025, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which supersedes prior requirements under GASB Statement No. 16. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Under the new standard, a liability is recognized when an employee earns leave that carries forward to a future reporting period and is more likely than not to be used, paid out or otherwise settled. The implementation required the School District to reevaluate and revise its recognition and measurement of compensated absences, including applying the “more likely than not” threshold to determine expected usage and payout. This approach is expected to provide a more accurate and complete estimate of the School District’s compensated absences liability. The adoption of this statement had a material impact and has been reported as a restatement of beginning net position. This statement will be applied retrospectively.

In fiscal year 2025, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School District’s financial statements. This statement will be applied prospectively.

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.

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.

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	$ 25,000.00	20 to 80 years
Buildings and Improvements	$ 25,000.00	10 to 60 years
Equipment	$ 5,000.00	3 to 20 years
Intangible Assets	$ 200,000.00	10 to 20 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.

Compensated Absences

Compensated absences payable consists of leave benefits, such as vacation and other forms of paid leave, that employees earned based on services already rendered. Compensated absences are recognized as a liability when the leave accumulates, is attributable to past service, and it is more likely than not that the leave will be used for time off or otherwise paid or settled.

The majority of the School District's compensated absences liability is comprised of vacation and sick leave.

Vacation leave of 10 days is awarded on a fiscal year basis to all full-time personnel employed on a twelve-month basis. No other employees are eligible to earn vacation leave. Vacation leave not utilized during the fiscal year may be carried over to the next fiscal year, providing such vacation leave does not exceed 5 days. Upon terminating employment, the School District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal-year end.

Sick leave is earned at a rate of 1.25 days per month for eligible employees. Unused sick leave may be accumulated up to a maximum of 120 days. The School District does not provide for payout of unused sick leave upon resignation or retirement; accordingly, the liability represents the portion of accumulated sick leave that is more likely than not to be used by employees during active employment. Members of the Teachers Retirement System of Georgia (TRS) may apply unused sick leave toward retirement service credit. This benefit is administered and funded by TRS; therefore, the related liability is not reported by the School District.

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.

Post-Employment Benefits Other than Pensions (SEAD - 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 State Employees’ Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB) plan (the Plan) and additions to/deductions from the SEAD-OPEB’s fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, death benefits 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 Gordon County Board of Commissioners adopted the property tax levy for the 2024 tax digest year (calendar year) on September 17, 2024 (levy date) based on property values as of January 1, 2024. Taxes were due on December 31, 2024 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2024 tax digest are reported as revenue in the governmental funds for fiscal year 2025. The Gordon County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2025, for maintenance and operations amounted to $21,749,032.43.

The tax millage rate levied for the 2024 tax digest year (calendar year) for the School District was as follows (a mill equals $1 per thousand dollars of assessed value):

School Operations	16.364	mills

Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to $2,896,725.87 during fiscal year ended June 30, 2025.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to $9,539,342.65 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 function level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School 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, CASH EQUIVALENTS AND INVESTMENTS

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, 2025, the School District had deposits with a carrying amount of $11,997,466.03, and a bank balance of $14,737,695.06. The bank balances insured by Federal depository insurance were $467,154.54.

At June 30, 2025, $14,270,540.52 of the School District's bank balances were exposed to custodial credit risk. This balance was 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%. 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	$	35,839,992.92
Statement of Fiduciary Net Position		137,558.21
Total cash and cash equivalents		35,977,551.13
Less:		
Investment pools reported as cash and cash equivalents		
Georgia Fund 1		23,980,085.10
Total carrying value of deposits - June 30, 2025	$	11,997,466.03

Categorization of Cash Equivalents

The School District reported cash equivalents of $23,980,085.10 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, 2025 was 51 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.

Categorization of Investments

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

Other Investments		
Bond Mutual Funds	$	53,981.97
Equity Mutual Funds		226,921.56
Exchange Traded Funds		14,949.77
Total Investments	$	295,853.30

Fair Value of Investments

The School District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2025:

Equity Mutual Funds - Domestic of $167,782.64, Equity Mutual Funds – International of $59,138.92, and Exchange Traded Funds of $14,949.77 are valued using quoted market prices. (Level 1 inputs)

Bond Mutual Funds of $53,981.97 are valued using a matrix pricing model. (Level 2 inputs)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The School District does not have a formal policy for managing interest rate risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the School District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for managing custodial credit risk.

At June 30, 2025, $295,853.30 of the School District's applicable investments were held by the investment’s counterparty, not in the School District's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those prescribed O.C.G.A. §36-83-4. The School District does not have a formal policy that would further limit its investment choices or one that addresses credit risk. The $53,981.97 invested in mutual bond funds are unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does not have a formal policy for managing concentration of credit risk. More than 5% of the School District's investments are in equity mutual funds and bond mutual funds. These investments are 77% and 18%, respectively, of the School District’s total investments.

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, 2024	Increases	Decreases	Transfers	Balances June 30, 2025
Governmental Activities					
Capital Assets,					
Not Being Depreciated:					
Land	$ 1,834,333.33	$ -	$ -	$ -	$ 1,834,333.33
Construction in Progress	20,564,986.89	6,726,760.60	4,411.42	(26,640,002.60)	647,333.47
Total Capital Assets Not Being Depreciated	22,399,320.22	6,726,760.60	4,411.42	(26,640,002.60)	2,481,666.80
Capital Assets,					
Being Depreciated					
Buildings and Improvements	144,564,992.83	-	-	26,015,271.63	170,580,264.46
Equipment	16,982,349.06	1,198,058.03	131,091.22	134,061.58	18,183,377.45
Land Improvements	14,043,422.21	125,136.00	-	490,669.39	14,659,227.60
Less Accumulated					
Depreciation:					
Buildings and Improvements	47,816,981.09	3,027,276.70	121,912.72	-	50,722,345.07
Equipment	11,134,175.27	1,025,944.83	-	-	12,160,120.10
Land Improvements	8,631,335.07	602,511.08	-	-	9,233,846.15
Total Capital Assets, Being Depreciated, Net	108,008,272.67	(3,332,538.58)	9,178.50	26,640,002.60	131,306,558.19
Governmental Activities Capital Assets - Net	$ 130,407,592.89	$ 3,394,222.02	$ 13,589.92	$ -	$ 133,788,224.99

Current year depreciation expense by function is as follows:

Instruction		$ 2,792,283.94
Support Services		
Pupil Services	$ 395,161.72	
General Administration	33,423.77	
School Administration	19,086.12	
Business Administration	8,000.00	
Maintenance and Operation of Plant	781,965.33	
Student Transportation Services	486,785.46	
Central Support Services	44,994.98	1,769,417.38
Food Services		94,031.29
		$ 4,655,732.61

NOTE 6: INTERFUND TRANSFERS

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

	Transfers From		
Transfers to	General Fund	Capital Projects Fund	Total
Capital Projects Fund	$ 1,366,610.00	$ -	$ 1,366,610.00
Debt Service Fund	-	5,422,350.00	5,422,350.00
Total	$ 1,366,610.00	$ 5,422,350.00	$ 6,788,960.00

Transfers are used to move property tax revenues collected by the general fund to capital projects fund as required match or supplemental funding source for capital construction projects and to move sales tax revenues collected by the capital projects fund to the debt service fund to pay bond debt.

