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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 9, 2026.

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS:
Moody's Ratings:
Aa1 (State Aid Intercept Program Enhanced)
A1 (Underlying)

(See "MISCELLANEOUS – Ratings")

*In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions and, assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) (1) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "**Code**"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations and (2) is exempt from present State of Georgia (the "**State**") income taxation. See "TAX MATTERS" herein for a description of certain other tax consequences to holders of the Bonds.*

$25,295,000*
STEPHENS COUNTY SCHOOL DISTRICT (GEORGIA)
GENERAL OBLIGATION BONDS, SERIES 2026

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

The Stephens County School District (Georgia) General Obligation Bonds, Series 2026 (the "**Bonds**"), are being issued in fully registered form and in denominations of $5,000, or any integral multiple thereof, by the Stephens County School District (the "**School District**"), a political subdivision of the State of Georgia (the "**State**"), for the purpose of paying all or a portion of the costs of (i) adding to, renovating, repairing, improving, and equipping existing school buildings, school campuses, and school system facilities, including STEM classrooms, fine arts facilities, and career, technical, and agricultural education facilities, including acquiring any necessary property therefor, both real and personal, (ii) acquiring miscellaneous new equipment, fixtures, and furnishings for the school system, including technology equipment, security equipment, band equipment, textbooks, electronic instructional media and other instructional materials, and other capital-eligible educational equipment, (iii) acquiring school buses and transportation and maintenance equipment, (iv) constructing a new athletic field house at Stephens County High School and Stephens County Middle School and renovating existing athletic facilities, (v) acquiring real estate and conducting site preparation for School District purposes, (vi) acquiring, constructing, and equipping new school system facilities, including acquiring any necessary property therefor, both real and personal, and (vii) paying costs of issuance of the Bonds and expenses incident to accomplishing the foregoing. See "PLAN OF FINANCING" herein.

The Bonds are direct and general obligations of the School District payable, as to both principal and interest from ad valorem taxes that may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the School District subject to taxation for school bond purposes. The principal of and interest on the Bonds are expected to be paid first from the proceeds of a one percent (1%) sales and use tax for educational purposes collected within the School District, to the extent available. The Bonds are also payable from any state appropriation to which the School District may be entitled, which the State Board of Education has been authorized to withhold from the School District and transfer to Regions Bank, Atlanta, Georgia, as Paying Agent (the "**Paying Agent**"), under certain circumstances. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Interest on the Bonds is payable semiannually on June 1 and December 1 of each year (each such date, an "**Interest Payment Date**"), commencing on June 1, 2027*, to the owners thereof as shown on the registration books maintained by the Paying Agent as Bond Registrar. The Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "THE BONDS – Description."

The Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("**DTC**"). Payment of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners (as such terms are defined herein) of the Bonds, all as described herein. See APPENDIX B "Book-Entry Only System of Registration."

The Bonds are [not] subject to optional and mandatory redemption prior to their respective maturities. See "THE BONDS – Redemption*."

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

The Bonds are offered when, as, and if issued by the School District and accepted by Raymond James & Associates, Inc. (the "**Underwriter**"), subject to prior sale, to the withdrawal or modification of the offer without notice, and subject to the approving opinion of Butler Snow LLP, Macon, Georgia, Bond Counsel. Butler Snow LLP is also acting as Disclosure Counsel to the School District. Pereira, Kirby, Kinsinger & Nguyen, LLP is acting as Local Counsel to the School District. The Bonds are expected to be delivered through the facilities of DTC on or about December 10, 2026.

RAYMOND JAMES®

Dated: _____.
* Preliminary; subject to change.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, AND CUSIPs*

Maturity December 1	Principal Amount*	Interest Rate	Yield	CUSIP[1]
2027	--			
2028	$3,830,000			
2029	4,980,000			
2030	5,230,000			
2031	5,490,000			
2032	5,765,000			

[1] © Copyright 2026, CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are provided for convenience only. The School District takes no responsibility for the accuracy of the CUSIP numbers.

STEPHENS COUNTY SCHOOL DISTRICT

ELECTED OFFICIALS

BOARD OF EDUCATION

Tripp Arrowood, Chair
Wendy Dawkins, Vice-Chair
Jim Bellamy
Kay Reed
Rod Moore
Pam Hill
Len Stovall

ADMINISTRATIVE OFFICIALS

Superintendent

Dr. Connie Franklin

Deputy Superintendent

John Stith

Chief Financial Officer

Emily Bennett

UNDERWRITER

Raymond James & Associates, Inc.
Atlanta, Georgia

BOND & DISCLOSURE COUNSEL

Butler Snow LLP
Macon, Georgia

LOCAL COUNSEL

Pereira, Kirby, Kinsinger & Nguyen, LLP
Gainesville, Georgia

AUDITORS

Mauldin & Jenkins, LLC
Atlanta, Georgia

IMPORTANT INFORMATION

This Official Statement is not to be construed as a contract or agreement between the School District and the purchasers or holders of any of the Bonds. All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. All estimates and assumptions contained herein are believed to be reasonable, but no representation is made that such estimates or assumptions are correct or will be realized.

The information in this Official Statement has been obtained from sources that are considered dependable and which are customarily relied upon in the preparation of similar Official Statements, but such information is not guaranteed as to accuracy or completeness. No person, including any broker, dealer, or salesman, has been authorized to give any information or to make any representation other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the School District. The School District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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 a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Bonds are not registered under the Securities Act of 1933, as amended, or any state securities laws and are not listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency has or will pass upon the accuracy, completeness, or adequacy of this Official Statement.

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 parties referred to above since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sales of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

of the

STEPHENS COUNTY SCHOOL DISTRICT

relating to its

$25,295,000*

GENERAL OBLIGATION BONDS, SERIES 2026

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices, is to furnish certain information in connection with the sale by the Stephens County School District of $25,295,000* in aggregate principal amount of its General Obligation Bonds, Series 2026 (the "**Bonds**").

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

The School District

The Stephens County School District (the "**School District**"), the issuer of the Bonds, is a political subdivision of the State of Georgia (the "**State**"). The School District is co-extensive with the territorial limits of Stephens County, Georgia (the "**County**"). See "THE SCHOOL DISTRICT" and "COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION" herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the School District. The principal of and interest on the Bonds are payable first from the proceeds of the one percent sales and use tax for educational purposes approved by the voters of the School District on May 19, 2026 (the "**Sales Tax for Education**"), to the extent available. To the extent that proceeds of the Sales Tax for Education are insufficient, the Bonds are payable from ad valorem taxes that may be levied, without limitation as to rate or amount, upon all taxable property within the School District subject to taxation for school bond purposes. The Bonds are also eligible for the State of Georgia's school district bond intercept program (the "**Intercept Program"**), pursuant to which the State Board of Education (the "**State Board**") has been authorized under certain circumstances to withhold state appropriations otherwise payable to the School District and transfer such funds to the Paying Agent for application to the payment of debt service on the Bonds. For more complete and detailed information, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "SCHOOL DISTRICT AD VALOREM TAXATION" herein.

Purpose of the Bonds

The Bonds are being issued for the purpose of paying all or a portion of the costs of (i) adding to, renovating, repairing, improving, and equipping existing school buildings, school campuses, and school system facilities,

* Preliminary, subject to change.

including STEM classrooms, fine arts facilities, and career, technical, and agricultural education facilities, including acquiring any necessary property therefor, both real and personal, (ii) acquiring miscellaneous new equipment, fixtures, and furnishings for the school system, including technology equipment, security equipment, band equipment, textbooks, electronic instructional media and other instructional materials, and other capital-eligible educational equipment, (iii) acquiring school buses and transportation and maintenance equipment, (iv) constructing a new athletic field house at Stephens County High School and Stephens County Middle School and renovating existing athletic facilities, (v) acquiring real estate and conducting site preparation for School District purposes, (vi) acquiring, constructing, and equipping new school system facilities, including acquiring any necessary property therefor, both real and personal, and (vii) paying costs of issuance of the Bonds and expenses incident to accomplishing the foregoing. See "PLAN OF FINANCING – The Projects."

Description of the Bonds*

Redemption. The Bonds are [not] subject to optional or mandatory redemption prior to their respective maturities*. See "THE BONDS – Redemption*."

Denominations. The Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

Registration, Transfers and Exchanges. The Bonds will be issued in fully registered form. When in book-entry form, Bonds held by The Depository Trust Company ("**DTC**") (or its nominee, Cede & Co.) on behalf of the beneficial owners thereof (the "**Beneficial Owners**"), are transferable upon delivery to DTC (or its nominee, Cede & Co.) of an assignment executed by the Beneficial Owner or the Beneficial Owner's duly authorized attorney. When not in book-entry form, ownership of any Bond may be transferred upon surrender of such Bond to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney-in-fact or legal representative, subject to the conditions hereinafter described. When in book-entry form, the Bonds are exchangeable for a like aggregate principal amount of Bonds of the same series and maturity in authorized denominations. See "THE BONDS – Registration Provisions; Transfer; Exchange" and APPENDIX B "Book-Entry Only System of Registration."

Payments. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of, premium, if any, and interest on the Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. For more complete information, see "THE BONDS – Description" and APPENDIX B "Book-Entry Only System of Registration" herein.

Tax Exemption

In the opinion of Butler Snow LLP (the "**Bond Counsel**"), under existing laws, regulations, published rulings, and judicial decisions and, assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (1) is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations and (2) is exempt from present State income taxation. See "TAX MATTERS" for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based.

The opinion contains greater detail, and is subject to exceptions, as noted in "LEGAL MATTERS – Opinion of Bond Counsel." See APPENDIX C attached hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds.

Bond Registrar and Paying Agent

Regions Bank, Atlanta, Georgia, will serve as bond registrar and as paying and authenticating agent for the Bonds.

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 Butler Snow LLP, Macon, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Bonds, and a copy of the proposed form of such opinion is attached hereto as APPENDIX C. Butler Snow LLP is also serving as Disclosure Counsel to the School District in connection with this Official Statement. Pereira, Kirby, Kinsinger & Nguyen, LLP is serving as Local Counsel to the School District. The fees of Butler Snow LLP will be paid only at closing from the proceeds of the Bonds. The general-purpose financial statements of the School District as of June 30, 2025, and for the year then ended, attached hereto as APPENDIX A, have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, to the extent and for the period indicated in its report thereon which appears in APPENDIX A attached hereto. See "MISCELLANEOUS – Independent Auditors." Raymond James & Associates, Inc. (the "**Underwriter**"), is acting as the underwriter of the Bonds.

Authority for Issuance

The Bonds are being issued in accordance with the Constitution and laws of the State of Georgia, an election held in the School District on May 19, 2026 (the "**Election**"), and a resolution (the "**Bond Resolution**") of the Stephens County Board of Education (the "**Board of Education**") authorizing the issuance of the Bonds. See "THE BONDS – Authority for Issuance."

Offering and Delivery of the Bonds

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. The Bonds in definitive form are expected to be delivered through the facilities of DTC on or about December 10, 2026.

Continuing Disclosure

The School District will execute a continuing disclosure certificate (the "**Disclosure Certificate**") at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the School District will covenant in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the School District will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("**EMMA**") system: (i) annually, its audited financial statements; (ii) annually, certain financial information and operating data; and (iii) notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The School District will engage Raymond James & Associates, Inc. to serve as the dissemination agent under the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX D.

The School District previously entered into continuing disclosure undertakings in connection with its General Obligation Bonds, Series 2023. There have been no continuing disclosure undertakings unmet.

Other Information

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

This Official Statement and the Appendices attached hereto contain brief descriptions of, among other matters, the School District, the Bonds, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond Resolution, the Disclosure Certificate, and other documents and information are available, upon request and upon payment to the School District of a charge for copying, mailing, and handling, from the Stephens County School District, 191 Big A School Road, Toccoa, Georgia 30577, telephone (706) 886-9415. During the period of the offering of the Bonds, copies of such

documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing, and handling, from Raymond James & Associates, Inc., 3050 Peachtree Road, N.W. Suite 702, Atlanta, Georgia 30305; telephone: (404) 240-6840.

Forward-Looking Statements

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The School District 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.

PLAN OF FINANCING

Estimated Sources and Applications of Funds*

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

Sources of Funds:

Par Amount of Bonds	$25,295,000*
[Plus/Minus]: [Net] Original Issue [Premium/Discount]	_____
Total Sources of Funds	$_____

Application of Funds:

Deposit to Construction Fund	_____
Capitalized Interest	_____
Costs of Issuance[1]	$_____
Total Application of Funds	$_____

[1] Includes the Underwriter's discount, legal fees, rating agency fees, printing and mailing costs for the Bonds and the Official Statement, bond validation expenses, and other costs of issuance.

Capitalized Interest*

A portion of the proceeds of the Bonds will be deposited into the Debt Service Account and applied to the payment of interest on the Bonds due June 1, 2027*. Pending application for such purpose, such proceeds may be invested as provided in the Bond Resolution.

The Projects

The Election authorized the issuance of the Bonds to finance the Projects.

The primary project expected to be financed with proceeds of the Bonds is the upgrading of athletic facilities, including the field house, football stadium, and related athletic improvements (the "**Athletic Facilities Project**"). The School District currently estimates the total cost of the Athletic Facilities Project to be approximately $9 million and expects to finance such costs from a combination of Bond proceeds, available state capital outlay funds, and other legally available School District funds. The School District is currently in the process of selecting design and

construction professionals and finalizing project scope, costs, construction schedules, and related contractual arrangements.

The School District expects to apply the remaining Bond proceeds to other capital projects authorized at the Election, with the particular projects and allocations among such projects subject to further determination by the School District.

Change of Use of Bond Proceeds

Pursuant to Ga. Code Ann. § 36-82-4.2, State law allows the Board of Education, subsequent to the issuance of the Bonds, to adopt a resolution by a two-thirds' majority vote of the Board of Education declaring that (1) a portion of the proceeds of the Bonds remain 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. Such resolution must (a) set forth the reason the proceeds of the Bonds were not expended for the purpose stated in the election notice and (b) state the purpose for which the proceeds of the Bonds will be expended. Upon the adoption of such a resolution, the Board of Education will be authorized to expend such 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 that the School District, not earlier than ten days prior to expending such Bond proceeds, publishes the resolution described above once in the official Stephens County organ. In addition, the School District must send a copy of the resolution described above by registered or certified mail to the Paying Agent for the Bonds.

THE BONDS

Description

The Bonds will be dated the date of their initial issuance and delivery and will mature in the principal amounts on the dates, and will bear interest at the rates per annum, set forth on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2027, to the registered owner of record as of the May 15 or November 15 immediately preceding the applicable interest payment date.

Redemption*

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

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

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

December 1,	Principal Amount
20__	$_____
20__*	_____

*Final Maturity.

Notice of Redemption. Notice of any redemption of the Bonds, identifying the Bonds (or any portion of the respective principal sums thereof) to be redeemed, will be given by first-class mail, postage prepaid, not less than

thirty (30) days and not more than sixty (60) days prior to the redemption date to all registered owners of the Bonds to be redeemed (in whole or in part). Failure to give appropriate notice of any redemption by mail or any defect in the notice will not affect the validity of the proceedings for the redemption of any Bond.

Defeasance

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

Registration Provisions; Transfer; Exchange

The Bonds will be issued only as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form and purchasers will not receive certificates representing interests in the Bonds so purchased. See APPENDIX B "Book-Entry Only System of Registration." The School District, the Bond Registrar and the Paying Agent may deem and treat the registered owner as the absolute owner of such Bond for purposes of receiving payment of or on account of principal, premium (if any) and the interest payable thereon, and for all other purposes; the School District, the Bond Registrar and the Paying Agent will not be affected by any notice to the contrary.

When in book-entry form, Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, may be registered as transferred or exchanged in accordance with the rules of DTC. See APPENDIX B "Book-Entry Only System of Registration."

When not in book-entry form, ownership of any Bond is transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Bond or Bonds registered in the name of the transferee in any authorized denomination in the same aggregate principal amount, maturity, and interest rate as the Bonds surrendered for such transfer. When not in book-entry form, the Bonds may be exchanged for a like principal amount of Bonds of the same maturity and interest rate of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Bonds. When not in book-entry form, the Bond Registrar is not required to transfer or exchange any Bond after notice of redemption has been given or for 15 days prior to the giving of such notice.

