FURLOW CHARTER SCHOOL
AMERICUS, GEORGIA



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

FURLOW CHARTER SCHOOL

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

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report ..... 1 – 3

Basic Financial Statements:
- **Government-wide Financial Statements:**
  - **Statement of Net Position 4**
  - **Statement of Activities 5**
- **Fund Financial Statements:**
  - **Balance Sheet – Governmental Funds 6**
  - **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 7**
  - **Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds 8**
  - **Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities 9**
  - **General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP) 10**
- **Notes to the Basic Financial Statements ..... 11 – 35**

Required Supplementary Information:
- **Schedule of Proportionate Share of the Net Pension Liability – Teachers' Retirement System of Georgia ..... 36 and 37**
- **Schedule of Contributions – Teachers' Retirement System of Georgia ..... 38 and 39**
- **Notes to Required Supplementary Information – Teachers' Retirement System of Georgia 40**
- **Schedule of Proportionate Share of the Net Pension Liability – Public School Employees' Retirement System ..... 41 and 42**
- **Notes to Required Supplementary Information – Public School Employees' Retirement System 43**
- **Schedule of Proportionate Share of the Net OPEB Liability – School OPEB Fund 44**
- **Schedule of Contributions – School OPEB Fund 45**
- **Notes to Required Supplementary Information – School OPEB Fund 46**

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
of Furlow Charter School
Americus, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Furlow Charter School (the "School") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School'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 the major fund of the School, as of June 30, 2025, and the respective changes in financial position, and the budgetary comparison for the General Fund, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 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'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'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'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 Schedules of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedules of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB Contributions on pages 34 – 43, 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 required 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 the appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated October 23, 2025 on our consideration of the School'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'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 Furlow Charter School's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
October 23, 2025

BASIC FINANCIAL STATEMENTS

FURLOW CHARTER SCHOOL

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash and cash equivalents	$ 6,743,234
Inventory	25,869
Intergovernmental receivable	767,186
Capital assets (non-depreciable)	111,152
Capital assets (depreciable, net of accumulated depreciation)	3,210,330
Total assets	10,857,771
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	2,599,545
Other post-employment benefits	3,823,918
Total deferred outflows of resources	6,423,463
Total assets and deferred outflows of resources	$ 17,281,234
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Accounts payable	$ 29,775
Salaries and benefits payable	465,189
Net other post-employment benefit liability, due in more than one year	4,143,139
Net pension liability, due in more than one year	6,164,263
Total liabilities	10,802,366
DEFERRED INFLOWS OF RESOURCES	
Pensions	877,855
Other post-employment benefits	1,185,191
Total deferred inflows of resources	2,063,046
Total liabilities and deferred inflows of resources	12,865,412
NET POSITION	
Investment in capital assets	3,321,482
Unrestricted	1,094,340
Total net position	4,415,822
Total liabilities, deferred inflows of resources and net position	$ 17,281,234

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

FURLOW CHARTER SCHOOL

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

Functions/Programs	Expenses	Program Revenues, Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities			
Instruction	$ 7,040,803	$ 4,552,723	$ (2,488,080)
Support services:			
Pupil services	223,835	522	(223,313)
Improvement of instructional services	378,949	16,206	(362,743)
General administration	3,500	-	(3,500)
Educational media services	113,394	85,104	(28,290)
School administration	748,342	181,503	(566,839)
Business administration	146,239	-	(146,239)
Maintenance and operation of plant	529,247	153,964	(375,283)
Student transportation	47,599	-	(47,599)
Other support services	298,716	364,865	66,149
School nutrition	613,055	514,088	(98,967)
Interest and fiscal charges	7,187	-	(7,187)
Total governmental activities	$ 10,150,866	$ 5,868,975	(4,281,891)
General revenues:			
Grants and programs not restricted for program purposes			4,189,403
Total general revenues			4,189,403
Change in net position			(92,488)
Net position - beginning of fiscal year, as restated			4,508,310
Net position - end of fiscal year			$ 4,415,822

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

FURLOW CHARTER SCHOOL

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2025

	General Fund
ASSETS	
Cash and cash equivalents	$ 6,743,234
Intergovernmental receivable	767,186
Inventory	25,869
Total assets	$ 7,536,289
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	$ 29,775
Salaries and benefits payable	465,189
Total liabilities	494,964
FUND BALANCES	
Nonspendable:	
Inventory	25,869
Assigned for school activities	129,476
Unassigned	6,885,980
Total fund balances	7,041,325
Total liabilities and fund balances	$ 7,536,289