NOTE 7: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

	Governmental Activities				
	Restated Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General Obligation (G.O.) Bonds	$ 19,595,000.00	$ -	$ 4,580,000.00	$ 15,015,000.00	$ 4,765,000.00
Unamortized Bond Premiums	1,689,768.01	-	519,928.62	1,169,839.39	519,928.62
Compensated Absences(1)	8,986,927.39	1,065,327.01	-	10,052,254.40	2,818,187.60
	$ 30,271,695.40	$ 1,065,327.01	$ 5,099,928.62	$ 26,237,093.79	$ 8,103,116.22

(1) Net changes in the compensated absences liability are reported as increases or decreases accordingly.

General Obligation Bonds

The School District's bonded debt consists of general obligation bonds that are generally noncallable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. 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, 2025. 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.

General obligation bonds currently outstanding are as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2022	4.0% - 5.0%	3/15/2022	9/1/2027	$ 24,000,000.00	$ 15,015,000.00

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 Principal	General Obligation Debt Interest	Unamortized Bond Premium
2026	$ 4,765,000.00	$ 631,625.00	$ 519,928.62
2027	5,000,000.00	387,500.00	519,928.62
2028	5,250,000.00	131,250.00	129,982.15
Total Principal and Interest	$ 15,015,000.00	$ 1,150,375.00	$ 1,169,839.39

Compensated Absences

Compensated absences represent obligations of the School District relating to leave benefits earned by employees based upon service already rendered. This obligation relates only to vested and accumulated leave in which it is more likely than not that payment will be made or the leave will be used, and the amount can be reasonably estimated as of the measurement date. Typically, the general fund is the fund used to liquidate this long-term debt. The School District uses the vesting method to compute compensated absences.

For fiscal year 2025, the School District began recording the accumulated compensated absences liability at June 30 in the government-wide financial statements due to the implementation of a new accounting standard. This is a change in accounting principle.

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 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. The Trust currently self-funds aggregate excess insurance as approved by the Department of Insurance annually.

Unemployment Compensation

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

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

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
2024	$ -	$ 182.50	$ 182.50	$ -
2025	$ -	$ -	$ -	$ -

Surety Bond

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

Position Covered	Amount
Superintendent	$ 105,000.00
Each Principal	$ 5,000.00
Finance Director	$ 5,000.00
School Nutrition Director	$ 5,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2025:

Nonspendable		
Inventories		$ 784,156.37
Restricted		
Continuation of Federal Programs	$ 4,769,735.40	
Capital Projects	7,683,501.06	
Debt Service	5,548,605.80	18,001,842.26
Assigned		
School Activity Accounts	$ 1,288,265.71	
Self-Insurance	1,933.30	1,290,199.01
Unassigned		19,200,790.23
Fund Balance, June 30, 2025		$ 39,276,987.87

When multiple categories of fund balance are available for 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, 2025, together with funding available:

Project	Unearned Executed Contracts (1)	Payments through June 30, 2025 (2)	Funding Available From State (1)
Belwood Elementary HVAC Renovation	$ 1,234,259.50	$ 402,590.20	$ 562,995.00
Redbud Elementary Flooring	84,109.77	103,900.23	-
Redbud Elementary Ceiling Tiles	65,004.46	140,843.04	-
	$ 1,383,373.73	$ 647,333.47	$ 562,995.00

(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 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 $1,600,270.97 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund.

During fiscal year 2025, the State of Georgia, through the State Health Benefit Plan (SHBP) administered by the Department of Community Health, made an on-behalf contribution in the amount of $935,089.03 for the School District’s employees.

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

At June 30, 2025, the School District reported a liability of $42,109,470.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District’s proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the School District’s proportion was 0.369500%, which was a decrease of 0.012718% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of ($246,361.00). At June 30, 2025, 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	$ 2,064,976.00	$ 7,603,444.00
Changes of assumptions	4,910,147.00	4,168,313.00
Net difference between projected and actual earnings on OPEB plan investments	-	274,122.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,431,483.00	1,664,769.00
School District contributions subsequent to the measurement date	1,600,270.97	-
Total	$ 10,006,876.97	$ 13,710,648.00

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		OPEB
2026	$	(2,111,746.00)
2027	$	(2,414,063.00)
2028	$	(928,059.00)
2029	$	253,800.00
2030	$	(88,184.00)
Thereafter	$	(15,790.00)

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

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	6.75%
Ultimate trend rate	4.50%
Year of Ultimate trend rate	2032

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period 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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

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

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

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

* Net of inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.98% was used as the discount rate, as compared with last year's rate of 3.68%. The plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate as used for the long-term rate of return was applied to all periods of projected benefit payments to determine total OPEB liability. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (3.93% per the Municipal Bond Index Rate).

The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employers will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2123.

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the Net OPEB liability	$ 47,641,386.00	$ 42,109,470.00	$ 37,444,322.00

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	$ 36,384,986.00	$ 42,109,470.00	$ 49,144,202.00

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.

POST-EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (SEAD – OPEB)

Plan Description: SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans other than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits Provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions: Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the School District reported an asset of $42,308.00 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District’s proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2024. At June 30, 2024, the School District’s proportion was 0.007538%, which was an increase of 0.000580% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of ($5,818.00). At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SEAD-OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 170.00	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,773.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	904.00
School District contributions subsequent to the measurement date	-	-
Total	$ 170.00	$ 4,677.00

The 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	SEAD-OPEB
2026	$ (2,805.00)
2027	$ 2,043.00
2028	$ (2,287.00)
2029	$ (1,458.00)

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

SEAD – OPEB:

Inflation	2.50%
Salary increases:	
ERS	3.00% – 6.75%
GJRS	3.75%
LRS	N/A
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Mortality rates are as follows:

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

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

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

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 returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* Rates shown are net of inflation

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate: The following presents the School District's proportionate share of the net OPEB asset calculated using the discount rate of 7.00 %, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 %) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	$ 32,402.00	$ 42,308.00	$ 50,447.00

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS annual comprehensive financial report which is publicly available at www.ers.ga.gov/financials.

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 compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual School District payroll, of which 20.66% of payroll was required from the School District and 0.12% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were $9,340,063.00 and $62,699.64 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 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, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS 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 $23,383.00 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 $16.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012 contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $96,984.00.

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

At June 30, 2025, the School District reported a liability of $68,891,325.00 for its proportionate share of the net pension liability for TRS ($68,775.582.00) and ERS ($115,743.00).

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	$ 68,775,582.00
State of Georgia's proportionate share of the net pension liability associated with the School District	435,331.00
Total	$ 69,210,913.00

The net pension liability for TRS and ERS was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District’s proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2024.