Authority for Issuance

Ga. Const. Art. IX, § 5, ¶ 1(a) provides (1) that no political subdivision may incur any new debt without the assent of a majority of the qualified voters of such political subdivision voting in an election held for that purpose as provided by law and (2) that the debt incurred by any political subdivision may never exceed 10 percent of the assessed value of all taxable property within such political subdivision. Ga. Const. Art. IX, § 5, ¶ 6 requires a political subdivision, at or before the time of incurring bonded indebtedness, to provide for the assessment and collection of an annual tax sufficient in amount to pay the principal of and interest on the debt within 30 years from its incurrence.

The Bonds are authorized to be issued pursuant to the Election, called in accordance with a referendum resolution adopted by the Board of Education on January 20, 2026, and are being issued pursuant to (i) the Constitution and laws of the State of Georgia, including Ga. Code Ann. §§ 20-2-480 and 36-82-1 et seq., and (ii) the Bond Resolution. The canvass of the Election showed 3,293 "Yes" votes and 1,458 "No" votes, with approximately 69.31% of the votes cast in favor of the issuance of the Bonds. The resolution calling the Election and the notice of the Election stipulated an interest rate for the Bonds not exceeding 6.0% per annum.

Disbursement and Investment of Bond Proceeds and Other Moneys

Bond Proceeds. For a description of the manner in which the proceeds of the sale of the Bonds will be disbursed, see "PLAN OF FINANCING – Estimated Sources and Applications of Funds" herein. Pending such use, said proceeds may be invested as permitted by State law. Ga. Code Ann. § 36-82-7 provides that the proceeds of the Bonds may be invested and reinvested by the governing authority of the School District in the following investments, and no others:

(1) the local government investment pool created in Ga. Code Ann. 36-83-1 et seq.;

(2) bonds or obligations of the School District, the State or other states or of other counties, municipal corporations, and political subdivisions of the State;

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

(4) obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(5) 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 the 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;

(6) 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 such bond proceeds, provided the portion of the 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, must 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, 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 of any county or municipal corporation in the State of Georgia, obligations of the United States or

subsidiary corporations described in (3) above, obligations of the agencies of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) 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 described in paragraph (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

(8) 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 moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

Other Moneys. Ga. Const. Art. IX, § 5, ¶ 6 requires the proceeds of the tax assessed and collected to pay the principal of and interest on the Bonds, together with any other moneys collected for this purpose, to be placed in a sinking fund to be used exclusively for paying the principal of and interest on the Bonds and to be held and kept separate and apart from all other revenues collected by the School District.

Ga. Code Ann. § 36-80-3 provides that the governing body of the School District may invest and reinvest money subject to its control and jurisdiction in:

(1) obligations of the United States and of its agencies and instrumentalities,

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

(3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State 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.

Ga. Code Ann. § 36-83-4 provides that the governing body of the School District may invest and reinvest money subject to its control and jurisdiction in:

(1) obligations of the State of Georgia or other states,

(2) obligations issued by the United States government,

(3) obligations fully insured or guaranteed by the United States government or United States government agency,

(4) obligations of any corporation of the United States government,

(5) prime banker's acceptances,

(6) the local government investment pool established by Ga. Code Ann. § 36-83-8,

(7) repurchase agreements, and

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

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

The School District deposits its funds with financial institutions in accordance with State law. The School District may, in its discretion and subject to applicable law, deposit its funds with one or more financial institutions.

Principal and Interest Requirements*

The following are the principal and interest payment requirements with respect to the Bonds for the calendar years shown below. See "SCHOOL DISTRICT DEBT STRUCTURE" for information regarding the School District's indebtedness.

Calendar Year	Principal Amount*	Interest	Annual Total Principal and Interest
2027	--		
2028	$3,830,000		
2029	4,980,000		
2030	5,230,000		
2031	5,490,000		
2032	5,765,000		

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 State 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.

Ga. Code Ann. § 36-80-5 provides that no school district created under the Constitution or laws of the State 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. Ga. Code Ann. § 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 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.

Limitations on Remedies Available to Owners of the Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy; Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the School District in issuing the Bonds are subject to the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Resolution on behalf of the owners of the Bonds, and therefore the owners of the Bonds may be required to enforce such provisions directly if the need should arise.

Book-Entry Only System of Registration

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

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

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

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Generally

The Bonds are direct and general obligations of the School District. The full faith and credit of the School District is irrevocably pledged to the payment of the principal of and interest on the Bonds. The School District is obligated to levy ad valorem taxes, without limitation as to rate or amount, upon all taxable property within its territorial limits subject to taxation for school bond purposes, in an amount sufficient to pay the principal of and interest on the Bonds as the same become due.

The Bonds are not secured by a debt service reserve fund.

The School District has covenanted in the Bond Resolution that, during each Bond Year (as defined therein), proceeds of the Sales Tax for Education (the "**2027–2032 School Tax**"), deposited in the Sales Tax Fund shall be applied to the payment of principal of and interest on the Bonds as the same become due. The School District has further covenanted that no such proceeds received in any Bond Year may be used for other authorized purposes until all debt service requirements for such Bond Year have been satisfied, and such proceeds received in each Bond Year are irrevocably pledged to the payment of principal of and interest on the Bonds as provided in the Bond Resolution.

The School District has authorized participation in the Intercept Program pursuant to Ga. Code Ann. §§ 20-2-170 and 20-2-480. Under such program, upon notice from the Paying Agent that the School District has failed to make a timely payment of principal of or interest on the Bonds, the State Board of Education is required to withhold from State appropriations otherwise payable to the School District amounts sufficient to pay such principal and interest and to transfer such amounts to the Paying Agent for the benefit of the owners of the Bonds. The enhanced rating assigned to the Bonds reflects participation in the Intercept Program. The Bonds do not constitute a debt of the State, and the State is not obligated to levy any tax or make any appropriation for the payment of the Bonds.

The obligation of the School District to levy ad valorem taxes for the payment of the Bonds is absolute and unconditional and is not limited or conditioned upon the availability of proceeds of the 2027–2032 School Tax or amounts received pursuant to the Intercept Program.

General Obligations

At or prior to the issuance of the Bonds, the County, acting upon the recommendation of the School District, as required by law, will levy an ad valorem tax on all taxable property within the School District subject to taxation for school bond purposes in an amount sufficient to pay the principal of and interest on the Bonds as the same become due and payable. See "SCHOOL DISTRICT DEBT STRUCTURE" and "SCHOOL DISTRICT AD VALOREM TAXATION" herein for a discussion of the School District's outstanding debt and legal ability to incur future indebtedness and for a discussion of School District ad valorem taxation.

Sales Tax for Education

State law authorizes the Board of Education by resolution to impose, levy, and collect a sales and use tax for educational purposes of the School District at the rate of 1% and for a period of time not to exceed five (5) years, conditioned upon approval by a majority of the qualified voters of the County voting in a referendum thereon. The Sales Tax for Education is imposed on retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on services within the County, subject to numerous exemptions, including sales of certain governmental entities and to certain non-profit organizations, professional, insurance and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, and sales of prescription drugs, certain medical devices and equipment, and lottery tickets.

Pursuant to the amendment to the Constitution of the State ratified on November 5, 1996, and the laws of the State, including Article 3 of the Sales Tax Act (Ga. Code Ann. § 48-8-140 et seq., as amended), the School District has periodically submitted to its voters the question of imposing a one percent (1%) sales and use tax for educational

purposes. The initial such tax (the "**1998–2002 School Tax**"), was approved by the voters and was collected from January 1, 1998, to December 31, 2002. Since the authorization of the 1998–2002 School Tax, the voters have approved six additional referenda authorizing the imposition or continuation of the one percent (1%) sales and use tax for educational purposes. Most recently, at an election held in the School District on May 19, 2026, the voters authorized the continuation of the one percent (1%) sales and use tax for educational purposes. Based on current collection projections, the existing School Tax is expected to reach its maximum authorized collections and terminate on March 31, 2027. Accordingly, the 2027–2032 School Tax is currently projected to commence on April 1, 2027 and to continue through the earlier of March 30, 2032, or the end of the calendar quarter in which cumulative collections reach $44,000,000.

Permitted Uses

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

State law provides that the proceeds received from the Sales Tax for Education shall be used by the School District exclusively for the purpose or purposes specified in the resolution calling for reimposition of the Sales Tax for Education. Such proceeds are required by State law to be kept in a separate account from other funds of the School District and may not in any manner be commingled with other funds of the School District prior to expenditure. The School District has covenanted in the Bond Resolution that it shall use the proceeds of the 2027–2032 School Tax to pay the debt service on the Bonds to the extent such proceeds are lawfully available for such purpose.

Historical Collections

Set forth below are historical collections of the School District's one percent sales and use tax for educational purposes for calendar years 2021 through 2025 and for the first ten months of calendar year 2026. These historical collections provide context for anticipated collections of the 2027–2032 School Tax; however, historical collections are not necessarily indicative of future collections.

Year	Sales Tax for Education Collections	Growth Percentage Year over Year
2021	$4,592,134	--
2022	5,233,790	13.97%
2023	5,570,762	6.44
2024	5,811,779	4.33
2025	5,994,463	3.14
2026[1]	5,040,776	1.17

[1] As of October 31, 2026. Growth percentage the first ten months of 2026 vs. the first ten months of 2025.

Annual collections of the Sales Tax for Education have exceeded $5.0 million in each of the past four full calendar years. As of October 31, 2026, cumulative collections under the School Tax currently in effect, which commenced on October 1, 2022, totaled approximately $23.77 million.

Intercept Program

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

State appropriation to which the School District may be entitled and apply so much thereof as shall be necessary to the payment of the principal of and interest on the Bonds then due.

The amounts subject to interception by the State Board for the benefit of the owners of the Bonds will depend upon the amount and timing of annual appropriations made by the General Assembly of the State of Georgia to the School District. See "SCHOOL DISTRICT FINANCIAL INFORMATION – General Fund History" herein for the amounts paid to the School District by the State of Georgia for general operating purposes over the past five fiscal years. The State of Georgia disburses the amount committed to the School District for each fiscal year in twelve approximately equal installments on or before the last day of each month of such fiscal year. The timing of any intercepted payments will depend upon the timing of State appropriations and the operation of the Intercept Program. No assurance can be given concerning the timing or amounts of future appropriations by the General Assembly of the State of Georgia to the School District or the timing of the payment of any amounts subject to interception by the State Board to the Paying Agent.

The State paid to the School District approximately $33,382,632 during fiscal year 2025, approximately $29,072,274 during fiscal year 2026, and has budgeted to pay to the School District approximately $29,204,813 during fiscal year 2027 for general operating purposes.

THE SCHOOL DISTRICT

Introduction

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

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

All schools in the School District are accredited by COGNIA and the Georgia Accrediting Commission. In addition, all schools in the School District meet the Standards for Public Schools in Georgia.

Board of Education

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

Name	Title	Expiration of Current Term	Principal Occupation	Years in Office as of January 1, 2026
Tripp Arrowood	Chair	December 31, 2026	Utility Contractor	3
Wendy Dawkins	Vice-Chair	December 31, 2028	Accountant	10
Jim Bellamy	Member	December 31, 2026	Retired	11
Rod Moore	Member	December 31, 2026	Accountant	8
Kay Reed	Member	December 31, 2026	Retired	7
Pam Hill	Member	December 31, 2028	Retired	1
Len Stovall	At Large	December 31, 2028	Field Supply	9

School District Management

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

Dr. Connie Franklin. Dr. Connie Franklin is the superintendent of the School District and has full responsibility for overseeing the operation of the school system. Dr. Franklin began her teaching career in 1997 and began serving the District as Superintendent in 2022. Dr. Franklin received a Bachelor of Science in Business Management from the University of Mobile, a Master of Arts degree in Education from the University of South Alabama, an Education Specialist degree in Teaching and Learning from Piedmont College, and a Doctor of Education degree in Educational Leadership from Liberty University.

Chief Financial Officer. The Chief Financial Officer oversees the School District's accounting, budgeting, treasury, purchasing, and financial reporting functions and assists the Superintendent and Board of Education in the administration of the School District's financial affairs.

Emily Bennett. Emily Bennett is the Chief Financial Officer for the School District. Ms. Bennett has served the School District in this capacity since May 2023. She has a Bachelor of Business Administration in Finance from North Georgia College and State University.

Operation as Charter School System

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

The Board of Education operates the School District as a charter system. The most recent charter commenced on July 1, 2026, and will expire on June 30, 2028. A charter system operates under the terms of a charter between the State Board of Education and the local school district. Essentially, the system receives flexibility from certain state rules and regulations in exchange for greater accountability. There is an emphasis on school-based leadership and decision making as evidenced by the development of system and school level governance teams.

Schools and Enrollment

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

Name of School	Grades	Enrollment[1]	Size of Site (acres)	Percent Occupied	Number of Classrooms[2]
Big A Elementary School	PK-5	458	64.49	100%	34
Eastanollee Elementary	PK-5	427	39.40	95	42
Liberty Elementary School	PK-5	427	24.53	98	40
Toccoa Elementary School	PK-5	497	10.48	100	40
Stephens County Middle School	6-8	873	25.17	90	78
Stephens County High School	9-12	1,014	62.73	86	81
Total		3,696	226.8		315

[1] Student enrollment as provided by the School District on September 24, 2026.
[2] Includes cafeterias, libraries, shops, gymnasiums, auditoriums and art and music classrooms.

Enrollment

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

School Year	Pre-K	Kinder-garten	1	2	3	4	5	6	7	8	9	10	11	12	Total
21-22[1]	162	255	326	285	276	274	297	270	288	327	323	275	243	236	3,837
22-23[2]	171	274	264	313	288	287	276	293	285	285	306	298	256	232	3,828
23-24[3]	156	300	283	284	313	285	264	271	287	276	286	297	279	231	3,812
24-25[4]	152	251	300	279	291	316	296	261	278	291	287	284	288	229	3,803
25-26[5]	157	272	248	302	281	288	307	296	270	271	283	255	255	220	3,705

[1] As of March 4, 2022 (FTE 2022-3).
[2] As of March 2, 2023 (FTE 2023-3).
[3] As of March 7, 2024 (FTE 2024-3).
[4] As of March 6, 2025 (FTE 2025-3).
[5] As of March 5, 2026 (FTE 2026-3).

Employees, Employee Relations, and Labor Organizations

During the 2026-2027 school year, the School District employed approximately 517 full-time and part-time personnel serving approximately 3,705 students in the various schools. This figure does not include transportation, maintenance, or custodial personnel. Specialists are available in the fields of speech, hearing, vision, and psychological testing, as well as for learning disabled, intellectually disabled, hospital/homebound, and gifted students. The estimated pupil-teacher ratio was approximately 13 to 1.

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

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

Category of Employee	Number Employed As of October 1, 2026
Certified Employees	347
Administrators and Supervisors	30
Classified Employees	257
Transportation and Maintenance	66
Custodians	21
School Nutrition/Managers/Bookkeeper	32
Counselor/Psychologist	14
Parent Engagement/Speech/ESOL/Social Worker	9
Total	604

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

SCHOOL DISTRICT DEBT STRUCTURE

Summary of Debt by Category*

Set forth below is information concerning debt of the School District. The information set forth below should be read in conjunction with the School District's financial statements included as APPENDIX A hereto.

Category of Obligation	Amount Authorized at 2026 Election[3]	Amount Outstanding as of June 30, 2026	Amount to be Outstanding Upon Issuance of the Bonds
General Obligation Bonds[1]	$26,900,000	$6,770,000	$28,715,000*[2]
TOTAL	$26,900,000	$6,770,000	$28,715,000*[2]

[1] General obligations of the School District to which its full faith and credit and taxing power are pledged consisting of the Series 2023 General Obligation Bonds and the Bonds.

[2] Reflects $3,420,000 principal amount of the School District's General Obligation Bonds, Series 2023, expected to remain outstanding following the scheduled December 1, 2026 principal payment of $3,350,000, together with $25,295,000* principal amount of the Bonds expected to be issued on December 10, 2026. Following issuance of the Bonds, the School District will have $1,605,000* in remaining authorized but unissued general obligation bond authority.

Proposed Debt

At the Election, the voters of the School District approved the issuance of general obligation debt of the School District in the maximum aggregate principal amount of $26,900,000. Following the issuance of the Bonds, the School District will have $1,605,000* in remaining authorized but unissued general obligation debt. The School District may, however, incur additional indebtedness in the future as permitted by applicable law, including obligations that do not require voter approval.

Limitations on School District Debt*

The Constitution of the State provides that the School District may not incur general obligation debt payable from ad valorem taxes without the approval of a majority of the qualified voters of the School District voting at an election called to approve the obligations. In addition, under the Constitution of the State, the School District may not incur general obligation debt payable from ad valorem taxes in excess of ten percent of the assessed value of all taxable property within the School District. The County and each municipality within the County may also incur general obligation debt up to the ten percent limitation. In addition, refunded obligations and obligations deemed paid through defeasance cease to count against the School District's debt limitations.

Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation and intergovernmental obligations are not subject to the legal limitations described above; provided, however, the total combined payments for lease, installment purchase obligations and intergovernmental contracts cannot exceed seven and one-half percent of the total local revenue collected in the prior fiscal year for maintenance and operation of the School District.

As computed in the table below, based upon the 2026 assessed value and after the issuance of the Bonds, the School District could incur (upon necessary voter approval) $85,709,077* in additional general obligation debt payable from ad valorem taxes.

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Computation of Legal Debt Margin*

Assessed Value of Taxable Property as of 2026	$1,354,229,337
Less: Estimated Bond Exemptions[1]	(209,988,570)
Net General Obligation Bond Tax Digest	1,144,240,767
Debt Limit (10% of Net General Obligation Bond Digest)	114,424,077
Amount of Debt Applicable to Debt Limit	(28,715,000*)
Legal Debt Margin	$85,709,077*

[1] Because school bond exemption data are not consistently reported, estimated bond exemptions and the estimated Net General Obligation Bond Tax Digest have been derived using the School District's M&O exemptions and Net M&O Digest for purposes of this calculation.

Overlapping Debt

In addition to the School District's debt obligations, taxpayers within the School District are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the School District overlaps such entities. Set forth below is information concerning estimated overlapping tax-supported debt attributable to property owners within the School District upon issuance of the Bonds. Although the School District has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity that has this information available, and the amounts are based on information supplied by others. The assessed valuations presented below are for tax year 2025, and the outstanding debt amounts are as of June 30, 2025.

		Tax-Supported Debt	Tax-Supported Debt Attributable to the School District[2]	
Name of Overlapping Entity[5]	2025 Assessed Valuation[1]	Outstanding as of June 30, 2025	Percent	Amount
Stephens County, Georgia[3]	$1,252,355,069	$4,230,592	100.00%	$4,230,592
Toccoa, Georgia[4]	295,305,622	20,029,468	100.00	20,029,468
Total:	$1,547,660,691	$24,260,060		$24,260,060

[1] Assessed Valuation includes real & personal property (residential, residential transitional, agricultural, preferential, conservation use, forest land conservation use, commercial, and industrial), public utilities, motor vehicles, mobile homes, timber (100%), and heavy equipment.

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

[3] The debt of Stephens County consists of general obligation bonds, financed purchases, and SBITA liability. As of June 30, 2025.

[4] The debt of the City of Toccoa consists of certificates of participation, lease liability, and GEFA notes payable. As of June 30, 2025.

[5] The School District was unable to obtain current outstanding debt information for the City of Martin and City of Avalon.

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Tax Supported Debt Ratios*

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

	Direct Tax Supported Debt	Overlapping Tax Supported Debt	Overall Tax Supported Debt
Per Capita Debt[1]	$1,063	$898	$1,961
Percentage of Gross Tax Digest[2]	2.12%	1.79%	3.91%
Percentage of Fair Market Value[3]	0.85%	0.72%	1.56%
Per Capita Debt as Percentage of Per Capita Income[4]	2.14%	1.81%	3.95%

[1] Based upon estimated 2024 population figure of 27,012.
[2] Based upon 2026 Gross Tax Digest of $1,354,229,337.
[3] Based on 2026 estimated actual value of $3,385,208,454.
[4] Based upon 2024 per capita income figure of $49,591.

Selected Long-Term and Other Liabilities

Set forth below is information concerning long-term and short-term liabilities of the School District outstanding as of the end of fiscal years 2021 through 2025. For a complete description of the School District's liabilities, see APPENDIX A – Statement of Net Position, Balance Sheet, and Notes 2, 9, 12 and 13.

Category of Liabilities	2021	2022	2023	2024	2025
Short-Term[1]	$12,079,689	$6,887,961	$5,349,872	$9,508,785	$11,453,975
Long-Term[2]	-	-	-	10,540,795	7,036,314
Net Pension Liability[3]	39,033,931	14,359,217	52,951,981	46,802,208	39,513,115
Net OPEB Liability	34,958,860	25,102,067	23,590,865	25,387,381	26,255,796
Total	$86,072,480	$46,349,245	$81,892,718	$92,239,169	$84,259,200

[1] Short-term liabilities include accounts payable, accrued interest, salaries and benefits payable, interest payable, claims incurred but not reported (IBNR), accrued payroll and payroll withholdings, contracts payable, retainages payable, deposits and unearned revenues, and the portion of long-term liabilities due within one year.
[2] Long-term liabilities include the portion of workers' compensation claims payable, financed purchases, subscription-based arrangements, compensated absences, and general obligation bonds all due in more than one year.
[3] Includes the School District's proportionate share of the net pension liability due in more than one year as a participant in the Teachers Retirement System of Georgia and Employment Retirement System of Georgia.

SCHOOL DISTRICT AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the School District is ad valorem property taxes. Ad valorem property taxes are levied annually in mills (one-tenth of one percent (one dollar per $1,000 of assessed value)) upon each dollar of assessed property value.

Property Subject to Taxation

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

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

Title Ad Valorem Tax

House Bill 779, which became effective on June 29, 2020, revised the local distribution of Title Ad Valorem Taxes ("**TAVT**") for motor vehicles between cities, counties, and school districts. House Bill 779 amended the distribution formula in Ga. Code Ann. § 48-5C-1 to provide that, with regard to TAVT proceeds associated with and collected on motor vehicle titles for motor vehicles registered in the incorporated areas of a county, the tag agent of the county shall distribute 23% (previously 28%) of such proceeds to the county governing authority and 28% (previously 23%) of such proceeds to the governing authority of such municipality, and the remaining 49% of such proceeds shall be distributed to the board of education of the county school district; provided, however, that, if there is an independent school district in such municipality, then 23% of such proceeds shall be distributed to the county governing authority and 34% of such proceeds shall be distributed to the governing authority of such municipality and the remaining 43% (previously 49%) of such proceeds shall be distributed to the board of education of the independent school district.

Assessed Value

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

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

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office, which issues assessments. The State Board of Equalization approves the digest containing the values of the property of public utilities, issues proposed assessments to the utilities and provides these amounts to the County Board of Tax Assessors, which issues final assessments to the utilities within 30 days of notification by the State of Georgia.

Save Our Homes Act

In its 2024 legislative session, the Georgia General Assembly enacted House Bill 581, generally known as the "Save Our Homes Act" ("**HB 581**"). Georgia Governor Brian Kemp signed HB 581 into law on April 18, 2024. HB 581, among other things, provides for a new homestead exemption from ad valorem taxation, including from taxes levied by the School District, for each Georgia resident.

At an election held on November 5, 2024, the Save Our Homes Act was ratified by Georgia voters. Accordingly, the constitutional amendment will apply to all taxable years beginning on or after January 1, 2025, and

will be granted to each person's homestead in an amount generally equal to the amount by which the current year assessed value of that homestead exceeds its previous year assessed value, as adjusted by the current inflation rate as determined by the State of Georgia Revenue Commissioner. The new exemption will limit increases in a home's value (HB 581 does not apply to commercial properties), as assessed for property tax purposes, to the rate of inflation each year, until a property changes ownership, at which time the property's assessed value may be increased to its full value. HB 581 provides that the governing authority of any county, consolidated government, municipality, or school district in Georgia may opt out of the exemption by adopting a resolution to do the same by February 1, 2025, after providing public notice and at least three public hearings thereon.

The School District opted out of the exemption as permitted by HB 581.

Recent State Property Tax Legislation

During the 2026 legislative session, the Georgia General Assembly enacted Senate Bill 33, which made various changes to Georgia property tax administration and school finance. Among other things, Senate Bill 33 modified certain provisions relating to homestead exemptions, revised the calculation of the equalized adjusted school property tax digest for purposes of certain State education funding calculations, and increased the statutory limitation on reserve funds maintained by local school systems. The School District is currently evaluating the implementation of Senate Bill 33 but does not presently expect the legislation to have a material adverse effect on its financial condition or operations. The School District will continue to monitor future legislative developments affecting property taxation and school finance.

Annual Tax Levy and Limitation on Annual Tax Levy

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

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

Property Tax Collections

The County bills and collects the property taxes of the School District on behalf of the School District. Pursuant to an intergovernmental agreement, the Tax Commissioner currently distributes taxes collected for school purposes to the School District monthly, after deducting the applicable collection fee. 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 annually based upon property values as of January 1 of the applicable tax year. Tax bills are generally mailed in mid-September and normally payable in 60 days. Delinquent taxes accrue interest at an annual rate equal to the Federal Prime rate as published each January plus 3%. In addition, a penalty equal to 5% of the principal amount owed is assessed upon taxes unpaid 120 days after the due date, with an additional 5% assessed each 120 days thereafter up to a maximum aggregate penalty of 20% of the principal amount.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment constitute a perpetual lien on and against the property taxed. State law provides that taxes must be paid before any

other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

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

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

Appeals

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

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Property Tax Levies and Collections

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

Fiscal Year[1]	Tax Year	Current Year's (M&O) Total Tax Levy	School District's Total Tax Collections[2]	Percentage of Total Tax Collections to Levy	Taxes Outstanding as of Calendar Year End	Percentage of Delinquent Taxes to Tax Levy[3]
2022	2021	$10,041,752	$10,042,948	100.01%	$2,878	0.03%
2023	2022	10,276,150	10,274,319	99.98	4,725	0.05
2024	2023	10,618,946	10,635,425	100.16	4,489	0.04
2025	2024	11,523,745	11,523,737	100.00	4,419	0.04
2026	2025	13,912,607	13,911,342	100.00	2,224	0.02

[1] July 1 of the preceding calendar year to June 30 of each year stated above. Collections of taxes are one year behind the fiscal year.

[2] The amount of ad valorem taxes on motor vehicles distributed to the School District by the Stephens County Tax Commissioner was $124,149.00 for fiscal year 2026, $158,609.92 for fiscal year 2025, $177,539.39 for fiscal year 2024, $204,985.96 for fiscal year 2023, $218,265.20 for fiscal year 2022, and $215,093.65 for fiscal year 2021. The amount of TAVT distributed to the School District by the Stephens County Tax Commissioner was $1,624,267.00 for fiscal year 2026, $1,609,616.78 for fiscal year 2025, $1,589,772.78 for fiscal year 2024, $1,422,099.93 for fiscal year 2023, $1,350,538.56 for fiscal year 2022, and $1,298,948.28 for fiscal year 2021.

[3] Delinquent property taxes of the School District are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

Source: Stephens County Tax Commissioner.

Historical Property Tax Data

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

Assessed Values	2022	2023	2024	2025	2026
Real & Personal Property[1]	$790,151,880	$888,550,183	$929,942,855	$1,199,606,128	$1,333,343,203
Public Utilities	34,117,255	28,977,151	29,266,306	31,382,347	-[2]
Motor Vehicles	10,412,900	10,719,780	9,979,330	9,019,170	8,593,100
Mobile Homes	7,885,855	8,188,246	9,207,366	10,160,274	11,586,712
Timber (100%)	573,627	433,733	434,902	144,801	243,259
Heavy Equipment	1,525,433	76,050	46,698	2,041,706	463,063
Gross Digest	$844,666,950	$939,945,143	$978,880,457	$1,252,355,069	$1,354,229,337
Estimated M&O Exemptions	(164,046,896)	(201,104,997)	(180,125,615)	(191,071,709)	(209,988,570)
Estimated Net M&O Digest[3]	$680,620,054	$738,840,146	$798,754,842	$1,061,283,360	$1,144,240,767
Estimated Actual Value	$2,110,806,935	$2,349,212,258	$2,446,548,790	$3,130,670,471	$3,385,208,454

[1] Real & Personal Property include the following: residential, residential transitional, historical, agricultural, conservation use, forest land conservation use, commercial and industrial.

[2] Public utilities is included in the Real & Personal Property amount for 2026.

[3] Estimated Net M&O Digest equals the Gross Digest less the Estimated M&O Exemptions and is presented for historical comparability.

Source: Georgia Department of Revenue

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Millage Rates

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

	School District		County		City and State Direct Rates			
Calendar Year	M&O[1]	Bond	Unincorporated	Incorporated	Toccoa	Avalon	Martin	State of Georgia
2022	15.720	0.000	14.050	14.050	5.600	0.000	1.000	0.000
2023	14.760	0.000	15.690	15.690	5.200	0.000	1.000	0.000
2024	14.760	0.000	10.380	12.780	6.000	0.000	1.000	0.000
2025	13.500	0.000	10.380	12.620	5.200	0.000	1.000	0.000
2026	12.795	0.000	9.956	12.241	5.090	N/A	N/A	0.000

[1] The legal limit is 20 mills. See "SCHOOL DISTRICT AD VALOREM TAXATION – Annual Tax Levy."
Sources: Georgia Department of Revenue; and Stephens County Tax Commissioner

Ten Largest Taxpayers

Set forth below are the ten largest taxpayers (by property value, not acreage), the gross assessed value (at 40%) of such taxpayers' property within the County, and the total ad valorem taxes levied by the School District on such property in tax year 2026. 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 below. Furthermore, the taxpayers shown in the table below 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 below or that such taxpayers will continue to maintain their status as major taxpayers in the County.

Taxpayer	Nature of Business	Gross Assessed Valuation (40%)[3]	School District's Taxes Levied in Fiscal Year 2027 / Tax Year 2026[1]	Percent of Total Tax Levy[1] for Fiscal Year 2027 / Tax Year 2026[2]
Georgia Power Co.	Utility	$65,708,237	$243,038	1.69%
Sark Wire Co.	Wire Manufacturer	24,070,193	179,144	1.25%
ASI Southeast Inc.	Manufacturer	21,546,412	104,626	0.73%
Patterson Pump Corp.	Pump Manufacturer	20,598,660	116,411	0.81%
American Woodmark Corp.	Cabinet Manufacturer	11,653,561	110,061	0.77%
TruVista Communications	Cable/Internet	11,144,854	142,598	0.99%
Fiedale Corp.	Poultry	7,176,031	80,298	0.56%
Walmart	Retail	6,373,185	81,545	0.57%
Dewtex	Scrim Manufacturer	5,602,112	38,487	0.27%
Hart EMC	Utility	4,875,156	62,378	0.43%
Total		$178,748,401	$1,158,586	8.07%

[1] School District's taxes levied in Fiscal Year 2027 relate to the taxes levied for Tax Year 2026.
[2] Based on the School District's total ad valorem tax levy of $14,373,323 for tax year 2026, net of applicable adjustments. Percentages may not total due to rounding.
[3] The gross assessed valuation at 40%.
Source: Stephens County Tax Commissioner.

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SCHOOL DISTRICT FINANCIAL INFORMATION

Accounting System and Policies

The accounting policies and practices of the School District conform to generally accepted accounting principles ("**GAAP**") applicable to governmental entities. The School District's accounting system is organized and operated on a fund basis, with funds segregated for the purpose of accounting for specific activities and objectives. The School District's primary operating fund is the General Fund, which contains all School District revenues except those revenues required by law to be accounted for in other funds. The financial statements of the School District's governmental funds are presented on a modified accrual basis of accounting, with revenues recognized when they are measurable and available and expenditures recognized when the related liabilities are incurred.

Reference is made to Note 2, "Summary of Significant Accounting Policies," in the audited financial statements of the School District for a more complete discussion of the School District's significant accounting policies.

General Fund History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in fund balance of the School District's General Fund for five fiscal years. Information in the following table has been extracted from audited financial statements of the School District for the fiscal years ended June 30, 2021, through June 30, 2025. No representation is made that the information as shown taken by itself presents fairly the financial condition of the School District for the fiscal years shown.

Funds received from the federal government are primarily for programs for disadvantaged and disabled students and for the school food service program. During the School District's fiscal year ended June 30, 2025, approximately 29.89% of the School District's total revenues were derived from local sources (including local taxes, charges for services, investment earnings, and miscellaneous), 58.70% from state sources, and 11.41% from federal sources.

The School District's total General Fund balance at June 30, 2025, was approximately $22,711,425, representing approximately 37.84% of total General Fund expenditures for fiscal year 2025. A portion of General Fund expenditures is supported by restricted federal revenues and enterprise activities, which reduces reliance on local resources for certain programmatic costs. The Board of Education has historically targeted maintaining a fund balance sufficient to provide operating liquidity and financial flexibility.