At June 30, 2024, the School District’s TRS proportion was 0.273629%, which was a decrease of 0.030182% from its proportion measured as of June 30, 2023. At June 30, 2024, the School District’s ERS proportion was 0.002571%, which was a decrease of 0.000038% from its proportion measured as of June 30, 2023.

At June 30, 2025, 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 $443,536.00.

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

For the year ended June 30, 2025, the School District recognized pension expense of $10,347,024.00 for TRS, $825.00 for ERS and $102,586.00 for PSERS and revenue of $77,296.00 for TRS and $102,586.00 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.

At June 30, 2025, 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	$ 7,782,436.00	$ 205,556.00	$ 6,204.00	$ -
Changes of assumptions	4,784,384.00	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	9,588,800.00	-	13,036.00
Changes in proportion and differences between School District contributions and proportionate share of contributions	756,915.00	5,371,913.00	-	1,881.00
School District contributions subsequent to the measurement date	9,430,063.00	-	23,383.00	-
Total	$ 22,753,798.00	$ 15,166,269.00	$ 29,587.00	$ 14,917.00

The School District contributions subsequent to the measurement date for TRS and for 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2026	$ 93,929.00	$ (3,895.00)
2027	$ 7,543,022.00	$ 8,192.00
2028	$ (5,691,244.00)	$ (7,933.00)
2029	$ (3,788,241.00)	$ (5,077.00)

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

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

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
Cost-of-living adjustment	1.05%, annually

Mortality rates are as follows:

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

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

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

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:

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

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

The long-term expected rate of return on 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:

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

* 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.

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% and 7.00%, 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% and 6.00%) or 1-percentage-point higher (7.90% and 8.00%) than the current rate:

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
School District's proportionate share of the net pension liability	$ 118,376,543.00	$ 68,775,582.00	$ 28,286,015.00

Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 174,381.00	$ 115,743.00	$ 66,429.00

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 www.ers.ga.gov/financials.

NOTE 14: RESTATEMENT OF PRIOR YEAR NET POSITION

During fiscal year 2025, the School District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. As a result, the School District now recognizes a liability for certain types of accumulated leave that are more likely than not to be used for time off or otherwise paid or settled.

The change was applied retrospectively, resulting in a restatement of beginning net position for governmental activities as of July 1, 2024. The effect of this restatement was a decrease in beginning net position and an increase in the compensated absences liability of $8,427,962.64.

Net Position, July 1, 2024, as previously reported	$ 39,377,914.12
Change in Accounting Principle - GASB Statement No. 101	(8,427,962.64)
Net Position, July 1, 2024, as restated	$ 30,949,951.48

NOTE 15: TAX ABATEMENTS

Gordon County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Gordon County.

For the fiscal year ended June 30, 2025, Gordon County abated property taxes due to the School District that were levied on September 17, 2024 and due on December 31, 2024 totaling $1,152,203.73. Included in that amount abated is the following individual tax abatement agreement that exceeded 10 percent of the total amount abated:

- A 100 percent property tax abatement to a manufacturing plant relocating and increasing employment. The abatement amounted to $1,142,397.55.

Schedules: Required Supplementary Information

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Teachers Retirement System of Georgia

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
2025	0.273629%	$ 68,775,582.00	$ 435,331.00	$ 69,210,913.00	$ 42,918,264.95	160.25%	80.86%
2024	0.303811%	$ 89,698,056.00	$ 525,237.00	$ 90,223,293.00	$ 44,542,593.87	201.38%	76.29%
2023	0.301347%	$ 97,853,196.00	$ 577,026.00	$ 98,430,222.00	$ 40,957,452.34	238.91%	72.85%
2022	0.293903%	$ 25,993,760.00	$ 140,448.00	$ 26,134,208.00	$ 38,445,916.07	67.61%	92.03%
2021	0.293308%	$ 71,050,678.00	$ 390,489.00	$ 71,441,167.00	$ 37,996,347.62	186.99%	77.01%
2020	0.296103%	$ 63,670,152.00	$ 342,753.00	$ 64,012,905.00	$ 36,356,119.26	175.13%	78.56%
2019	0.299783%	$ 55,646,146.00	$ 299,593.00	$ 55,945,739.00	$ 36,003,678.82	154.56%	80.27%
2018	0.299266%	$ 55,619,508.00	$ 435,268.00	$ 56,054,776.00	$ 34,571,609.97	160.88%	79.33%
2017	0.301853%	$ 62,481,951.00	$ 641,009.00	$ 63,122,960.00	$ 33,571,070.47	186.12%	76.06%
2016	0.310087%	$ 47,207,667.00	$ 464,941.00	$ 47,672,608.00	$ 32,890,121.98	143.53%	81.44%

Gordon County Board of Education

Required Supplementary Information
Schedule of Contributions
Teachers Retirement System of Georgia

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
2025	$ 9,430,063.00	$ 9,430,063.00	$ -	$ 45,635,706.52	20.66%
2024	$ 8,525,473.00	$ 8,525,473.00	$ -	$ 42,918,264.95	19.86%
2023	$ 8,852,540.00	$ 8,852,540.00	$ -	$ 44,542,593.87	19.87%
2022	$ 8,071,752.74	$ 8,071,752.74	$ -	$ 40,957,452.34	19.71%
2021	$ 7,288,416.90	$ 7,288,416.90	$ -	$ 38,445,916.07	18.96%
2020	$ 7,994,212.57	$ 7,994,212.57	$ -	$ 37,996,347.62	21.04%
2019	$ 7,551,588.14	$ 7,551,588.14	$ -	$ 36,356,119.26	20.77%
2018	$ 6,019,907.71	$ 6,019,907.71	$ -	$ 36,003,678.82	16.72%
2017	$ 4,896,102.32	$ 4,896,102.32	$ -	$ 34,571,609.97	14.16%
2016	$ 4,743,749.01	$ 4,743,749.01	$ -	$ 33,571,070.47	14.13%

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Employees' Retirement System of Georgia

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
2025	0.002571%	$ 115,743.00	$ 94,425.66	122.58%	78.75%
2024	0.002609%	$ 155,642.00	$ 71,611.79	217.34%	71.20%
2023	0.002784%	$ 185,928.00	$ 68,157.04	272.79%	67.44%
2022	0.002777%	$ 64,951.00	$ 66,572.04	97.56%	87.62%
2021	0.002607%	$ 109,884.00	$ 65,779.39	167.05%	76.21%
2020	0.002457%	$ 101,389.00	$ 61,824.08	164.00%	76.74%
2019	0.002231%	$ 91,717.00	$ 56,914.66	161.15%	76.68%
2018	0.002105%	$ 85,491.00	$ 51,545.35	165.86%	76.33%
2017	0.002165%	$ 102,414.00	$ 50,348.34	203.41%	72.34%
2016	0.002099%	$ 85,039.00	$ 47,993.22	177.19%	76.20%

Required Supplementary Information
Schedule of Contributions
Employees’ Retirement System of Georgia