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

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Stephens County School District General Fund History

	Fiscal Years Ended June 30				
	2021	2022	2023	2024	2025
REVENUES					
Property Taxes	$10,175,686	$10,138,029	$10,485,032	$10,976,302	$11,581,797
Sales Taxes	-	322,538	209,792	204,097	283,434
Other Taxes	1,664,475	1,452,634	1,376,388	1,390,884	1,670,980
State Funds	28,144,170	28,800,914	28,672,822	31,930,851	33,382,632
Federal Funds	7,225,164	10,720,681	8,847,064	10,815,886	6,487,666
Investment Income	1,385	46,555	633,925	1,418,019	1,287,851
Charges for Services	721,206	1,067,723	1,588,537	1,613,480	1,559,188
Miscellaneous	476,821	577,636	722,396	515,756	614,731
Total Revenues	$48,408,907	$53,171,710	$52,535,956	$58,865,275	$56,868,279
EXPENDITURES					
Current					
Instruction	$28,134,513	$29,938,135	$30,281,100	$33,459,727	$35,382,589
Support Services					
Pupil Services	1,848,589	2,225,523	2,420,691	3,959,026	3,958,461
Improvement of Instructional Services	931,278	1,240,113	1,717,144	1,842,240	1,814,040
Educational Media Services	446,998	485,353	549,344	691,492	734,360
General Administration	1,031,106	1,129,199	975,968	1,168,739	1,648,835
School Administration	2,450,085	2,578,522	2,731,904	2,814,693	3,110,843
Business Administration	423,637	436,016	600,307	476,657	393,757
Maintenance and Operation of Plant	5,337,551	3,317,742	3,866,673	4,383,470	4,569,831
Student Transportation Services	2,062,041	2,579,880	2,319,114	2,920,013	2,919,084
Central Support Services	105,444	289,381	322,917	54,984	9,999
Other Support Services	830,783	1,270,251	929,639	1,414,871	898,780
Food Service Operations	2,084,923	2,598,474	3,114,429	3,677,547	3,752,458
Enterprise Operations	442,390	567,615	715,647	637,029	739,835
Facilities Acquisition and Construction	-	661,876	41,783	324,794	89,602
Debt Services					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	$46,129,338	$49,318,080	$50,586,660	$57,825,282	$60,022,474
Excess of Revenues over (under) Expenditures	2,279,569	3,853,630	1,949,296	1,039,993	(3,154,195)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	$66	$2,371,501
Transfers Out	$(1,179,820)	-	-	-	-
Proceeds from Sale of Capital Assets	17,269	$5,000	$478,763	-	150
Total Other Financing Sources (Uses)	$(1,162,551)	$5,000	$478,763	$66	$2,371,651
Net Change in Fund Balances	1,117,018	3,858,630	2,428,059	1,040,059	(782,544)
Fund Balances – Beginning	$15,050,203	$16,167,221	$20,025,851	$22,453,910	$23,493,969
Fund Balances – Ending	$16,167,221	$20,025,851	$22,453,910	$23,493,969	$22,711,425

Management Comments Concerning Material Trends in Revenues and Expenditures

General Fund revenues have generally increased over the past several fiscal years, reflecting growth in the local tax digest, increases in State Quality Basic Education ("**QBE**") formula funding, and the normalization of federal program funding following pandemic-related fluctuations. Enrollment in the School District has remained relatively stable in recent years, supporting consistent State funding levels. General Fund expenditures have increased primarily due to instructional and support service costs, including personnel compensation and benefits. Capital outlay expenditures reflected in prior fiscal years were largely project-specific and nonrecurring in nature. For fiscal years 2025 and 2026, the Board of Education adopted budgets that contemplated the use of available General Fund reserves to fund a portion of budgeted expenditures. For fiscal year 2025, actual General Fund expenditures exceeded revenues by approximately $3.15 million, and approximately $2.37 million was transferred into the General Fund, resulting in a net decrease in General Fund balance of approximately $783,000. The fiscal year 2026 adopted budget contemplated the use of approximately $4 million of available General Fund reserves.

Budgetary Process

The School District adopts an annual operating budget for its General Fund. The operating budget contains proposed expenditures and the means for financing them. The School District is not legally required to stay within the budget, but under State law it must meet certain minimum expenditure requirements for allotted state funds. The School District, as required by the State Board, uses a modified cash basis of accounting in its adopted Governmental Funds budget, which is not in conformity with generally accepted accounting principles, and which is not consistent with the basis of accounting used in the School District's audited financial statements.

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

The budget is developed annually based upon anticipated revenues, projected expenditures, and the operational needs of the School District. Initial budget preparation, as well as control of individual budgeted expenditures, is vested with the Superintendent, with assistance from program directors and supervisors who have the responsibility of performing the various functions of the specific programs. The Board of Education's business office serves as a resource function to aid in finding the best economic use of available revenues and to assure compliance with the Board of Education's policies relative to budgetary control. The business office furnishes the Board of Education a monthly "budget" versus "actual" financial report and a summary financial statement to keep the Board of Education apprised of the School District's financial condition. State law requires the School District's budget to reflect anticipated revenues from all sources and to allocate such revenues among the various funds and accounts of the School District. The School District may establish reserve funds or accounts to address unanticipated revenue shortfalls or expenditures, subject to applicable limitations under State law, and may establish capital accumulation funds or accounts for specifically identified future capital purposes. These statutory requirements are intended to promote fiscal accountability and transparency in the budgeting process.

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Budgets

Set forth below are summaries of the School District's operating budgets (using a non-GAAP budgetary basis of accounting) for the fiscal years ending June 30, 2026, and June 30, 2027. The budgets are based upon certain assumptions and estimates the achievement of which will depend upon implementation by management of policies and procedures consistent with the assumptions made by the School District. Accordingly, actual results for fiscal years 2026 and 2027 could differ materially from the budgeted amounts shown below.

Budgets for Fiscal Year 2026 and Fiscal Year 2027

	Fiscal Year 2026 Budget	Fiscal Year 2027 Budget
REVENUES:		
Property Ad Valorem	$14,355,692	$14,300,000
Intangible/Real Estate Transfer Tax	275,000	275,000
Vehicle Ad Valorem Tax	1,700,000	1,750,000
Other Local Sources	7,203,954	8,327,328
In Lieu of Taxes	70,000	80,000
Title Programs ~ Consolidation	1,673,371	1,700,000
State QBE Funding	29,072,274	29,204,813
Other State Sources	616,320	537,959
Total Estimated Revenues	$54,966,611	$56,175,100
EXPENDITURES:		
Instruction	$34,329,547	$33,892,038
Pupil Services	3,083,241	4,041,029
Improvement of Instructional Services	1,642,229	2,169,132
Instructional Staff Training	190,109	98,750
Media Services	829,359	877,939
General Administration	1,410,665	820,467
School Administration	3,069,215	3,220,729
Business Support Services	678,682	619,200
Maintenance and Operation	4,204,544	4,396,081
School Security and Safety	400,000	452,000
Transportation	3,100,903	3,161,373
Central Support Services	1,073,065	1,107,526
Other Support Services	955,052	1,191,915
Enterprise Operations	-	126,921
Total Estimated Expenditures	$54,966,611	$56,175,100
Revenues Over (Under) Expenditures	$0	$0
ALL OTHER FUNDS:		
Total Revenues Expenditures		
IDEA Programs	$1,260,000	$1,100,000
CTAE-Perkins	63,531	62,100
Pre-K	85,000	775,000
School Nutrition	2,500,000	4,200,000

The fiscal year 2026 budget presented above was approved by the Board of Education and includes the planned use of available General Fund reserves within estimated local revenues to present a balanced budget. Such use of reserves is not treated as current-year revenue in the School District's accounting system and therefore is excluded from the budget-to-actual comparison presented below. Actual results may differ materially from budgeted amounts, and the School District's year-end operating fund balances may vary from the estimates shown above.

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Budget to Actual Comparisons

The following table compares the School District's budgets for fiscal years 2025 and 2026 with actual results for fiscal year 2025 and unaudited actual results for fiscal year 2026. The information is presented on the budgetary basis of accounting used by the School District for budgetary purposes and, accordingly, is not directly comparable to the General Fund information contained in the audited financial statements included in APPENDIX A.

	As of June 30, 2025		As of June 30, 2026	
	FY25 Annual Budget	Actual	FY26 Annual Budget	Unaudited Actual
REVENUES:				
Other Local Sources	$2,357,468	$3,546,392	$2,911,828	$4,825,691
Local Property Taxes	11,519,680	11,421,463	14,355,692	13,737,270
State Sources	30,115,098	30,376,663	29,072,274	29,076,336
State Grants	672,147	766,528	600,034	581,994
Federal Funds	1,292,584	1,840,116	1,687,599	1,953,202
Total Revenues	$45,956,977	$47,951,162	$48,627,427	$50,174,493
EXPENDITURES:				
Instruction	$32,636,013	$31,269,483	$31,253,838	$31,054,793
Pupil Services	3,887,134	3,347,684	4,799,688	4,736,880
Improvement of Instructional Services	1,616,023	1,769,757	1,709,663	1,799,692
Staff Development	269,802	203,167	180,275	146,620
Educational Media Services	719,524	687,596	812,263	738,568
General Administration	1,542,282	1,492,781	1,649,725	1,637,551
School Administration	3,070,007	2,784,106	3,161,987	3,087,262
Business Administration	573,205	436,892	678,682	570,716
Maintenance and Operation	3,582,429	4,182,923	4,143,343	4,315,633
School Safety and Security	366,950	386,333	746,250	468,627
Transportation	3,051,893	2,683,160	3,060,903	3,004,661
Central Support Services	13,587	9,999	873,065	695,690
Other Support Services	564,078	441,811	596,100	466,833
Total Expenditures	$51,892,928	$49,695,692	$53,665,782	$52,723,525
Net Revenues Over (Under) Expenditures	$(5,935,951)	$(1,744,530)	$(5,038,355)	$(2,549,032)

Employee Benefits

Teachers' Retirement System of Georgia. Substantially all of the teachers and the administrative and clerical personnel of the School District are covered by the Teachers Retirement System of Georgia ("**TRS**"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State for the benefit of education personnel. The School District has no liability under TRS except for contributions established and made each year. TRS is funded by employee and employer contributions as provided by State law. 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 excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS, excluding contributions funded by the State on behalf of the School District, were $5,373,945 for the year ended June 30, 2025.

Public School Employees Retirement System. The General Assembly makes an annual appropriation to cover the employer contribution to Public School Employees' Retirement System of Georgia ("**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.

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

Contributions required and made to the School OPEB Fund from the School District were $1,607,882 for the year ended June 30, 2025. Of this amount, $593,016 was paid on behalf of the School District by the State of Georgia, for a net contribution of $1,014,866. Active employees are not required to contribute to the School OPEB Fund.

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

New Accounting Pronouncements

In fiscal year 2024, 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 did not have a material impact on the School District's financial statements but resulted in a restatement of beginning net position.

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

Insurance Coverage and Governmental Immunity

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

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

The School District maintains cybersecurity policies and procedures designed to protect its information technology systems and periodically provides cybersecurity training to employees. The School District's independent auditors also consider information technology controls as part of their audit procedures.

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

COUNTY ECONOMIC AND DEMOGRAPHIC INFORMATION

Introduction

The County is a political subdivision of the State of Georgia that provides services to approximately 27,012 residents. The County is governed by a Board of Commissioners (the "**Board of Commissioners**"), consisting of five members who are elected to serve staggered four-year terms. The Chairman of the Board of Commissioners is elected annually by the Commissioners. The Board appoints a county administrator who serves as the chief administrative officer to carry out the policies and handle day-to-day responsibilities. The Board of Commissioners set direction and formulate policies for the county government, develop and approve the budget, authorize expenditures, set tax rates, make key appointments to boards, committees, authorities, etc. and approve or disapprove specific actions, such as rezoning of private property.

The present Board of Commissioners and their expiration of terms are as follows:

Name	Expiration of Current Term
Chris Rickman, Chairman	12/31/2026
Craig Oglesby, Vice Chairman	12/31/2028
Tara Simmons, Post 1	12/31/2026
Debbie Whitlock, Post 2	12/31/2028
Chuck Wright, Post 5	12/31/2026

The County is located in northeast Georgia approximately 90 miles northeast of the City of Atlanta and borders South Carolina. The County is bordered by Rabun County on the northwest, Oconee County, South Carolina on the northeast, Franklin County on the southeast, Banks County on the southwest, and Habersham County on the west. According to the U.S. Census Bureau, the County has a total area of 178 square miles.

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Population and Median Age Data of the County

The following table sets forth population and median age estimates for the County from the U.S. Census Bureau's American Community Survey. According to the 2020 decennial Census, the County's population was 26,784, ranking it the 71st most populous county in Georgia. The county seat is Toccoa, which had a 2020 decennial Census population of 9,133. The other cities located within the County are Avalon and Martin with 2020 Census populations of 233 and 336, respectively.

Year	Population	Median Age
2020	25,934	41.6
2021	26,641	40.9
2022	26,732	41.9
2023	26,842	41.2
2024	27,012	40.8

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

Population by Age

The following table presents estimated population percentages by age for the County for 2024:

Under 20 Years	20 to 44 Years	45 to 64 Years	65 Years and Over
24.10%	29.90%	24.80%	21.30%

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

Level of Education

The following table presents the level of education for the County for 2024:

Not Completing High School	14.90%
High School Graduate	40.50
Some College, No Degree	23.70
Associate's Degree	5.70
Bachelor's Degree	9.30
Graduate or Professional Degree	5.80
Percent High School Graduate or Higher	85.10
Bachelor's Degree or Higher	15.10

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

Per Capita Income

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

Year	County	State	United States
2020	$39,427	$51,496	$59,151
2021	43,706	56,262	64,692
2022	46,030	57,396	66,298
2023	47,242	60,006	70,002
2024	49,591	63,006	73,204

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

Personal Income

Set forth below is personal income data for the County, the State, and the United States. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Statistics presented in thousands of dollars do not indicate more.

Year	County	State	United States
2020	$1,057,264	$552,699,927	$19,613,059,000
2021	1,169,964	607,184,310	21,484,168,000
2022	1,230,113	627,438,954	22,144,814,000
2023	1,287,572	663,930,890	23,577,208,000
2024	1,363,656	704,463,898	24,897,613,000

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

Category of Property Type

Set forth below are the percentages of property types for various purposes within Stephens County, computed based upon the assessed value of the various categories, as classified for ad valorem property tax purposes.

	Category of Property Type				
Year	Residential[1]	Agricultural	Commercial	Industrial	Other[2]
2021	56.79%	4.08%	14.11%	13.65%	10.87%
2022	57.49	4.27	13.62	13.98	10.64
2023	55.97	4.38	14.24	16.42	9.00
2024	58.50	4.67	14.03	14.15	8.66
2025	65.50	5.09	11.32	11.14	6.95

[1] Includes residential and residential transitional.
[2] Includes historical, preferential, conservation use, forest land conservation use, utility, motor vehicle, mobile home, timber (100%) and heavy equipment.
Source: Georgia Department of Revenue, Property Tax Division.

Building Permits

Set forth below are the number and value of new construction building permits issued by the County, broken down by commercial and residential, for the last five calendar years and the estimated values of the permits.

	Commercial		Residential		Total	
Year	Permits	Value	Permits	Value	Permits	Value
2021	6	$2,523,748	110	$22,798,879	116	$25,322,627
2022	9	2,574,352	89	24,079,695	98	26,654,047
2023	10	12,070,803	212	47,404,274	222	59,475,077
2024	11	11,235,680	141	25,230,096	151	36,465,776
2025	4	2,460,000	88	16,225,245	92	18,685,245

Source: Stephens County Building Department.

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Banking Deposits

Set forth below is banking deposit data for the County:

Fiscal Year	Number of Banking Institutions[1]	Number of Offices[2]	Total Deposits in Financial Institutions ($000)[3]
2022	5	6	$417,357
2023	5	6	411,430
2024	5	6	424,403
2025	5	5	428,126
2026	5	5	438,833

[1] Total number of banking institutions inside of market as of June 30 of each year.
[2] Total number of offices inside of market as of June 30 of each year.
[3] Total deposits (in thousands) in financial institutions inside of market as of June 30 of each year.
Sources: The Federal Deposit Insurance Corporation, Deposit Market Share Report.

Median Home Value

The following table shows the median home value for the County, the State, and the United States for census years 2020 through 2024.

Year	County	State	United States
2020	$123,800	$190,200	$229,800
2021	127,200	206,700	244,900
2022	154,200	245,900	281,900
2023	168,200	272,900	303,400
2024	175,300	303,300	332,700

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

Labor Statistics

The following table shows the total average annual labor force in the County, the County unemployment rate, the State unemployment rate, and the United States unemployment rate for calendar years 2021 through 2025.

	2021	2022	2023	2024	2025
Labor Force	10,935	11,160	11,059	10,940	10,554
County Unemployment Rate	4.2%	3.5%	3.5%	4.1%	4.1%
State Unemployment Rate	3.9%	3.2%	3.3%	3.5%	3.4%
United States Unemployment Rate	5.3%	3.6%	3.6%	4.0%	4.3%

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

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Largest Employers

Set forth below are the ten largest employers located in the County, as of September 2026, and the industry or service provided by each. There can be no assurance that any employers listed below will continue to be located in the County or will continue employment at the level currently maintained. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed.

Employer	Industry or Service	Number of Employees
Stephens County School System	Education	604
Stephens County Hospital	Healthcare	449
ASI Southeast	Commercial Washroom	407
Walmart Super Center	Department Store	375
Patterson Pump Co., Inc.	Pumps & Pumping	309
University of Toccoa Falls College	Higher Education	250
Stephens County Government	Government	233
Sark Wire	Copper Wire/Smelting	204
KTX America	Plastic Injection	154
American Woodmark Corp.	Wood Cabinets	136

Source: Stephens County Development Authority

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Industry Mix

The following table shows the number of individuals employed within selected industries in the County which are covered by unemployment insurance. The table is intended to provide information regarding the types of industries employing residents of Stephens County and the compensation paid to those employees. The table does not provide information with respect to all industries and firms. It is based upon and includes only those industries and firms that participate in the State Unemployment Insurance Program.

In 2025, the largest employment sector in the County was manufacturing (comprising approximately 23.9% of the county's work force), followed, in order, by: government, retail trade, and accommodation and food services. For the twelve-month period ended December 31, 2025, total average monthly employment in the County decreased by 3.79% as compared to the same period ending December 31, 2024, and the weekly average wage increased by 0.63% during the same time period.

Average Monthly Number of Employees Within Selected Industries

Industry	2021	2022	2023	2024	2025
Agriculture, Forestry, Fishing, Hunting	42	49	53	58	47
Mining	†	†	†	†	†
Construction	242	236	277	290	302
Manufacturing	2,219	2,397	2,129	2,110	1,961
Utilities	N/A	N/A	†	†	†
Wholesale Trade	146	141	142	137	123
Retail Trade	1,296	1,288	1,299	1,304	1,251
Transportation and Warehousing	†	†	64	65	66
Information	190	348	†	†	55
Finance and Insurance	168	165	180	185	188
Real Estate, Rental and Leasing	76	95	47	49	50
Professional and Technical Services	138	155	156	159	191
Management of Companies and Enterprises	241	256	280	268	260
Administrative and Waste Services	267	204	282	203	222
Education Services	†	†	†	†	†
Health Care and Social Assistance	691	687	652	709	673
Arts, Entertainment and Recreation	140	146	153	156	133
Accommodation and Food Services	563	620	677	677	690
Other Services	146	134	158	160	160
Non-Classifiable	19	30	27	8	14
Government	1,496	1,536	1,559	1,574	1,566
Total[1]	8,369	8,793	8,678	8,543	8,219

[1] Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.

† Figures were not released due to confidentiality.
Source: Georgia Department of Labor, Industry Mix.

Commercial Services

The County has one local newspaper, *The Toccoa Record*, which is published weekly. There are 3 hotels located within the city limits. On October 27, 2025, the City of Toccoa approved an agreement relating to the proposed development of a new hotel and parking easement in the City. Optum Development has been contracted to build the new downtown hotel at the former Tabor Motor Company dealership site located at the intersection of Currahee and North Pond Streets. The largest meeting facility is Reflections at Lake Toccoa, which is owned by the City of Toccoa and is capable of accommodating more than 200 people.

The Stephens County Historical Society Office, the Currahee Military Museum, and the Stephens County History Museum are all located in the newly-renovated Train Depot in historic downtown Toccoa. The Stephens County Historical Society is a nonprofit organization committed to the preservation and presentation of the history and culture of Stephens County. Stephens County Historical Society promotes public awareness of county history, sponsors activities and manages the County History Museum. The museum contains artifacts, photographs, maps, paintings, documents and exhibits of daily life in northeast Georgia that reflect the community's history since its inception in 1905. The Currahee Military Museum is home to the World War II history of the soldiers who trained to become paratroopers at Camp Toccoa.

Recreation

The County has a great deal of allure for nature lovers and outdoorsmen. Almost one-sixth of the County is comprised of national forest and wildlife preserve lands and offers a bounty of outdoor activities like hiking, camping, hunting, fishing, bicycling and trails for all terrain vehicles. Wildlife is abundant in the County therefore making it an ideal location for hunting. There are many trout streams in the County: the Middle Fork Broad River upstream from NRCS flood control structure No. 44, the North Fork of Broad River, Panther Creek and Toccoa Creek upstream from Toccoa Falls. Black crappie, largemouth bass, striped bass, hybrid bass and channel catfish are also abundant, especially in Lake Hartwell. Lake Yonah is a 320-acre lake and has boat ramps located on Yonah Dam Road. It is a popular spot for skiing, swimming, and boating. Five public recreation areas provide boat ramps for access to Lake Hartwell: Stephens County Recreation Area, Spring Branch, Jenkins Ferry, Bruce Creek and the Holcomb Access. The Tugaloo River has a boat ramp located at Walker Creek. Horseback riding, golf, tennis, and bicycling are also available in the County.

The Stephens County Parks and Recreation Department (the "**Department**") offers youth athletic programs including basketball, football, cheerleading, girls flag football, soccer, t-ball, tennis, volleyball, summer camps, disc golf, and swim lessons. The Department also offers many programs for adults. The Department brings the community together year-round with events including: the annual egg hunt, the antique and classic car cruise-in, sports tournaments, the WNEG Radio Senior Expo, and the Roselane Fireworks Show.

The Department is headquartered at the 88-acre Roselane Recreation Complex, a premier destination for recreation in the County. Amenities at the Roselane Recreation Complex include: the Stephens County Senior Center, the Activity Center (featuring two gymnasiums, aerobics and dance room, gymnastics area, concessions and restrooms), baseball and softball fields, football fields, disc golf course, pickleball courts, tennis courts, indoor pool, playground, inclusive park, splash pad and walking track. The SCentral Bark Dog Park, located next to the Roselane ball fields, is a great space for pets to play and socialize.

Utilities

Water service within the County is provided by the City of Toccoa, and private groundwater wells. Stephens County provides solid waste collection and disposal services for the unincorporated areas of the county with five convenience centers for household solid waste and a bulky item drop-off center. The City of Toccoa also provides wastewater services within the city limits, at industrial locations, and in other areas.

Electric service is provided by Georgia Power Company and Hart EMC. Natural gas service is available from Toccoa Natural Gas. Telephone, cable television, and broadband internet services are available throughout the County from a variety of public and private providers such as Windstream, TruVista Communications, and North Georgia Network.

Higher Education

There are two higher education institutions located within the County, namely Toccoa Falls College, a private, nonprofit, Christian liberal arts institution established in 1907, and the Currahee Campus of North Georgia Technical College.

Transportation

Interstate Hwy. 85 and U.S. Highway 123 traverse Stephens County. Stephens County is approximately 90 minutes north of Atlanta, about an hour from Greenville, South Carolina, and 45 minutes from Athens and Gainesville. The county is served by the 5,000-foot R.G. LeTourneau Airport and is one of three Amtrak stops in Georgia on the Crescent line running from New York to New Orleans.

The Stephens County Public Works was created in 2008 and is a department made up of multiple departments including the Fleet Maintenance Department and the Road Department. The Stephens County Road Department's responsibilities include street repairs, drainage maintenance, mowing roadways during growing seasons, and road construction projects of limited size.

Medical Services

Stephens County Hospital, a 96-bed, acute care, not-for-profit community medical/surgical facility, has been serving Northeast Georgia since 1937. In addition, the County is served by two state licensed personal care homes, both centers feature fully trained, 24-hour professional staff. The Stephens County Health Department, as part of the Georgia Department of Public Health, is the lead agency in preventing disease, injury and disability; promoting health and well-being; and preparing for and responding to disasters from a health perspective. The Health Department provides general health services such as immunizations, health checks, screenings and testing, as well as health education for the community.

The Stephens County Emergency Management Agency is responsible for the management of all emergency preparedness program areas within the county. The primary role of the agency is to develop and implement comprehensive disaster planning, mitigation and response activities in the County as provided by Georgia law.

Stephens County Fire Services consists of seven volunteer fire departments that proudly provide fire suppression, hazardous materials response, fire prevention training, and community education programs to residents and visitors of the County. Stephens County Emergency Medical Service serves all of the County with four advanced life support med units (with multiple backup units) from two stations, staffed 24 hours a day.

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 has reviewed the current status of all pending and threatened litigation and believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the School District or its officials in such capacity are adequately covered by insurance or 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 School District, threatened against the School District (i) which restrains or enjoins the issuance or delivery of the Bonds, the reimposition of the Sales Tax, the levy of an ad valorem tax for the payment of the Bonds, or the use of the proceeds of the Bonds or (ii) which questions or contests the validity of the Bonds or the proceedings and authority under which they are to be issued and the Sales Tax is to be reimposed and an ad valorem tax is to be levied to pay the Bonds. Neither the creation, organization, or existence of the School District, nor the title of the present members or other officials of the Board of Education to their respective offices, is being contested or questioned.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Bonds are subject to the unqualified approving opinion of Butler Snow LLP, Macon, Georgia, Bond Counsel, whose opinion will be available at the time

of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as APPENDIX C.

Validation Proceedings

The Bonds were validated by judgment of the Superior Court of Stephens County, Georgia on August 6, 2026. Under State law, the judgment of validation is final and conclusive with respect to the validity of the Bonds.

Closing Certificates

The School District will deliver to the Underwriter a certificate that (i) no litigation is pending or threatened against it that would have a material effect on the issuance or validity of the Bonds or the levy and collection of an ad valorem tax to pay the Bonds or on the financial condition of the School District, and (ii) the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings, and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State, does not discuss the consequences to an owner under any state, local, or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local, and other tax considerations of holding and disposing of the Bonds.

Federal Tax Exemption of the Bonds

General. In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, published rulings, and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion described above assumes the accuracy of certain representations and compliance by the School District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

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

*Original Issue Discount**. The initial public offering prices of the Bonds maturing on _____ (collectively, the "**Discount Bonds**"), are less than the principal amounts payable at maturity for such Bonds, and as a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering prices of the Discount Bonds as set forth on the inside cover page of this Official Statement (assuming they are the first prices at which a substantial amount of each such maturity are sold) (the "**Issue Price**" for each such maturity), and the amounts payable at maturity of the Discount Bonds will be treated as "original issue discount." A taxpayer that purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and that holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bonds on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending _____1 and _____1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption, or payment at maturity). Owners of the Discount Bonds that dispose of Discount Bonds prior to maturity should consult their tax advisors as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners that purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code and Treasury Regulations contain certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners that do not purchase Discount Bonds in the initial public offering should consult their own tax advisors with regard to the other tax consequences of owning the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds. It is possible under the applicable provisions governing the determination of state and local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

*Original Issue Premium**. An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Bond must amortize any premium over such Bond's term using constant yield principles, based on the Bond's yield to maturity (or, in the case of premium bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the purchaser's basis in such Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding, or selling federally tax-exempt obligations.

State of Georgia Tax Exemption of the Bonds

Bond Counsel is also of the opinion that, under existing State statutes, interest on the Bonds is exempt from Georgia income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

Changes in Federal and State Tax Law

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

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

MISCELLANEOUS

Ratings

Moody's Investors Service, Inc. ("**Moody's**"), has assigned the Bonds the rating of "Aa1" based on the School District's participation in the Intercept Program. Moody's has also assigned the Bonds an underlying rating of "A1" reflecting the credit quality of the School District without regard to the State Aid Intercept Program.

The enhanced rating reflects the School District's participation in the Intercept Program pursuant to State law, under which, upon notice of nonpayment, the State Board of Education is required to withhold certain State appropriations otherwise payable to the School District and apply such amounts to the payment of principal of and interest on the Bonds. The State of Georgia is not obligated to levy any tax or make any appropriation for the payment of the Bonds, and the Bonds do not constitute a debt of the State.

The ratings reflect only the views of the rating agencies, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such rating will remain unchanged for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances

so warrant. Any such revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Bonds.

Underwriting

General. The Underwriter has agreed to purchase the Bonds pursuant to the Bond Purchase Agreement (the "**Bond Purchase Agreement**") entered into between the School District and the Underwriter. The price and other terms regarding underwriting of the Bonds were established through negotiation. The Underwriter has agreed to purchase the Bonds at a purchase price of $_____ (par plus/minus original issue premium/discount of $_____ less Underwriter's discount of $_____).

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

Secondary Market. No assurance can be given concerning the future existence of a secondary market for the Bonds or its maintenance by the Underwriter or others, and prospective purchasers of the Bonds should therefore be prepared to hold their Bonds to maturity.

Information Provided by the Underwriter. The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the School District for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

Independent Auditors

The general-purpose financial statements of the School District as of June 30, 2025, and for the year then ended, attached hereto as part of Appendix A, have been audited by Mauldin & Jenkins, LLC, Atlanta, Georgia, to the extent and for the period indicated in its report thereon, which appears in Appendix A.

The School District has not requested a consent letter from Mauldin & Jenkins, LLC in connection with the inclusion of its audit report in this Official Statement. The School District's auditor, Mauldin & Jenkins, LLC, has not been engaged to perform, and has not performed, since the date of its report included herein any procedures on the financial statements addressed in that report. Mauldin & Jenkins, LLC also has not performed any procedures relating to this Official Statement.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws 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.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the

estimates or matters of opinion will be realized. Neither this Official Statement nor any statement made by any person which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

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CERTIFICATION

The School District has authorized the use and distribution of this Official Statement by the Underwriter in connection with the offering of the Bonds.