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
2025	$ 23,383.00	$ 23,383.00	$ -	$ 80,078.04	29.20%
2024	$ 27,714.00	$ 27,714.00	$ -	$ 94,425.66	29.35%
2023	$ 21,469.00	$ 21,469.00	$ -	$ 71,611.79	29.98%
2022	$ 14,015.26	$ 14,015.26	$ -	$ 68,157.04	20.56%
2021	$ 16,416.72	$ 16,416.72	$ -	$ 66,572.04	24.66%
2020	$ 16,221.20	$ 16,221.20	$ -	$ 65,779.39	24.66%
2019	$ 15,320.00	$ 15,320.00	$ -	$ 61,824.08	24.78%
2018	$ 14,120.56	$ 14,120.56	$ -	$ 56,914.66	24.81%
2017	$ 12,788.40	$ 12,788.40	$ -	$ 51,545.35	24.81%
2016	$ 12,446.14	$ 12,446.14	$ -	$ 50,348.34	24.72%

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Public School Employees Retirement System of Georgia

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
2025	0.00%	$ -	$ 443,536.00	$ 443,536.00	$ 2,771,069.38	N/A	90.02%
2024	0.00%	$ -	$ 636,087.00	$ 636,087.00	$ 2,639,450.93	N/A	85.67%
2023	0.00%	$ -	$ 812,915.00	$ 812,915.00	$ 2,278,129.69	N/A	81.21%
2022	0.00%	$ -	$ 72,980.00	$ 72,980.00	$ 1,497,199.28	N/A	98.00%
2021	0.00%	$ -	$ 513,130.00	$ 513,130.00	$ 1,412,236.85	N/A	84.45%
2020	0.00%	$ -	$ 491,516.00	$ 491,516.00	$ 1,358,954.05	N/A	85.02%
2019	0.00%	$ -	$ 447,591.00	$ 447,591.00	$ 1,368,757.70	N/A	85.26%
2018	0.00%	$ -	$ 424,765.00	$ 424,765.00	$ 1,382,578.20	N/A	85.69%
2017	0.00%	$ -	$ 556,911.00	$ 556,911.00	$ 1,349,605.56	N/A	81.00%
2016	0.00%	$ -	$ 357,169.00	$ 357,169.00	$ 1,465,733.80	N/A	87.00%

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability
School OPEB Fund

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
2025	0.369500%	$ 42,109,470.00	$ -	$ 42,109,470.00	$ 32,134,270.90	131.04%	6.88%
2024	0.382218%	$ 41,865,913.00	$ -	$ 41,865,913.00	$ 31,339,440.63	133.59%	6.05%
2023	0.375276%	$ 37,164,265.00	$ -	$ 37,164,265.00	$ 26,890,233.88	138.21%	6.17%
2022	0.367121%	$ 39,762,241.00	$ -	$ 39,762,241.00	$ 33,776,128.50	117.72%	6.14%
2021	0.364092%	$ 53,476,635.00	$ -	$ 53,476,635.00	$ 33,628,980.06	159.02%	3.99%
2020	0.368663%	$ 45,242,860.00	$ -	$ 45,242,860.00	$ 31,763,758.53	142.44%	4.63%
2019	0.379942%	$ 48,289,462.00	$ -	$ 48,289,462.00	$ 32,272,336.15	149.63%	2.93%
2018	0.389734%	$ 54,757,471.00	$ -	$ 54,757,471.00	$ 31,318,926.78	174.84%	1.61%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information
Schedule of Contributions
School OPEB Fund

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
2025	$ 1,600,270.97	$ 1,600,270.97	$ -	$ 34,679,514.68	4.61%
2024	$ 1,511,176.00	$ 1,511,176.00	$ -	$ 32,134,270.90	4.70%
2023	$ 1,469,414.00	$ 1,469,414.00	$ -	$ 31,339,440.63	4.69%
2022	$ 1,356,906.00	$ 1,356,906.00	$ -	$ 26,890,233.88	5.05%
2021	$ 1,365,628.00	$ 1,365,628.00	$ -	$ 33,776,128.50	4.04%
2020	$ 1,231,274.00	$ 1,231,274.00	$ -	$ 33,628,980.06	3.66%
2019	$ 1,985,501.00	$ 1,985,501.00	$ -	$ 31,763,758.53	6.25%
2018	$ 1,969,200.00	$ 1,969,200.00	$ -	$ 32,272,336.15	6.10%
2017	$ 2,032,102.00	$ 2,032,102.00	$ -	$ 31,318,923.78	6.49%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Asset
SEAD-OPEB

For the Year Ended June 30	School District's proportion of the net OPEB asset	School District's proportionate share of the net OPEB asset	School District's covered-employee payroll	School District's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	Plan fiduciary net position as a percentage of total OPEB liability
2025	0.007538%	$ 42,308.00	$ 94,425.66	44.81%	155.14%
2024	0.006958%	$ 30,685.00	$ 71,611.79	42.85%	144.49%
2023	0.006654%	$ 24,459.00	$ 68,157.04	35.89%	138.03%
2022	0.006141%	$ 37,818.00	$ 66,572.04	56.81%	164.76%
2021	0.005516%	$ 15,666.00	$ 65,729.36	23.83%	129.20%
2020	0.004855%	$ 13,728.00	$ 62,433.29	21.99%	129.73%
2019	0.004111%	$ 11,126.00	$ 56,914.66	19.55%	129.46%
2018	0.003546%	$ 9,216.00	$ 51,545.35	17.88%	130.17%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information
Schedule of Contributions
SEAD-OPEB

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
2025	$ -	$ -	$ -	$ 80,078.04	0.00%
2024	$ -	$ -	$ -	$ 94,425.66	0.00%
2023	$ -	$ -	$ -	$ 71,611.79	0.00%
2022	$ -	$ -	$ -	$ 68,157.04	0.00%
2021	$ -	$ -	$ -	$ 66,572.04	0.00%
2020	$ -	$ -	$ -	$ 65,729.36	0.00%
2019	$ -	$ -	$ -	$ 62,433.29	0.00%
2018	$ -	$ -	$ -	$ 56,914.66	0.00%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the Required Supplementary Information for the Year Ended June 30, 2025

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, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set 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.

School OPEB Fund

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

Changes in assumptions: June 30, 2023 valuation: Medicare health care trend rates were updated.
June 30, 2022 valuation: The tobacco use assumption and aging factors were revised.

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

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

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

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

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

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

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

SEAD-OPEB

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

Changes of assumptions: On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. 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 the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018. 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 Systems based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total OPEB Liability.

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2025

	Nonappropriated Budgets			
	Original (1)	Final (1)	Actual Amounts	Variance Over/Under
Revenues				
Property Taxes	$ 25,460,000.00	$ 25,460,000.00	$ 25,055,932.57	$ (404,067.43)
Sales Taxes	465,000.00	465,000.00	571,039.57	106,039.57
State Funds	56,295,616.00	56,601,956.00	58,737,549.78	2,135,593.78
Federal Funds	8,599,483.00	9,200,074.00	11,121,110.12	1,921,036.12
Charges for Services	943,175.00	992,608.00	1,305,560.32	312,952.32
Investment Earnings	502,010.00	502,010.00	669,371.49	167,361.49
Miscellaneous	168,525.00	168,525.00	1,773,096.93	1,604,571.93
Total Revenues	92,433,809.00	93,390,173.00	99,233,660.78	5,843,487.78
Expenditures				
Current				
Instruction	54,924,441.00	56,032,268.00	56,780,279.64	(748,011.64)
Support Services				
Pupil Services	3,589,803.00	3,681,886.00	4,749,720.63	(1,067,834.63)
Improvement of Instructional Services	4,531,397.00	3,002,386.00	3,132,113.89	(129,727.89)
Educational Media Services	1,096,009.00	977,863.00	1,041,277.27	(63,414.27)
General Administration	1,089,708.00	1,095,007.00	1,083,952.30	11,054.70
School Administration	5,870,828.00	5,870,499.00	6,160,850.15	(290,351.15)
Business Administration	749,943.00	707,552.00	688,141.19	19,410.81
Maintenance and Operation of Plant	7,849,247.00	8,224,282.00	8,089,679.95	134,602.05
Student Transportation Services	5,066,352.00	4,845,412.00	4,800,030.79	45,381.21
Central Support Services	1,619,773.00	1,823,381.00	1,901,798.00	(78,417.00)
Other Support Services	48,445.00	48,445.00	74,493.75	(26,048.75)
Enterprise Operation	-	-	128,614.08	(128,614.08)
Community Services	47,135.00	47,135.00	699,092.37	(651,957.37)
Food Services Operation	5,762,660.00	6,359,759.51	6,277,733.43	82,026.08
Total Expenditures	92,245,741.00	92,715,875.51	95,607,777.44	(2,891,901.93)
Excess of Revenues over (under) Expenditures	188,068.00	674,297.49	3,625,883.34	2,951,585.85
Other Financing Sources (Uses)				
Other Sources	2,364,413.00	2,388,264.00	-	(2,388,264.00)
Other Uses	(3,662,398.00)	(3,654,868.00)	(1,366,610.00)	2,288,258.00
Total Other Financing Sources (Uses)	(1,297,985.00)	(1,266,604.00)	(1,366,610.00)	(100,006.00)
Net Change in Fund Balances	(1,109,917.00)	(592,306.51)	2,259,273.34	2,851,579.85
Fund Balances - Beginning	23,771,013.81	23,771,013.81	23,785,607.67	14,593.86
Adjustments	-	233,982.69	-	(233,982.69)
Fund Balances - Ending	$ 22,661,096.81	$ 23,412,689.99	$ 26,044,881.01	$ 2,632,191.02

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 $2,238,438.82 and $2,089,723.34, 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.

See notes to the basic financial statements.

Supplementary Information

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Funding Agency Program/Grant	Assistance Listing Number	Pass-Through Entity ID Number	Federal Expenditures
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	255GA324N1199	$ 2,091,417.95
National School Lunch Program	10.555	255GA324N1199	4,164,433.20
Fresh Fruit and Vegetable Program	10.582	255GA324L1603	29,891.57
Total Child Nutrition Cluster			6,285,742.72
Total U. S. Department of Agriculture			6,285,742.72
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	231,117.05
Total Education Stabilization Fund			231,117.05
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A230073	461,485.00
Grants to States	84.027A	H027A240073	1,392,442.97
Preschool Grants	84.173A	H173A240081	72,058.00
Total Special Education Cluster			1,925,985.97
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A240010	80,784.14
Education for Homeless Children and Youth	84.196A	S196A230011	3,808.00
Education for Homeless Children and Youth	84.196A	S196A240011	47,527.00
English Language Acquisition State Grants	84.365A	T365A240010	51,254.01
Title I Grants to Local Educational Agencies	84.010A	S010A230010	172,787.00
Title I Grants to Local Educational Agencies	84.010A	S010A240010	1,751,004.41
Total Other Programs			2,107,164.56
Total U. S. Department of Education			4,264,267.58
Defense, U. S. Department of			
Direct			
Department of the Army			
R.O.T.C. Program	12.Unknown		95,313.24
Total U. S. Department of Defense			95,313.24
Total Expenditures of Federal Awards			$ 10,645,323.54

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 Gordon County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2025. 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.

Notes to the Schedule of Expenditures of Federal Awards

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. Transfers Between Programs

Funds totaling $240,589.000 and $119,287.00 were transferred from the Supporting Effective Instruction State Grants program (ALN 84.367A) and the Student Support and Academic Enrichment program (ALN 84.424A), respectively, and were expended in the Title Grants to Local Educational Agencies program (ALN 84.010A) during Fiscal Year 2025.

Note 5. Schoolwide Consolidation of Funds

Federal, state, and local funds were consolidated into one fund to support Title I schools operating a schoolwide program. The following federal programs and amounts were included in this schoolwide consolidation of funds:

Program Name	ALN	Amount
Title I Grants to Local Educational Agencies	84.010A	$ 1,883,443.16
English Language Acquisition State Grants	84.365A	51,254.01
Total Federal Funds in Schoolwide Consolidation of Funds		$ 1,934,697.17

See notes to the basic financial statements.

Gordon County Board of Education

Schedule of State Revenue
Year Ended June 30, 2025

Agency/Funding	Governmental Fund Types General Fund	Governmental Fund Types Capital Projects Fund	Total
Grants			
Bright From the Start:			
Pre-Kindergarten Program	$ 2,338,287.14	$ -	$ 2,338,287.14
Education, Georgia Department of			
Quality Basic Education			
Direct Instructional Cost			
Kindergarten Program	2,430,903.00	-	2,430,903.00
Kindergarten Program - Early Intervention Program	419,496.00	-	419,496.00
Primary Grades (1-3) Program	5,691,709.00	-	5,691,709.00
Primary Grades - Early Intervention (1-3) Program	1,439,059.00	-	1,439,059.00
Upper Elementary Grades (4-5) Program	2,421,440.00	-	2,421,440.00
Upper Elementary Grades - Early Intervention (4-5) Program	1,372,376.00	-	1,372,376.00
Middle School (6-8) Program	5,355,602.00	-	5,355,602.00
High School General Education (9-12) Program	5,463,970.00	-	5,463,970.00
Vocational Laboratory (9-12) Program	1,784,260.00	-	1,784,260.00
Students with Disabilities	6,435,373.00	-	6,435,373.00
Gifted Student - Category VI	2,949,516.00	-	2,949,516.00
Remedial Education Program	411,335.00	-	411,335.00
Alternative Education Program	419,927.00	-	419,927.00
English Speakers of Other Languages (ESOL)	1,007,734.00	-	1,007,734.00
Media Center Program	943,971.00	-	943,971.00
20 Days Additional Instruction	297,565.00	-	297,565.00
Staff and Professional Development	156,481.00	-	156,481.00
Principal Staff and Professional Development	3,413.00	-	3,413.00
Indirect Cost			
Central Administration	1,273,828.00	-	1,273,828.00
School Administration	2,071,514.00	-	2,071,514.00
Facility Maintenance and Operations	1,597,648.00	-	1,597,648.00
Charter System Adjustment	737,392.00	-	737,392.00
Categorical Grants			
Pupil Transportation			
Regular	1,865,081.00	-	1,865,081.00
Nursing Services	145,608.00	-	145,608.00
Education Equalization Funding Grant	7,196,423.00	-	7,196,423.00
Other State Programs			
Custodian Supplement	37,000.00	-	37,000.00
Dyslexia Services Grant	17,985.00	-	17,985.00
Food Services	153,190.14	-	153,190.14
Hygiene Products	5,192.00	-	5,192.00
Math and Science Supplements	26,944.00	-	26,944.00
Preschool Disability Services	143,715.00	-	143,715.00
Pupil Transportation - State Bonds	88,110.00	-	88,110.00
School Bus Alternative Fuel Incentive Funding	36,000.00	-	36,000.00
School Bus Safety Incentive Funding	9,260.48	-	9,260.48
School Safety Grant	471,240.00	-	471,240.00
School Security Grant	116,186.56	-	116,186.56
Teachers Retirement	62,699.64	-	62,699.64
Vocational Education	276,997.79	-	276,997.79
Georgia State Financing and Investment Commission			
Reimbursement on Construction Projects	-	661,702.09	661,702.09
Office of the State Treasurer			
Public School Employees Retirement	96,984.00	-	96,984.00
Community Health, Georgia Department of	935,089.03	-	935,089.03
Other Post-Employment Benefits (OPEB)			
Other	31,045.00	-	31,045.00
	$ 58,737,549.78	$ 661,702.09	$ 59,399,251.87