STEPHENS COUNTY SCHOOL DISTRICT

By: ***PRELIMINARY OFFICIAL STATEMENT***

Chair, Stephens County Board of Education

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APPENDIX A

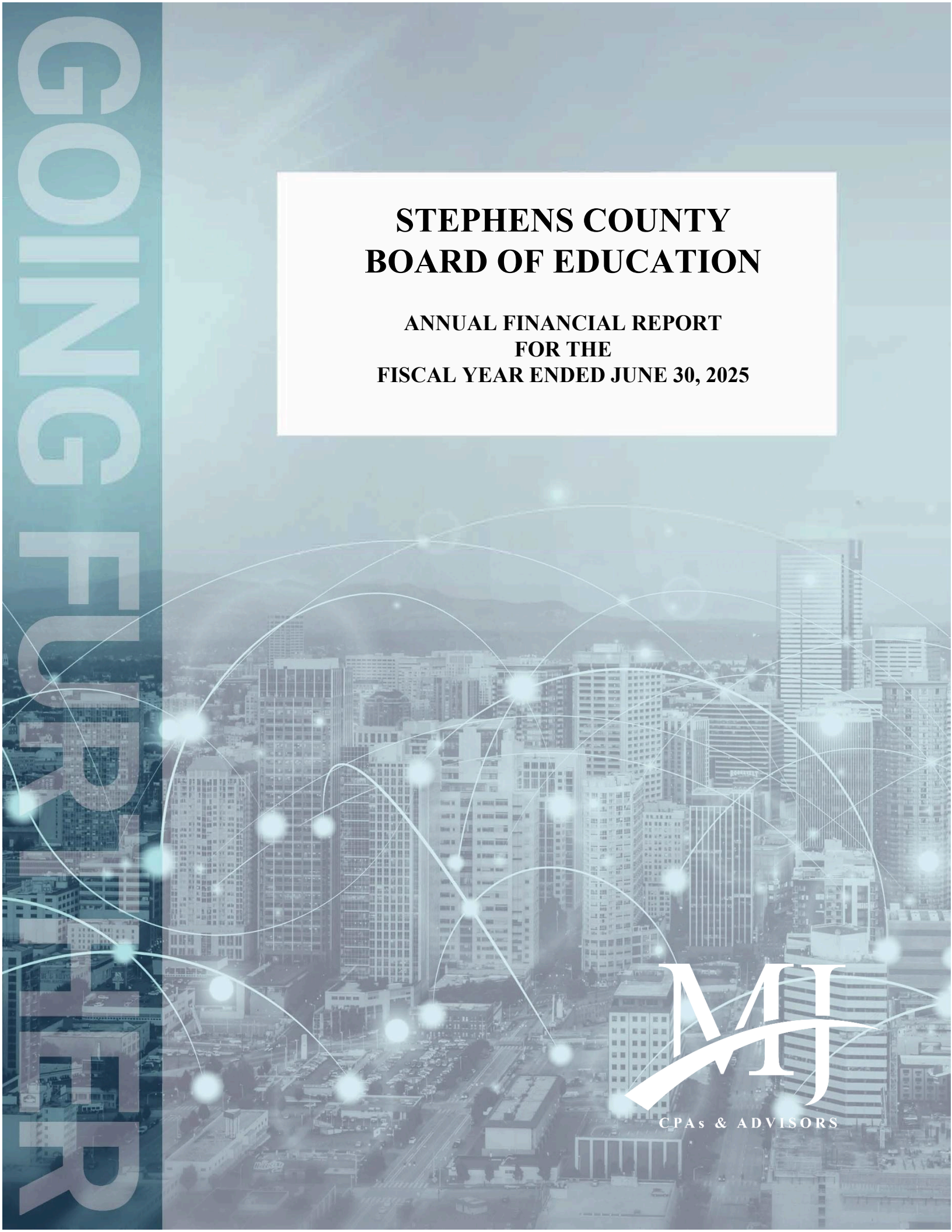
FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2025

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GOING FURTHER

STEPHENS COUNTY
BOARD OF EDUCATION

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



CPAs & ADVISORS

STEPHENS COUNTY
BOARD OF EDUCATION

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

STEPHENS COUNTY BOARD OF EDUCATION

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

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I. FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Stephens County Board of Education** (the "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 and each major fund of the Stephens County Board of Education, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (GAAP Basis), Schedule of Proportionate Share of Net Pension Liability – Teachers Retirement System of Georgia, Schedule of Contributions – Teachers Retirement System of Georgia, Schedule of Proportionate Share of Net Pension Liability – Public School Employees Retirement System of Georgia, Schedule of Proportionate Share of Net OPEB Liability – School OPEB Fund, and Schedule of Contributions – School OPEB Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 Schedule of Expenditures of Education Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (collectively "the supplementary information") as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 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 School District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 20, 2026

BASIC FINANCIAL STATEMENTS

STEPHENS COUNTY BOARD OF EDUCATION

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 35,593,765
Investments	588,409
Receivables:	
Taxes	207,123
Intergovernmental:	
State	4,574,425
Federal	1,136,025
Inventory	83,220
Capital assets (nondepreciable)	3,428,369
Capital assets (depreciable, net of accumulated depreciation)	99,631,308
Total assets	145,242,644
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	12,674,946
OPEB related items	5,862,626
Total deferred outflows of resources	18,537,572
LIABILITIES	
Accounts payable	1,950,117
Salaries and benefits payable	6,161,900
Accrued interest payable	41,958
Bonds payable, due within one year	3,300,000
Bonds payable, due in more than one year	7,036,314
Net pension liability	39,513,115
Net OPEB liability	26,255,796
Total liabilities	84,259,200
DEFERRED INFLOWS OF RESOURCES	
Pension related items	6,367,206
OPEB related items	8,927,217
Total deferred inflows of resources	15,294,423
NET POSITION	
Net investment in capital assets	92,915,001
Restricted for:	
Federal programs	2,905,604
Capital projects	11,167,887
Unrestricted (deficit)	(42,761,899)
Total net position	$ 64,226,593

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

STEPHENS COUNTY BOARD OF EDUCATION

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 36,246,805	$ 244,580	$ 27,673,771	$ -	$ (8,328,454)
Support services:					
Pupil services	3,940,272	-	1,330,314	-	(2,609,958)
Improvement of instructional services	1,796,441	-	693,932	-	(1,102,509)
Educational media services	729,380	-	615,556	-	(113,824)
General administration	1,660,276	-	260,448	-	(1,399,828)
School administration	3,084,634	-	1,649,681	-	(1,434,953)
Business administration	406,086	-	67,981	-	(338,105)
Maintenance and operation of facilities	5,963,715	-	1,569,438	-	(4,394,277)
Student transportation services	3,093,073	-	1,136,526	176,220	(1,780,327)
Central support services	77,479	-	1,459	-	(76,020)
Other support services	901,252	-	454,451	-	(446,801)
Facilities acquisition and construction	1,437,326	-	-	-	(1,437,326)
Operations of noninstructional services:					
Food services operation	3,773,403	129,181	3,677,364	-	33,142
Enterprise operations	739,282	-	107,728	-	(631,554)
Interest and fiscal charges on long-term debt	368,599	-	-	-	(368,599)
Total governmental activities	$ 64,218,023	$ 373,761	$ 39,238,649	$ 176,220	(24,429,393)
General revenues:					
Taxes:					
Property taxes, levied for maintenance and operations					11,581,797
Sales taxes					6,210,456
Other taxes					1,670,980
Grants and contributions not restricted to specific programs					2,266,730
Unrestricted investment earnings					1,395,170
Other miscellaneous general revenues					614,731
Total general revenues					23,739,864
Change in net position					(689,529)
Net position, beginning of year					64,916,122
Net position, end of year					$ 64,226,593

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

STEPHENS COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	Debt Service	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 24,776,454	$ 187,292	$ 10,630,019	$ 35,593,765
Investments	588,409	-	-	588,409
Receivables:				
Taxes	207,123	-	-	207,123
Intergovernmental:				
State	4,032,211	-	542,214	4,574,425
Federal	1,136,025	-	-	1,136,025
Inventory	83,220	-	-	83,220
Total assets	$ 30,823,442	$ 187,292	$ 11,172,233	$ 42,182,967
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,950,117	$ -	$ -	$ 1,950,117
Salaries and benefits payable	6,161,900	-	-	6,161,900
Total liabilities	8,112,017	-	-	8,112,017
FUND BALANCES				
Nonspendable:				
Inventory	83,220	-	-	83,220
Restricted for:				
Federal programs	2,822,384	-	-	2,822,384
Capital projects	-	187,292	11,172,233	11,359,525
Committed for:				
School activities	798,496	-	-	798,496
Assigned for:				
FY2026 operations	7,166,087	-	-	7,166,087
Unassigned	11,841,238	-	-	11,841,238
Total fund balances	22,711,425	187,292	11,172,233	34,070,950
Total liabilities and fund balances	$ 30,823,442	$ 187,292	$ 11,172,233	$ 42,182,967

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

STEPHENS COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances - governmental funds			$ 34,070,950
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources, and, therefore, are not reported in the governmental funds.			
Cost	$	145,299,528	
Less accumulated depreciation and amortization		(42,239,851)	103,059,677
The net pension liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.			
Net pension liability	$	(39,513,115)	
Pension related deferred outflows of resources		12,674,946	
Pension related deferred inflows of resources		(6,367,206)	(33,205,375)
The net OPEB liability is not a financial liability in governmental fund activities and, therefore, not reported in governmental funds.			
Net OPEB liability	$	(26,255,796)	
OPEB related deferred outflows of resources		5,862,626	
OPEB related deferred inflows of resources		(8,927,217)	(29,320,387)
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Bonds payable	$	(10,070,000)	
Bond premium, net of amortization		(266,314)	
Accrued interest		(41,958)	(10,378,272)
Net position of governmental activities			$ 64,226,593

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

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

	General	Capital Projects	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	$ 11,581,797	$ -	$ -	$ 11,581,797
Sales taxes	283,434	-	5,927,022	6,210,456
Other taxes	1,670,980	-	-	1,670,980
State funds	33,382,632	-	-	33,382,632
Federal funds	6,487,666	-	-	6,487,666
Investment income	1,287,851	107,319	551,715	1,946,885
Charges for services	1,559,188	-	-	1,559,188
Miscellaneous	614,731	-	-	614,731
Total revenues	56,868,279	107,319	6,478,737	63,454,335
EXPENDITURES				
Current:				
Instruction	35,382,589	307,370	-	35,689,959
Support services:				
Pupil services	3,958,461	-	-	3,958,461
Improvement of instructional services	1,814,040	-	-	1,814,040
Educational media services	734,360	-	-	734,360
General administration	1,648,835	-	-	1,648,835
School administration	3,110,843	-	-	3,110,843
Business administration	393,757	13,000	-	406,757
Maintenance and operation of facilities	4,569,831	877,693	-	5,447,524
Student transportation services	2,919,084	117,800	-	3,036,884
Central support services	9,999	67,959	-	77,958
Other support services	898,780	-	-	898,780
Food services operation	3,752,458	-	-	3,752,458
Enterprise operations	739,835	-	-	739,835
Facilities acquisition and construction	89,602	8,133,728	-	8,223,330
Debt service:				
Principal retirement	-	-	3,240,000	3,240,000
Interest and fees	-	-	586,580	586,580
Total expenditures	60,022,474	9,517,550	3,826,580	73,366,604
Excess (deficiency) of revenues over expenditures	(3,154,195)	(9,410,231)	2,652,157	(9,912,269)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,371,501	6,588,849	-	8,960,350
Transfers out	-	-	(8,960,350)	(8,960,350)
Proceeds from sale of capital assets	150	-	-	150
Total other financing sources (uses)	2,371,651	6,588,849	(8,960,350)	150
Net change in fund balances	(782,544)	(2,821,382)	(6,308,193)	(9,912,119)
FUND BALANCES, beginning of year	23,493,969	3,008,674	17,480,426	43,983,069
FUND BALANCES, end of year	$ 22,711,425	$ 187,292	$ 11,172,233	$ 34,070,950

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

STEPHENS COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ (9,912,119)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:			
Capital outlay	$ 7,964,746		
expense	(2,501,473)		5,463,273
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.			
Property taxes			(57,293)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Amortization of bond premium	$ 204,481		
Principal payments on bonds	3,240,000		3,444,481
In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.			(952,429)
In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.			1,311,058
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in accrued interest			13,500
Change in net position of governmental activities			$ (689,529)

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

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Stephens County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a school board elected by the voters and a Superintendent appointed by the Board. The 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.

The Stephens County School Building Authority (the "Authority") was created by House Bill 837 during the 2005 session of the Georgia General Assembly. The purpose of the Authority is to provide, acquire, construct, equip, maintain, and operate public service facilities, to acquire the necessary property therefore, both real and personal, and to lease or sell any or all of such facilities, including real and personal property for the benefit of the Stephens County School District. The Authority consists of five members appointed by the governing authority of the Stephens County School District.

The Authority is a component unit of the School District and, as such, the Authority's financial activity has been blended with the School District's basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Fund Financial Statements:

The fund financial statements provide information about the School District's funds. Eliminations have been made to minimize the double counting of internal activities. 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:

- General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those resources required to be accounted for in another fund.
- Capital Projects Fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) receipts 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.
- Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned including Education Special Purpose Local Option Sales Tax (ESPLOST) legally restricted for capital projects and the payment of general long-term principal and interest.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The School District-wide governmental activities 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting/Measurement Focus (Continued)

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

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

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

The State of Georgia reimburses the School District for teachers' salaries and operating costs through the Quality Basic Education (QBE) Formula Earnings program. State of Georgia law defines the formula-driven grant that determines the cost of an academic school year and the State of Georgia's share in this cost. Generally, teachers are contracted for the school year (July 1 – June 30) and paid over a twelve-month contract period, generally September 1 through August 31. In accordance with the requirements of the enabling legislation of the QBE program, the State of Georgia reimburses the School District over the same twelve-month period in which teachers are paid, funding the academic school year expenditures. At June 30, the amount of teachers' salaries incurred but not paid until July and August of the subsequent year are accrued as the State of Georgia has only postponed the final payment of their share of the cost until the subsequent appropriations for cash management purposes. By June 30 of each year, the State of Georgia has a signed appropriation that includes this final amount, which represents the State of Georgia's intent to fund this final payment.

Based on guidance in Government Accounting Standards Board (GASB) Statement No. 33, paragraph 74, the State of Georgia recognizes its QBE liability for the July and August salaries at June 30, and the School District recognizes the same QBE as a receivable and revenue, consistent with symmetrical recognition.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, Georgia Fund 1 and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Georgia law OCGA 45-8-14 authorizes the School District to deposit its funds in one or more solvent banks and insured federal savings and loan associations.

Investments

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

(1) Obligations issued by the State of Georgia or by other states,
(2) Obligations issued by the United States Government,
(3) Obligations fully insured or guaranteed by the United States Government or a United States Government agency,
(4) Obligations of any corporation of the United States Government,
(5) Prime banker's acceptances,
(6) The Local Government Investment Pool administered by the State Treasurer of the State of Georgia,
(7) Repurchase agreements, and
(8) Obligations of other political subdivisions of the State of Georgia.

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

Receivables

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Stephens County Tax Commissioner levied the property tax for the 2024 tax digest year (calendar year) on September 11, 2024 (levy date). Taxes were due on January 2, 2025 (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 Stephens 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 $11,581,797.

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

School Maintenance and Operations	14.76 mills

Sales Taxes

Education Special Purpose Local Option Sales Tax, at the fund reporting level, during the year amounted to $5,927,022 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 reauthorized at least every five years.

Inventories

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

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items, in both the government-wide and governmental fund financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

	Capitalization Policy	Estimated Useful Life
Land	All	N/A
Buildings and improvements	10,000	10 to 80 years
Equipment	10,000	5 to 30 years
Subscription assets	10,000	6 years

Compensated Absences

Personal leave must be used in the fiscal year in which it is earned. Accordingly, there is no liability for personal leave at year end.

Sick leave is earned at a rate of 1.25 days of leave per month, and employees can carry over a maximum of 90 days of unused sick leave to the subsequent fiscal year. Sick leave does not vest with the employee, and unused accumulated sick leave is forfeited upon retirement or termination of employment. Employees participating in the Teachers Retirement System of Georgia's (TRS) pension plan can use accumulated sick leave for service credit. Employees participating in the Public School Employees Retirement System (PSERS) are eligible for a tiered payout ranging from $500 to $3,750 for accumulated sick leave after ten (10) years of service, when those employees separate or retire from the School District. At June 30, 2025, the School District does not have a liability associated with this arrangement.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has five (5) items that qualify for reporting in this category which occur only in governmental activities. The first item, which arises only under a modified accrual basis of accounting, is for the unavailable revenues from federal grants. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from federal grants, as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other four items that qualify for reporting in this category occur only in the governmental activities. Governmental activities report: (1) a deferred inflow of resources for experience gains or losses from periodic studies by the actuary for the pension and OPEB plan, which will be amortized over the remaining service period; (2) a deferred inflow of resources for the change in the School District's proportionate share based on actual contributions towards the pension and OPEB plans, which will be amortized over the remaining service period; and (3) a deferred inflow of resources for the changes in actuarial assumptions in relation to the OPEB plan which will be amortized over the remaining service period, and (4) a deferred inflow of resources for the net difference between projected and actual investment earnings on the pension and OPEB assets, which will be amortized over a five-year period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities and Bond Discounts/Premiums

In the fund financial statements, the face amount of debt issued and any related premium, is reported as other financing sources. Issuance costs, whether withheld from actual proceeds, are reported as debt service expenditures.

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

Use of Estimates

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

Pensions

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

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

Other Postemployment Benefits (OPEB)

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position

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

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

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

- Committed
- Assigned
- Unassigned

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position (Continued)

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

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

Subscription-Based Information Technology Arrangements (SBITA)

The School District has a noncancellable SBITA of classroom software. The School District recognizes a SBITA liablility and an intangible right-to-use SBITA asset on the Statement of Net Position. The School District recognizes SBITAs with an initial, individual value of $10,000 or more.

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

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

- The School District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the School District uses the prime rate at the SBITA inception date as the discount rate.
- The School District term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

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

The School District reports SBITA assets with capital assets and SBITA liabilities are reported separately on the Statement of Net Position.

NOTE 3: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The School District adopts an annual budget for the General Fund, Debt Service Fund, and Capital Project Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167 and in accordance with U.S. generally accepted accounting principles. After the Board of Education has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation, as well as the School District's website. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

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

General Fund:		
Instruction	$	259,582
Support services:		
Improvement of instructional services		153,357
Educational media services		14,836
School administration		40,832
Maintenance and operation of plant		620,451
Food services operations		81,285
Enterprise operations		665,020

The over-expended functions were funded with excess budget in under expended functions or greater than anticipated revenues.

NOTE 4: DEPOSITS AND INVESTMENTS

Categorization of Investments
The investment in the local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard & Poor's criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share.