See notes to the basic financial statements.

Schedule of Approved Local Option Sales Tax Projects
Year Ended June 30, 2025

Project	Original Estimated Cost (1)	Current Estimated Costs (2)	Estimated Completion Date
ESPLOST V (7/1/2017-6/30/2022)			
(i) Acquisition and installation of digital resources and improvement to technology throughout the Gordon County School District;	$ 6,000,000.00	$ 6,661,494.76	Completed
(ii) Renovations and modifications at Gordon Central and Sonoraville High Schools, Ashworth, Red Bud and Sonoraville Middle Schools, Belwood, Fairmount, Red Bud, Sonoraville, Swain, and Tolbert Elementary Schools, and the Gordon County College & Career Academy, including but not limited to the air conditioning systems in the gymnasiums, acquiring, constructing, renovating, expanding, and equipping athletic fields and facilities throughout the Gordon County School System;	27,647,000.00	25,500,706.26	Completed
(iii) Renovations and modifications to the Central Office;	515,000.00	403,069.25	Completed
(iv) Acquisition of real or personal property and equipment necessary for the above projects, school buses, energy management systems, heat and air systems, lighting or similar equipment;	2,000,000.00	733,818.62	Completed
(v) Acquisition of real property for future schools, facilities, administrative offices, support services, and other purposes of the District; and	1,000,000.00	80,461.93	Completed
(vi) Administrative & legal expenses.	85,000.00	455,655.07	Completed
ESPLOST V (7/1/2017-6/30/2022)	37,247,000.00	33,835,205.89	
ESPLOST VI (7/1/2022-6/30/2027)			
(i) Acquisition and installation of digital resources and improvement to technology throughout the Gordon County School District;	$ 1,500,000.00	$ 505,000.00	June 2027
(ii) Renovations and modifications at Swain Elementary School, Ashworth Middle School, Gordon Central High School, Sonoraville High School, Central Office, Fairmount Elementary School, Sonoraville Elementary School, Red Bud Middle School, Red Bud Elementary School, Belwood Elementary School and Tolbert Elementary School; acquisition, construction, equipping, renovation, and expansion of athletic fields and facilities; acquisition, construction, and equipping of new auditoriums throughout the Gordon County School District;	32,739,000.00	37,000,000.00	June 2027
(iii) Acquisition of real or personal property and equipment necessary for the above projects, school buses, energy management systems, heat and air systems, lighting or similar equipment;	2,000,000.00	900,000.00	June 2027
(iv) Acquisition of real property for future schools, facilities, administrative offices, support services, and other purposes of the District; and	1,000,000.00	250,000.00	June 2027
(v) Administrative & legal expenses.	85,000.00	85,000.00	June 2027
	-	-	
ESPLOST VI (7/1/2022-6/30/2027)	37,324,000.00	38,740,000.00	
Total	$ 74,571,000.00	$ 72,575,205.89	

Schedule of Approved Local Option Sales Tax Projects
Year Ended June 30, 2025

Project	Amount Expended In Current Year (3) (4)	Amount Expended In Prior Years (3) (4)	Total Completion Cost	Excess Proceeds Not Expended
ESPLOST V (7/1/2017-6/30/2022)				
(i) Acquisition and installation of digital resources and improvement to technology throughout the Gordon County School District;	$ -	$ 6,661,494.76	$ 6,661,494.76	$ -
(ii) Renovations and modifications at Gordon Central and Sonoraville High Schools, Ashworth, Red Bud and Sonoraville Middle Schools, Belwood, Fairmount, Red Bud, Sonoraville, Swain, and Tolbert Elementary Schools, and the Gordon County College & Career Academy, including but not limited to the air conditioning systems in the gymnasiums, acquiring, constructing, renovating, expanding, and equipping athletic fields and facilities throughout the Gordon County School System;	76,714.66	25,423,991.60	25,500,706.26	-
(iii) Renovations and modifications to the Central Office;	-	403,069.25	403,069.25	-
(iv) Acquisition of real or personal property and equipment necessary for the above projects, school buses, energy management systems, heat and air systems, lighting or similar equipment;	61,248.00	672,570.62	733,818.62	-
(v) Acquisition of real property for future schools, facilities, administrative offices, support services, and other purposes of the District; and	-	80,461.93	80,461.93	-
(vi) Administrative & legal expenses.	-	455,655.07	455,655.07	-
ESPLOST V (7/1/2017-6/30/2022)	137,962.66	33,697,243.23	33,835,205.89	-
ESPLOST VI (7/1/2022-6/30/2027)				
(i) Acquisition and installation of digital resources and improvement to technology throughout the Gordon County School District;	$ 22,246.60	$ 13,331.55	$ -	$ -
(ii) Renovations and modifications at Swain Elementary School, Ashworth Middle School, Gordon Central High School, Sonoraville High School, Central Office, Fairmount Elementary School, Sonoraville Elementary School, Red Bud Middle School, Red Bud Elementary School, Belwood Elementary School and Tolbert Elementary School; acquisition, construction, equipping, renovation, and expansion of athletic fields and facilities; acquisition, construction, and equipping of new auditoriums throughout the Gordon County School District;	1,524,023.90	35,144,693.46	-	-
(iii) Acquisition of real or personal property and equipment necessary for the above projects, school buses, energy management systems, heat and air systems, lighting or similar equipment;	883,013.98	-	-	-
(iv) Acquisition of real property for future schools, facilities, administrative offices, support services, and other purposes of the District; and		-	-	-
(v) Administrative & legal expenses.	12,016.00	20,607.28	-	-
	-	-	-	-
ESPLOST VI (7/1/2022-6/30/2027)	2,441,300.48	35,178,632.29	-	-
Total	$ 2,579,263.14	$ 68,875,875.52	$ 33,835,205.89	$ -

(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 Gordon 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) In addition to the expenditures shown above, the School District has incurred interest to provide advance funding as follows:

	ESPLOST V	ESPLOST VI
Prior Years	$ 3,746,875.00	$ 2,089,027.50
Current Year	-	842,350.00
Total	$ 3,746,875.00	$ 2,931,377.50

See notes to the basic financial statements.