The pool also adjusts the value of its investments to fair market value as of year end and the School District's investment in the Georgia Fund 1 is reported at fair value. The School District considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Investment	Maturity	Fair Value
Georgia Fund 1	WAM - 51 days	$ 26,355,189

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

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

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

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

NOTE 5: NONMONETARY TRANSACTIONS

The School District receives food commodities from the United States Department of Agriculture (USDA) for school breakfast and lunch programs. For the year ended June 30, 2025, the commodities usage is recorded at its federally assigned value of $287,115.

NOTE 6: CAPITAL ASSETS

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

	Balances June 30, 2024	Increases	Decreases/ Transfers	Balances June 30, 2025
Governmental activities:				
Capital assets, not being depreciated and amortized:				
Land	$ 3,428,369	$ -	$ -	$ 3,428,369
Construction in progress	6,119,652	-	(6,119,652)	-
Total	9,548,021	-	(6,119,652)	3,428,369
Capital assets, being depreciated and amortized:				
Building improvements	113,076,905	2,137,384	6,119,652	121,333,941
Equipment	9,923,012	1,629,737	-	11,552,749
Land improvements	4,786,844	3,868,621	-	8,655,465
Subscription assets	-	329,004	-	329,004
Total	127,786,761	7,964,746	6,119,652	141,871,159
Less accumulated depreciation and amortization for:				
Building improvements	(30,124,157)	(769,692)	-	(30,893,849)
Equipment	(5,483,844)	(1,285,132)	-	(6,768,976)
Land improvements	(4,130,377)	(419,232)	-	(4,549,609)
Subscription assets	-	(27,417)	-	(27,417)
Total	(39,738,378)	(2,501,473)	-	(42,239,851)
Total capital assets, being depreciated and amortized, net	88,048,383	5,463,273	6,119,652	99,631,308
Governmental activities capital assets, net	$ 97,596,404	$ 5,463,273	$ -	$ 103,059,677

Depreciation expense was charged to functions as follows:

Instruction	$ 1,339,820
Support services:	
General administration	16,067
Maintenance and operation of facilities	784,043
Student transportation services	304,008
Operations of noninstructional services:	
Food services	57,535
	$ 2,501,473

NOTE 7: INTERFUND TRANSFERS

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

Transfers From	Transfers To	Amount
Debt Service Fund	Capital Projects Fund	$ 6,588,849
Debt Service Fund	General Fund	2,371,501
Total		$ 8,960,350

During the fiscal year ended June 30, 2025, the School District transferred a portion of the unspent bond proceeds out of the Debt Service Fund and into the General Fund to take advantage of higher interest rates earned in the Georgia Fund 1 investment account. Transfers from the Debt Service Fund to the Capital Projects Fund represent SPLOST funds available for expenditure on approved capital projects, less amounts retained by the Debt Service Fund for payment on the School District's outstanding bonds.

NOTE 8: RISK MANAGEMENT

The School District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors or omissions; job-related illness or injuries to employees; 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 general workers' compensation insurance coverage. Specific excess of loss insurance coverage is provided through an agreement by the Trust with the Safety National Casualty Company to provide coverage for potential losses sustained by the Trust in excess of $1.0 million loss per occurrence, up to the statutory limit. Employers' liability insurance coverage is also provided with limits of $2.0 million. The Trust covers the first $1.0 million of each employers' liability claim with Safety National providing additional employers' liability limits up to a $2.0 million per occurrence maximum. Safety National Casualty Company also provides $2.0 million in aggregate coverage to the Trust, attaching at 107% of the loss fund and based on the Fund's annual normal premium.

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

Position Covered	Amount
Superintendent	$100,000

NOTE 8: RISK MANAGEMENT (CONTINUED)

The School District is self-insured with regard to unemployment compensation claims. A premium is charged when needed by the General Fund to each user program on the basis of the percentage of the fund's payroll to total payroll in order to cover estimated claims budgeted by management based on known claims and prior experience. The School District accounts for claims within the General Fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District had no claims in the last two fiscal years.

NOTE 9: LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 13,310,000	$ -	$ (3,240,000)	$ 10,070,000	$ 3,300,000
Plus: premium	470,795	-	(204,481)	266,314	-
Total bonds payable	13,780,795	-	(3,444,481)	10,336,314	3,300,000
Net pension liability	46,802,208	8,496,420	(15,785,513)	39,513,115	-
Net OPEB Liability	25,387,381	3,272,341	(2,403,926)	26,255,796	-
Governmental activities long-term liabilities	$ 72,189,589	$ 11,768,761	$ (18,189,439)	$ 65,768,911	$ -

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

General Obligation Debt Outstanding

General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rate	Outstanding Balance at June 30, 2025
General Government - Series 2023 Bonds	5.00%	$ 10,070,000

NOTE 9: LONG-TERM DEBT (CONTINUED)

During fiscal year 2024, the School District issued $13,310,000 of Series 2023 General Obligation Bonds to provide funds to finance the cost of acquiring, constructing, and equipping certain capital outlay projects and the costs of issuing the bonds. These bonds are general obligations of the School District and will constitute a pledge of the full faith and credit of the School District. Principal and interest on the bonds are payable first from the receipts of a special one-percent sales and use tax for educational purposes ("Educational Sales Tax") collected within the territorial limits of the School District. The receipts from this Educational Sales Tax are anticipated to be sufficient to pay all debt service on the bonds; however, to the extent any liability on such debt is not satisfied from the proceeds of the Educational Sales Tax, it shall be paid from a direct annual ad valorem tax which may be levied, without limitation as to rate or amount, upon all taxable property within the territorial limits of the School District subject to taxation for school bond purposes.

At June 30, 2025, payments due by fiscal year end which include principal and interest, for the School District's general obligation bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 3,300,000	$ 421,000	$ 3,721,000
2027	3,350,000	254,750	3,604,750
2028	3,420,000	85,500	3,505,500
Total	$ 10,070,000	$ 761,250	$ 10,831,250

NOTE 10: SIGNIFICANT CONTINGENT LIABILITIES

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

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

NOTE 11: SIGNIFICANT COMMITMENTS

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

Project	Amount
Stephens County Hospital School Health Center	$ 238,898

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

NOTE 12: RETIREMENT PLANS

General Information about the Teachers Retirement System of Georgia (TRS)

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2025. The School District's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of annual school district payroll, excluding payroll attributable to those personnel funded on behalf of the School District by the State. School District contributions to TRS, excluding contributions funded by the State on behalf of the School District, were $5,373,945 for the year ended June 30, 2025.

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

At June 30, 2025, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for support attributable to those personnel funded on behalf of the School District by the State of Georgia. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia 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	$ 39,513,115
State of Georgia's proportionate share of the net pension liability associated with the School District	276,732
Total	$ 39,789,847

The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2024. At June 30 2024, the School District's proportion was 0.157206%, which was a decrease of 0.001315% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of $6,326,374 and expense of $41,741 for support provided to the State of Georgia for certain support personnel. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 5,508,981
Differences between expected and actual experience	4,471,184	118,096
Changes in proportion and differences between School District contributions and proportionate share of contributions	81,081	740,129
Actuarial assumption changes	2,748,736	-
School District contributions subsequent to the measurement date	5,373,945	-
Total	$ 12,674,946	$ 6,367,206

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

Deferred outflows of resources related to School District contributions subsequent to the measurement date of $5,373,945 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2026	$	514,566
2027		4,823,669
2028		(2,563,566)
2029		(1,840,874)
Total	$	933,795

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

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

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

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, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation, and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

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

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

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

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	$ 68,009,980	$ 39,513,115	$ 16,250,950

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

General Information About the Public School Employees Retirement System (PSERS)

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

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

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

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

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

Pension Liabilities and Pension Expense

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

State of Georgia's proportionate share of the Net Pension Liability associated with the School District	$ 406,914

The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the 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 $94,116 and revenue of $94,116 for support provided by the State of Georgia.

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

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

Mortality rates are as follows:

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

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

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

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

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

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

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

NOTE 12: RETIREMENT PLANS (CONTINUED)

General Information About the Public School Employees Retirement System (PSERS) (Continued)

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

Defined Contribution Plan

In September 1998, the School District began an employer-paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The Board selected Lincoln Financial Group as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to the amount contributed by the employee, not to exceed $25.00 per employee, per month.

The employee becomes vested in the plan with five years of experience. Employees who had already achieved five years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer-paid accounts are only available to the employee upon termination of employment and five years of service to the School District. If an employee terminates employment prior to achieving five years of service, they receive 20% of employer contributions for each year of completed service (20% for year one, 40% for year two, 60% for year three, and 80% for year four). The remaining funds paid on behalf of the nonvested employee are credited back to the School District.

Employer contributions for the fiscal year ended June 30, 2025 were $13,000.

NOTE 13: POSTEMPLOYMENT BENEFITS

Georgia School Personnel Employees Postemployment Health Benefit Fund

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

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

Contributions: As established by the Board of Community Health, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions required and made to the School OPEB Fund from the School District were $1,607,882 for the year ended June 30, 2025. Active employees are not required to contribute to the School OPEB Fund. Of this amount, $593,016 was paid on behalf of the School District by the State of Georgia, for a net contribution of $1,014,866. Active employees are not required to contribute to the School OPEB Fund.

NOTE 13: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2025, the School District reported a liability of $26,255,796 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2023. An expected total OPEB liability as of June 30, 2024 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the School District's proportion was 0.230388%, which was a decrease of 0.001388% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of $296,192. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,287,539	$ 4,740,845
Net difference between projected and actual earnings on OPEB plan investments	-	170,919
Changes in proportion and differences between School District contributions and proportionate share of contributions	498,681	1,416,456
Changes in plan assumptions	3,061,540	2,598,997
School District contributions subsequent to the measurement date	1,014,866	-
Total	$ 5,862,626	$ 8,927,217

School District contributions subsequent to the measurement date of $1,014,866 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2026	$ (1,674,287)
2027	(1,824,963)
2028	(698,781)
2029	63,382
2030	52,322
2031	2,870
Total	$ (4,079,457)

NOTE 13: POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	TRS - 3.00-8.75%, including inflation PSERS – N/A
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Single equivalent interest rate	3.98%
Healthcare cost trend rate	
Initial trend rate	6.75%
Ultimate trend rate	4.50%
Year of ultimate trend rate	2032

Mortality rates were based as follows:

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

NOTE 13: POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

- For PSERS members: Preretirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection Scale applied generationally. Postretirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection Scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection Scale applied generationally. Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 158% for females) with the MP-2019 Projection Scale applied generationally.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ended June 30, 2018, with the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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

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

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

NOTE 13: POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The discount rate was 3.98%, a decrease from the prior year's rate of 3.68%. In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 3.98% was used as the discount rate. This is comprised mainly of the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.93% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2123.

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 rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's proportionate share of the net OPEB liability	$ 29,705,016	$ 26,255,796	$ 23,347,016

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 22,686,506	$ 26,255,796	$ 30,642,042

NOTE 14: TAX ABATEMENTS

Stephens County Development Authority 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 Stephens County.

For the fiscal year ended June 30, 2025, Stephens County abated property taxes due to the School District that were levied on the 2024 digest totaling $289,063. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10% of the total amount abated:

Tax Abatement Project	Percentage Abated	Amount of Taxes Abated
Nifco KTW Series 2016	100%	$ 156,548
Nifco KTW Series 2018	100%	71,752
ASI (GemPlastics) Series 2017	60%	60,763
		$ 289,063

These abatements resulted in a loss of revenue to the School District that would not have been sustained had the abatements not been granted.

II. REQUIRED SUPPLEMENTARY INFORMATION

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

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,472,135	$ 13,472,145	$ 13,536,211	$ 64,066
State funds	31,654,753	31,858,051	33,382,632	1,524,581
Federal funds	5,742,945	5,706,631	6,487,666	781,035
Charges for services	153,500	156,300	1,559,188	1,402,888
Investment income	1,232,000	1,124,000	1,287,851	163,851
Miscellaneous	105,339	155,093	614,731	459,638
Total revenues	52,360,672	52,472,220	56,868,279	4,396,059
EXPENDITURES				
Current:				
Instruction	34,466,612	35,123,007	35,382,589	(259,582)
Support services:				
Pupil services	5,477,512	5,253,428	3,958,461	1,294,967
Improvement of instructional services	1,968,319	1,660,683	1,814,040	(153,357)
Educational media services	719,351	719,524	734,360	(14,836)
General administration	1,673,922	1,668,685	1,648,835	19,850
School administration	3,065,579	3,070,011	3,110,843	(40,832)
Business administration	622,740	521,240	393,757	127,483
Maintenance and operation of plant	3,763,563	3,949,380	4,569,831	(620,451)
Student transportation services	3,261,122	3,505,910	2,919,084	586,826
Central support services	13,587	13,587	9,999	3,588
Other support services	860,200	1,072,645	898,780	173,865
Food services operations	3,671,173	3,671,173	3,752,458	(81,285)
Enterprise operations	74,815	74,815	739,835	(665,020)
Facilities acquisition and construction services	-	308,000	89,602	218,398
Total expenditures	59,638,495	60,612,088	60,022,474	589,614
Deficiency of revenues over expenditures	(7,277,823)	(8,139,868)	(3,154,195)	4,985,673
OTHER FINANCING SOURCES				
Transfers in	-	-	2,371,501	2,371,501
Proceeds from sale of capital assets	-	-	150	150
Total other financing sources	-	-	2,371,651	2,371,651
Net change in fund balances	(7,277,823)	(8,139,868)	(782,544)	7,357,324
FUND BALANCES, beginning of year	23,493,969	23,493,969	23,493,969	-
FUND BALANCES, end of year	$ 16,216,146	$ 15,354,101	$ 22,711,425	$ 7,357,324

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

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	0.157206%	0.158521%	0.163070%	0.162355%	0.161138%
School District's proportionate share of the net pension liability	$ 39,513,115	$ 46,802,208	$ 52,951,981	$ 14,359,217	$ 39,033,931
State of Georgia's proportionate share of the net pension liability associated with the School District	276,732	335,101	374,401	104,275	284,389
Total	$ 39,789,847	$ 47,137,309	$ 53,326,382	$ 14,463,492	$ 39,318,320
School District's covered payroll	$ 24,512,182	$ 23,106,081	$ 22,068,980	$ 21,123,379	$ 20,691,074
School District's proportionate share of the net pension liability as a percentage of its covered payroll	161.20%	202.55%	239.94%	67.98%	188.65%
Plan fiduciary net position as a percentage of the total pension liability	80.86%	76.25%	72.85%	92.03%	77.01%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.164379%	0.166768%	0.164187%	0.158758%	0.183530%
School District's proportionate share of the net pension liability	$ 35,345,930	$ 30,955,713	$ 30,514,660	$ 32,753,546	$ 27,940,620
State of Georgia's proportionate share of the net pension liability associated with the School District	261,258	237,967	324,128	6,808	59,374
Total	$ 35,607,188	$ 31,193,680	$ 30,838,788	$ 32,760,354	$ 27,999,994
School District's covered payroll	$ 20,066,598	$ 19,868,251	$ 18,870,995	$ 17,482,782	$ 19,473,742
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.14%	155.80%	161.70%	187.35%	143.48%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%	79.33%	76.06%	81.44%

STEPHENS COUNTY BOARD OF EDUCATION

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 5,373,945	$ 4,897,534	$ 4,616,595	$ 4,371,865	$ 4,026,116
Contributions in relation to the contractually required contributions	5,373,945	4,897,534	4,616,595	4,371,865	4,026,116
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 25,861,141	$ 24,512,182	$ 23,106,081	$ 22,068,980	$ 21,123,379
Contributions as a percentage of covered payroll	20.78%	19.98%	19.98%	19.81%	19.06%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 4,374,093	$ 4,193,919	$ 3,339,853	$ 2,692,891	$ 2,494,793
Contributions in relation to the contractually required contributions	4,374,093	4,193,919	3,339,853	2,692,891	2,494,793
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 20,691,074	$ 20,066,598	$ 19,868,251	$ 18,870,995	$ 17,482,782
Contributions as a percentage of covered payroll	21.14%	20.90%	16.81%	14.27%	14.27%

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

	2025	2024	2023	2022	2021
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	406,914	596,331	708,505	74,500	528,371
Total	$ 406,914	$ 596,331	$ 708,505	$ 74,500	$ 528,371
School District's covered-employee payroll	$ 2,396,418	$ 2,346,146	$ 1,933,826	$ 1,064,004	$ 1,258,099
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.02%	85.67%	81.21%	84.45%	84.45%