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
Mrs. Alice Mashburn, Superintendent and Members of the
Gordon County Board of Education

We have audited the financial statements of the governmental activities, each major fund, and fiduciary activities of the Gordon County Board of Education (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated June 3, 2026. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

June 3, 2026

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
Mrs. Alice Mashburn, Superintendent and Members of the
Gordon County Board of Education

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Gordon 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, 2025. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

Greg S. Griffin
State Auditor

June 3, 2026

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

Auditee's Response
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Prior Year Financial Statement Findings

No matters were reported.

Prior Year Federal Award Findings and Questioned Costs

No matters were reported.

Section IV

Findings and Questioned Costs

Gordon County Board of Education

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Governmental Activities, Each Major Fund, and Fiduciary Activities	Unmodified

Internal control over financial reporting:

▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted:	No

Federal Awards

Internal control over major programs:

▪ Material weakness(es) identified?	No
▪ Significant deficiency(ies) identified?	None Reported

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)?	No

Identification of major programs:

Assistance Listing Number	Assistance Listing Program or Cluster Title
10.553, 10.555, 10.582	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000.00
Auditee qualified as low-risk auditee?	No

II Financial Statement Findings

No matters were reported.

III Federal Award Findings and Questioned Costs

No matters were reported.

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Appendix B

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

The form of Legal Opinion included in this Appendix B has been prepared by Gray Pannell LLC, Savannah, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Bonds.

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GRAY PANNELL
ATTORNEYS AT LAW

323 East Congress Street
Savannah, Georgia 31401
(912) 443-4040

[Date of Issuance]

Gordon County School District
Calhoun, Georgia

Re: $30,000,000* GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026

To the Addressee:

We have acted as bond counsel in connection with the issuance by the Gordon County School District (the "School District") of its GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026, in the aggregate principal amount of $30,000,000* (the "Bonds"), dated as of the date of issuance and delivery thereof. In this capacity we have examined (i) the Constitution and general laws of the State of Georgia; (ii) certified copies of proceedings of the Board of Education of Gordon County (the "Board of Education"), acting for and on behalf of the School District, which School District comprises all of Gordon County, Georgia (the "County") except the area within the corporate limits of the City of Calhoun, including a concurrent resolution adopted by the Board of Education and the Board of Education of the City of Calhoun on August 11, 2025, calling an educational sales and use tax and general obligation bond election held in Gordon County on November 4, 2025 (the "Election"); (iii) a certified copy of a bond resolution adopted by the Board of Education on ________________, 2026 (the "Resolution"); (iv) a certified copy of the proceedings in and the judgment of the Superior Court of Gordon County, Georgia, by which the Bonds were validated; and (v) other proofs authorizing and relating to the issuance of the Bonds, including a copy of the consolidated returns of the Election.

As to questions of fact material to our opinion, we have relied upon representations of the Board of Education contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are subject to transfer and exchange in the manner and on the terms specified in the Resolution. The Bonds are being issued pursuant to a book-entry system in fully-registered form. The principal of the Bonds matures on December 1 in the years and amounts set forth in the Resolution. Interest on each Bond is payable on June 1 and December 1 in each year, beginning on June 1, 2027, in the manner and at the rate of interest stated in each Bond and the Resolution until the obligation with respect to the payment of the principal of such Bond shall be discharged.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles, and do not relate to compliance by the School District, the initial purchasers of the Bonds, or any other party with any statute, regulation, or ruling of the State of Georgia or the United States of America regarding the sale (other than the initial sale by the School District) or distribution of the Bonds.

GEORGIA'S PUBLIC FINANCE ATTORNEYS
WWW.GRAYPANNELL.COM

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance thereof. Pursuant to the Resolution, the Board of Education has covenanted to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In reliance upon and subject to the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and issued by the Board of Education, as the controlling and managing body acting for and on behalf of the School District, with the assent of a majority of the qualified voters of the School District voting in the Election held for that purpose and in accordance with the Constitution and laws of the State of Georgia.

2. The payment of the Bonds is validly secured by the School District's *pro rata* share receipts of a one percent sales and use tax for educational purposes which will begin being collected within the County upon the expiration of the existing one percent sales and use tax for educational purposes previously imposed (currently expected to cease being collected on September 30, 2026), for a period of time not to exceed 20 calendar quarters. The principal of and interest on the Bonds are payable from a separate account in which are to be placed the proceeds received by the School District from such sales and use tax. The obligation to pay the principal of and interest on the Bonds, however, is a general obligation debt of the School District and constitutes a pledge of the full faith and credit of the School District. Any liability on such debt which is not satisfied from the proceeds of the sales and use tax for educational purposes shall be satisfied from the general fund of the School District or from a direct annual *ad valorem* tax to be levied for such purpose.

3. All property subject to taxation for general obligation school bond purposes in the School District is subject to the levy of an *ad valorem* tax unlimited as to rate or amount for the purpose of paying the principal of and interest on the Bonds. Pursuant to the recommendation of the Board of Education, the Board of Commissioners of Gordon County, as authorized and required by law, has provided for the levy on all of said property such *ad valorem* taxes as will produce funds sufficient in amount to pay the principal of and interest on the Bonds as the same become due and payable to the extent that proceeds of the sales and use tax for educational purposes are insufficient to pay the same.

4. The Bonds have been duly confirmed and validated by judgment of the Superior Court of Gordon County entered on April 9, 2026, Civil Action No. 26CV76395, and no valid appeal may be taken from said judgment of validation.

5. The Board of Education has irrevocably authorized and directed the State of Georgia Board of Education to withhold from time to time, as necessary, State of Georgia appropriated funds to which the School District is entitled and to transfer to the Paying Agent (as

defined in the Resolution) from such withheld funds the amount necessary to pay the principal of and interest on the Bonds.

6. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Bonds is exempt from present State of Georgia income taxation.

Although we have rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, a bondholder's federal tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of these other tax consequences will depend upon the bondholder's other items of income or deduction. We express no opinion regarding any such other tax consequences.

This opinion is given as of the date hereof, and we assume no obligation to 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.

Yours very truly,

GRAY PANNELL LLC

By: ___________________________________
A Partner

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Appendix C

FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Board of Education of Gordon County (the "Board of Education"), the managing and controlling body of the Gordon County School District (the "School District"), a political subdivision of the State of Georgia, in connection with the issuance of the GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026, in the aggregate principal amount $30,000,000* (the "Bonds"). The Bonds are being issued pursuant to a bond resolution adopted by the Board of Education on ______________, 2026 (the "Resolution").