	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
School District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the School District	544,007	506,366	469,694	627,200	471,603
Total	$ 544,007	$ 506,366	$ 469,694	$ 627,200	$ 471,603
School District's covered-employee payroll	$ 1,266,675	$ 1,316,741	$ 1,359,360	$ 1,270,550	$ 1,614,029
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	85.02%	85.26%	85.69%	81.00%	87.00%

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

	2025	2024	2023	2022	2021
School District's proportion of the net OPEB liability	0.230388%	0.231776%	0.238215%	0.231765%	0.238015%
School District's proportionate share of the net OPEB liability	$ 26,255,796	$ 25,387,381	$ 23,590,865	$ 25,102,067	$ 34,958,860
Total	$ 26,255,796	$ 25,387,381	$ 23,590,865	$ 25,102,067	$ 34,958,860
School District's covered-employee payroll	$ 24,060,131	$ 22,752,964	$ 21,678,326	$ 20,696,117	$ 20,076,561
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	109.13%	111.58%	108.82%	121.29%	174.13%
Plan fiduciary net position as a percentage of the total OPEB liability	6.88%	6.05%	6.17%	6.14%	3.99%

	2020	2019	2018
School District's proportion of the net OPEB liability	0.248494%	0.247643%	0.244031%
School District's proportionate share of the net OPEB liability	$ 30,495,545	$ 31,474,665	$ 34,286,257
Total	$ 30,495,545	$ 31,474,665	$ 34,286,257
School District's covered-employee payroll	$ 19,622,871	$ 19,180,943	$ 18,362,028
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	155.41%	164.09%	186.72%
Plan fiduciary net position as a percentage of the total OPEB liability	4.63%	2.93%	1.61%

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

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 1,607,882	$ 942,238	$ 891,047	$ 861,327	$ 862,128
Contributions in relation to the contractually required contributions	1,607,882	942,238	891,047	861,327	862,128
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 41,057,410	$ 24,060,131	$ 22,752,964	$ 21,678,326	$ 20,696,117
Contributions as a percentage of covered-employee payroll	3.916%	3.916%	3.916%	3.973%	4.166%

	2020	2019	2018	2017
Contractually required contributions	$ 804,912	$ 1,338,316	$ 1,283,508	$ 1,272,395
Contributions in relation to the contractually required contributions	804,912	1,338,316	1,283,508	1,272,395
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School District's covered-employee payroll	$ 20,076,561	$ 19,622,871	$ 19,180,943	$ 18,362,028
Contributions as a percentage of covered-employee payroll	4.009%	6.820%	6.692%	6.929%

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

Teachers Retirement System of Georgia:

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%.

Public School Employees Retirement System of Georgia:

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

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

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

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

School OPEB Fund:

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

Changes of 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 Systems experience study. Approximately 0.10% of employees are members of the Employees' Retirement System.

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

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

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

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

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

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

III. OTHER SUPPLEMENTARY INFORMATION

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

Project	Original Estimated Cost (1)	Current Estimated Cost (2)	Expended In Current Year (3)	Expended In Prior Years (3)	Total Completion Cost	Project Status
ESPLOST Issue 2018:						
CTAE (Agriculture and Technical Education) program facility renovations and upgrades; HVAC renovations and upgrades; flooring, roofing, lighting, and paving renovations and upgrades; purchasing technology equipment and infrastructure; athletic and band equipment, fields, and stadium renovations and upgrades; and purchasing buses, maintenance equipment, and safety and security equipment (includes ballistic glass).	$ 9,000,000	$ 20,297,347	$ 641,623	$ 19,595,106	$ 20,236,729	Ongoing
Paying previously incurred general obligation and/or revenue bond debt comprised of all or a portion of the principal of and interest on the Stephens County Building Authority Revenue Bonds (Facilities Improvement Project), Series 2016 coming due in the years 2019-2023; and/or paying expenses incident to accomplishing the foregoing.	4,500,000	1,732,166	-	1,732,166	1,732,166	Completed
Total ESPLOST Issue 2018	13,500,000	22,029,513	641,623	21,327,272	21,968,895	
ESPLOST Issue 2022:						
Issued for the purpose of: (i) adding to, renovating, repairing, improving, and equipping existing school buildings, school campuses and school system facilities, including athletics, fine arts, and CTAE; (ii) acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment, security equipment, band equipment, textbooks, electronic instructional media and other instructional materials; (iii) acquiring school buses and transportation and maintenance equipment; (iv) acquiring, constructing and equipping a new agricultural education facility; (v) acquiring real estate and conducting site preparation of real estate; and (vi) acquiring, construction, and equipping new school system facilities; and paying any general obligation debt of the school system issued in conjunction with the continuation of the tax.	26,000,000	28,132,692	12,703,507	12,702,508	25,406,015	Ongoing
Total	$ 39,500,000	$ 50,162,205	$ 13,345,130	$ 34,029,780	$ 47,374,910	

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

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

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

IV. SINGLE AUDIT SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Stephens County Board of Education (the "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 March 20, 2026.

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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 20, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Superintendent and Members of
the Stephens County Board of Education
Toccoa, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 20, 2026

STEPHENS COUNTY BOARD OF EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. Department of Agriculture:			
Passed Through Georgia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program - Cash Assistance	10.553	235GA324N1199	$ 938,484
After-School Snack Program	10.555	235GA324N1199	2,511
National School Lunch Program:			
Cash Assistance	10.555	235GA324N1199	2,329,106
Non-Cash Assistance - Commodities (1)	10.555	235GA324N1199	287,115
USDA Storage	10.555	235GA100H1703	3,489
Total Child Nutrition Cluster			3,560,705
Total U.S. Department of Agriculture			3,560,705
U.S. Department of Treasury:			
Passed Through Georgia Department of Education:			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	90,422
Total U.S. Department of Treasury			90,422
U.S. Department of Education:			
Passed Through Georgia Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	S010A230010	1,260,086
Special Education Cluster:			
Special Education - High Cost Fund Pool	84.027	H027X230073	42,456
Special Education - Flowthrough (IDEA, Part B)	84.027	H027A230073	828,412
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A230081	27,607
Special Education - Capacity Building	84.027	H027A230073	45,693
Special Education - Parent Mentor	84.027	H027A230073	18,400
Total Special Education Cluster			962,568
Vocational Education - Basis Grants to States			
Program Improvement	84.048	V048A220010	47,977
Perkins V Plus	84.048	V048A220010	14,916
Perkins V Carryover	84.048	V048A220010	868
			63,761
Rural Education Achievement Program	84.358	S358B230010	15,477
Title II - Improving Teacher Quality	84.367	S367A230001-23B	185,396
Title III - Language Instruction for English Learners	84.365	S365A230010	12,061
Title IV Part A - Student Support and Academic Enrichment	84.424A	S424A230011	96,892
Title IV Part A - Stronger Connections Grant	84.424H	S424H220011	98,229
			195,121
Elementary and Secondary School Emergency Relief Fund (ESSER) Program:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210012	42,665
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	S425W220011	14,431
Total Elementary and Secondary School Emergency Relief Fund (ESSER) Program:			57,096
Total U.S. Department of Education			2,751,566
U.S. Department of Defense:			
Direct			
R.O.T.C Program	12.112	N/A	261,767
Total U.S. Department of Defense			261,767
Total Expenditures of Federal Awards			$ 6,664,460

(1) The amounts shown for the Food Distribution Program represents the federally assigned value of nonmonetary assistance for donated commodities received and/or consumed by the School District during the current fiscal year.

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

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

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

STEPHENS COUNTY BOARD OF EDUCATION

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

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of Major Program

Name of Federal Program or Cluster	Assistance Listing Number
Child Nutrition Cluster	10.553 and 10.555

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

STEPHENS COUNTY BOARD OF EDUCATION

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

STEPHENS COUNTY BOARD OF EDUCATION

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

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

STEPHENS COUNTY BOARD OF EDUCATION

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

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

None reported.

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APPENDIX B

BOOK-ENTRY ONLY SYSTEM OF REGISTRATION

The Depository Trust Company ("**DTC**"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest, and redemption proceeds on the Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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 agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the tender agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the tender agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The School 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.

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 takes no responsibility for the accuracy thereof.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[FORM OF BOND COUNSEL OPINION]

[_____], 2026

Stephens County School District
Toccoa, Georgia

Re: $25,295,000* Stephens County School District (Georgia) General Obligation Bonds, Series 2026

To the Addressee:

We have acted as Bond Counsel to our client, the Stephens County School District (the "**School District**"), in connection with the issuance by the School District of $25,295,000* in aggregate principal amount of General Obligation Bonds, Series 2026, dated [_____], 2026 (the "**Bonds**"). In such capacity, we have examined the Bond Resolution adopted by the governing body of the School District on [_____], 2026, the judgment and decree of validation entered by the Superior Court of Stephens County, Georgia on August 6, 2026, applicable law, and such other certified proceedings, certifications, and documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the School District and certifications of others furnished to us without undertaking to verify them by independent investigation. As to certain matters of law material to the opinions below, we also have relied upon certifications of public officials.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the School District and are valid and binding general obligations of the School District.

2. All taxable property in the territory of the School District subject to taxation for school bond purposes is subject to *ad valorem* taxation without limitation as to rate or amount to pay the Bonds. The School District is required by law to provide for the levy of an annual ad valorem tax sufficient to pay the principal and interest on the Bonds as the same become due, to the extent that necessary funds are not provided from other sources.

3. 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 an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account 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 under Section 103 of the Code. The School District has covenanted to comply with

* AN ASTERISK INDICATES PRELIMINARY INFORMATION THAT IS SUBJECT TO CHANGE.

all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from present State of Georgia personal income taxes.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein or upon any federal or state law with respect to the sale or distribution of the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

In rendering this opinion letter, we have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Georgia and with respect to the excludability of the interest on the Bonds from federal and State of Georgia income taxation.

We represent only the School District in connection with the issuance and delivery of the Bonds. This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings, and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. This opinion is given as of the date hereof, and we expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (this "**Disclosure Certificate**") is dated and effective as of [_____], 2026 (the "**Effective Date**"), and is executed and delivered by the Stephens County School District (the "**School District**") in connection with the issuance of $25,295,000* in aggregate principal amount of its General Obligation Bonds, Series 2026 (the "**Bonds**"). The School District hereby covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**SEC**").

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

"Annual Report" means the annual report required to be provided pursuant to Section 3 of this Disclosure Certificate.

"Beneficial Owner or 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 of the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any of the Bonds for federal income tax purposes.

"Bond Resolution" means the resolution of the Stephens County Board of Education adopted on [_____], 2026, pursuant to which the Bonds were issued, and any amendments or supplements thereto.

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

"EMMA" means the Electronic Municipal Market Access system maintained by the MSRB, or any successor system designated by the MSRB.

"Fiscal Year" means the period beginning on July 1 and ending on June 30, or such other 12-month period as may be adopted by the School District in accordance with law.

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

"MSRB" means the Municipal Securities Rulemaking Board, or any successor entity performing substantially the same functions.

"Official Statement" means the final Official Statement prepared in connection with the Bonds.

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* AN ASTERISK INDICATES PRELIMINARY INFORMATION THAT IS SUBJECT TO CHANGE.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as the same may be amended or supplemented from time to time.

SECTION 3. Provision of Annual Reports.

(a) Not later than 12 months after the end of each Fiscal Year, commencing with the School District's Fiscal Year ended June 30, 2026, the School District shall provide, or cause the Dissemination Agent (if other than the School District) to provide, an Annual Report to EMMA in the format prescribed by the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate. Within one year after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2026, or if unavailable by that date, promptly after they become available, the School District shall provide to EMMA the audited financial statements of the School District for the respective Fiscal Year. The audited financial statements of the School District may be submitted separately from the balance of the Annual Report when they become available. If the audited financial statements are not included with the Annual Report and will be submitted at a later date, the School District shall include unaudited financial statements in the Annual Report and shall state that the audited financial statements will be filed with EMMA promptly after they become available.

(b) Not later than 15 business days before the date specified in Section 3(a) for filing 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 by Section 3(a), the Dissemination Agent shall send a notice to EMMA in substantially the form attached as Exhibit A. However, if the sole reason the School District is unable to provide an Annual Report on time is the unavailability of audited financial statements, and the School District has otherwise complied with Section 3(a), a separate notice in substantially the form attached as Exhibit A is not required.

(c) The Dissemination Agent shall also:

1. file all reports and notices required by this Disclosure Certificate with EMMA in accordance with the applicable requirements of the MSRB; and

2. if the Dissemination Agent is other than the School District, notify the School District promptly after filing the Annual Report with EMMA, stating the date of the filing.

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

(a) The School District's general purpose financial statements for the preceding Fiscal Year, (1) which must be prepared in accordance with generally accepted accounting principles ("**GAAP**") as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and (2) which must be accompanied by an audit report, if available at the time an Annual Report is filed, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in

conformity with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and

(b) If GAAP has changed since the last Annual Report was prepared pursuant to Section 3 hereof and if such changes are material to the School District, a narrative explanation describing the impact of such changes on the School District; and

(c) Updated information identified in Exhibit B attached hereto.

Any and all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the School District, or where the School District is an "obligated person," which have been filed in accordance with the Rule. 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 Listed Events.

(a) The School District shall file or cause to be filed with the MSRB, not later than ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, *if material*;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of bondholders, *if material*;

(8) Bond calls, *if material*, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Bonds, *if material;*

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;[1]

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation[2] 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

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the obligated person, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a Listed Event shall be determined by the School District and shall be in substantially the form attached hereto as Exhibit C.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The School District's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the School District shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

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[1] For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

[2] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B).

SECTION 8. Dissemination Agent.

(a) The School District may, from time to time, appoint or engage a Dissemination Agent to assist the School District in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the School District elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the School District and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the School District described in this Disclosure Certificate, the Dissemination Agent shall:

(1) send written notice to the School District at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(2) notify the School District that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The School District will provide notice of such amendment or waiver to the MSRB.

SECTION 10. 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 11. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the School District has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any School District Annual Report, School District Audited Financial Statements, Listed Events or any other information, disclosures or notices provided to it by the School District and shall not be deemed to be acting in any fiduciary capacity for the School District, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the School District's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the School District has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the School District at all times.

The School District agrees to indemnify and save the dissemination agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the dissemination agent's gross negligence or willful misconduct.

The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the School District.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 14. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed promptly for all such reasonable expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

SECTION 15. 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.

SECTION 16. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 17. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

[*Signature Page Follows*]

Dated: [_____], 2026.

(SEAL)

STEPHENS COUNTY BOARD OF EDUCATION, acting for and on behalf of the Stephens County School District

By: _____
Tripp Arrowood, Chair

Attest:

_____
Dr. Connie Franklin, Superintendent and
Ex-Officio Secretary

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of School District: Stephens County School District

Name of Bond Issue: $25,295,000* Stephens County School District (Georgia) General Obligation Bonds, Series 2026

Date of Issuance: [_____], 2026

CUSIP Number(s)[1]: [Insert]_____

NOTICE IS HEREBY GIVEN that the Stephens County School District has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate, dated [_____], 2026. The School District anticipates that the Annual Report will be filed by _____, 20___.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____, 20___.

STEPHENS COUNTY SCHOOL DISTRICT

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

EXHIBIT B

OFFICIAL STATEMENT TABLES TO BE UPDATED

The information included in the School District's Official Statement dated [_____], 2026 related to the Bonds titled as follows:

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Historical Collections

THE SCHOOL DISTRICT – Schools and Enrollment

THE SCHOOL DISTRICT – Enrollment

THE SCHOOL DISTRICT – Employees, Employee Relations, and Labor Organizations

SCHOOL DISTRICT DEBT STRUCTURE – Limitations on School District Debt – Computation of Legal Debt Margin

SCHOOL DISTRICT AD VALOREM TAXATION – Historical Property Tax Data

SCHOOL DISTRICT AD VALOREM TAXATION – Property Tax Levies and Collections

SCHOOL DISTRICT AD VALOREM TAXATION – Millage Rates

SCHOOL DISTRICT AD VALOREM TAXATION – Ten Largest Taxpayers

SCHOOL DISTRICT FINANCIAL INFORMATION – General Fund History

SCHOOL DISTRICT FINANCIAL INFORMATION – Budget

EXHIBIT C

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to

$25,295,000*
STEPHENS COUNTY SCHOOL DISTRICT (GEORGIA)
GENERAL OBLIGATION BONDS, SERIES 2026
CUSIP NUMBER(S)[1]: [Insert]

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

Dated: _____, 20___

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


STEPHENS COUNTY SCHOOLS