The Board of Education covenants and agrees, on behalf of the School District, as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board of Education for the benefit of the Holders and Beneficial Owners of the Bonds (together, the "Bondholders") and in order to assist the Participating Underwriter (defined below) in complying with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Board of Education" means the Board of Education of Gordon County and any successor or successors in office to the present Board of Education.

"Dissemination Agent" means initially Raymond James & Associates, Inc., or any successor Dissemination Agent designated in writing by the Board of Education and which has filed with the Board of Education a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Market Access System which became effective July 1, 2009, and which receives electronic submissions of the Annual Report on the EMMA website at http://www.emma.msrb.org.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means any period of 12 consecutive months adopted by the governing body of the School District as the School District's fiscal year for financial reporting purposes. The School District's current fiscal year began on July 1, 2026, and will end on June 30, 2027.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person" has the meaning set forth in the Rule.

"Participating Underwriter" means Raymond James & Associates, Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means 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.

SECTION 3. Provision of Annual Reports.

(a) The School District will provide, or cause the Dissemination Agent (if other than the School District) to provide electronically to EMMA, not later than one year after the end of each Fiscal Year, commencing with the report for the Fiscal Year ending June 30, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Although the United States Securities and Exchange Commission has recommended that Annual Reports be submitted within 180 days after the end of each Fiscal Year, allowing the Annual Report to be submitted not later than one year after the end of the Fiscal Year allows the State of Georgia Department of Audits and Accounts additional time to complete and submit its annual audited financial statements. The Annual Report will be made to EMMA as PDF files configured to permit documents to be saved, viewed, printed, and retransmitted by electronic means. 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 to EMMA upon their availability. If the School District's fiscal year changes, notice of such change shall be given in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 15 business days prior to the date specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). If the School District is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the School District) notify the School District that the Annual Report has been provided pursuant to this Disclosure Certificate stating the date it was provided to EMMA.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the following items:

(a) The School District's general purpose financial statements of the School District for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as applicable to governmental entities from time to time by the Governmental Accounting Standards Board, except for (i) the variances and omissions disclosed in the Official Statement relating to the Bonds and (ii) such other minor deviations or omissions as are customary for school districts in the State of Georgia which do not materially misstate the financial position of the School District. Such financial statements will be accompanied by an audit report, if available at the time of submission of the Annual Report, resulting from an audit conducted by an independent certified public accountant or a firm of independent certified public accountants in conformity with generally accepted auditing standards. If such audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements, together with the audit report thereon, shall be filed in the same manner as the Annual Report when they become available.

(b) 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.

(c) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the School District consistent with the Official Statement relating to the Bonds: (i) the schools comprising the School District, (ii) the enrollment in the School District's school system, (iii) the employees of the School District, (iv) Educational Sales Tax collections of the School District, (v) the legal debt margin of the School District, (vi) the property tax digest of the School District, (vii) the millage rates of the School District, (viii) the property tax levies and collections of the School District, and (ix) the ten largest taxpayers of the School District.

Any or all of the items listed above may be incorporated by specific reference to other documents, including official statements of debt issues with respect to which the School District is an Obligated Person, which have been submitted to EMMA 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) The School District shall provide or cause to be provided through the Dissemination Agent to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice 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;

(vii) modifications to rights of Bondholders; if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the obligated person. This event is considered to have occurred when any of the following have occurred: (i) appointment of receiver, fiscal agent or similar officer 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 of governmental authority, or (ii) 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 assets or business of the School District;

(xiii) 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;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(b) Notwithstanding the foregoing, notice of Listed Events described in paragraph (a)(viii) and (ix) above need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to the Bondholders of affected Bonds pursuant to the Resolution.

(c) 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 as Exhibit B.

SECTION 6. 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 7. Termination of Reporting Obligation. The School District reserves the right to terminate its obligations under this Disclosure Certificate if and when the School District no longer remains an Obligated Person with respect to the Bonds within the meaning of the Rule; in particular, upon the occurrence of the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination or substitution occurs prior to the final maturity of the Bonds, the School District shall give notice of such termination or substitution to EMMA.

SECTION 8. Dissemination Agent. The School District, from time to time, may 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. A Dissemination Agent other than the School District shall not be responsible in any manner for the content of any notice or report prepared by the School District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Raymond James & Associates, Inc.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate if:

(a) such amendment 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 School District on the Bonds or type of business conducted;

(b) such amendment is supported by an opinion of counsel expert in federal securities laws, to the effect that the undertakings contained herein, as amended, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or official interpretations of the Rule, as well as any change in circumstances; and

(c) such amendment 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 pursuant to the terms of the Resolution at the time of such amendment.

If any provision of this Disclosure Certificate is amended, the first release of the Annual Report containing any amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5 and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Default. If the School District fails to comply with any provision of this Disclosure Certificate, any Bondholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain mandamus or specific performance by court order of the School District's obligations pursuant to this Disclosure Certificate. Any failure by the School District to comply with the provisions of this Disclosure Certificate shall not be an event of default with respect to the Bonds.

SECTION 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent allowed by applicable law, the School District agrees to indemnify and save the Dissemination Agent (if other than itself), its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its 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 negligence or willful misconduct. The obligations of the School District under this Section 11 shall survive resignation or removal of the Dissemination Agent (if other than itself) and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Dissemination Agent (if other than the School District), the Participating Underwriter, and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of ___________, 2026.

GORDON COUNTY SCHOOL DISTRICT

(S E A L)

By: ________________________________
Chair
Board of Education of Gordon County

Attest: ______________________________
Secretary
Board of Education of Gordon County

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Gordon County School District (Georgia)

Name of Bond Issue: $30,000,000* GORDON COUNTY SCHOOL DISTRICT (GEORGIA) GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026

Date of Issuance: _____________, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate executed by the Board of Education of Gordon County, on behalf of the Issuer, as of _______________, 2026. The Issuer anticipates that the Annual Report will be filed by ____________, 20__.

Dated: ____________, 20__

GORDON COUNTY SCHOOL DISTRICT

Exhibit B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]
relating to

$30,000,000* GORDON COUNTY SCHOOL DISTRICT (GEORGIA)
GENERAL OBLIGATION SALES TAX BONDS, SERIES 2026 (the "Bonds")
CUSIP NUMBERS[1]:

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].

[Notice of a Listed Event constituting defeasance shall include the following:

> The School District hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased Bonds.
>
> OR
>
> The School District hereby covenants not to exercise any optional or extraordinary redemption provisions under the Bond Resolution; however, the sinking fund provision will survive the defeasance.
>
> AND
>
> The Bonds have been defeased to [maturity/the first call date, which is __________]. This notice does not constitute a notice of redemption and no Bonds should be delivered to the School District or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Bonds for payment will be mailed _______ to _______ days prior to the redemption date.]

Dated: __________, 20__

GORDON COUNTY SCHOOL DISTRICT

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[1] No representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

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GORDON COUNTY SCHOOL DISTRICT (GEORGIA) • General Obligation Sales Tax Bonds, Series 2026

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