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

FURLOW CHARTER SCHOOL

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

Total fund balance - governmental funds		$ 7,041,325
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. These assets consist of:		
Historical cost of capital assets	$ 3,992,293	
Less accumulated depreciation	(670,811)	
Total capital assets		3,321,482
Long-term liabilities and their associated deferred outflows of resources and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported as liabilities in the fund.		
Long-term liabilities at year-end consist of:		
Deferred outflows - pensions	$ 2,599,545	
Deferred outflows - OPEB	3,823,918	
Deferred inflows - pensions	(877,855)	
Deferred inflows - OPEB	(1,185,191)	
Net pension liability	(6,164,263)	
Net OPEB liability	(4,143,139)	
Total long-term liabilities		(5,946,985)
Net position of governmental activities		$ 4,415,822

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

FURLOW CHARTER SCHOOL

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

	General Fund
Revenues	
State sources	$ 8,393,811
Local and other sources	334,538
Federal sources	1,421,354
Total revenues	10,149,703
Expenditures	
Current:	
Instruction	6,027,659
Support services:	
Pupil services	211,511
Improvement of instructional services	357,038
Educational media services	91,411
General administration	3,500
School administration	633,454
Business administration	127,494
Maintenance and operation of plant	676,860
Student transportation	162,485
Other support services	298,716
School nutrition	595,571
Capital outlay	16,302
Debt service:	
Principal	228,210
Interest	8,291
Total expenditures	9,438,502
Net change in fund balance	711,201
Fund balance - beginning of fiscal year	6,330,124
Fund balance - end of fiscal year	$ 7,041,325

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

FURLOW CHARTER SCHOOL

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balance - governmental fund	$	711,201
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in the governmental fund. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay		548,471
Depreciation expense		(288,457)
The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payment on note		228,210
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 fund.		
Change in net pension liability and related deferred outflows and deferred inflows		(592,528)
Change in net OPEB liability and related deferred outflows and deferred inflows		(700,489)
Accrued interest		1,104
Change in net position of governmental activities	$	(92,488)

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

FURLOW CHARTER SCHOOL

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

	Original	Final	Actual Amounts	Variance Positive (Negative)
Revenues				
State funds	$ 8,062,354	$ 8,062,354	$ 8,393,811	$ 331,457
Local funds	-	-	334,538	334,538
Federal funds	1,211,461	1,211,461	1,421,354	209,893
Total revenues	9,273,815	9,273,815	10,149,703	875,888
Expenditures				
Current:				
Instruction	6,067,005	6,067,005	6,027,659	39,346
Support services:				
Pupil services	231,327	231,327	211,511	19,816
Improvement of instructional services	374,559	374,559	357,038	17,521
Educational media services	89,317	89,317	91,411	(2,094)
General administration	3,500	3,500	3,500	-
School administration	621,784	621,784	633,454	(11,670)
Business administration	138,917	138,917	127,494	11,423
Maintenance and operation of plant	725,931	725,931	676,860	49,071
Student transportation	120,000	120,000	162,485	(42,485)
Other support services	39,190	39,190	298,716	(259,526)
School nutrition	615,983	615,983	595,571	20,412
Capital outlay	16,302	16,302	16,302	-
Debt service	230,000	230,000	236,501	(6,501)
Total expenditures	9,273,815	9,273,815	9,438,502	(164,687)
Net change in fund balance	-	-	711,201	711,201
Fund balance - beginning	6,330,124	6,330,124	6,330,124	-
Fund balance - ending	$ 6,330,124	$ 6,330,124	$ 7,041,325	$ 711,201

NOTES TO THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF SCHOOL AND REPORTING ENTITY

Furlow Charter School (the "School") is responsible for the public education of all students attending its school. The School operates under a charter granted by the State Charter School Commission. The current five-year charter contract began July 1, 2020 and ends June 30, 2025.

The School, which is located in Sumter County, Georgia, provides education for approximately 585 students in grades kindergarten through twelfth grade.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements of Furlow Charter School.

Government-wide Statements
The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School'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 related to the administration and support of the School'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 are presented as general revenues.

In the Statement of Net Position, equity is reported as net position and consists of net investment in capital assets (if any), amounts restricted by outside parties for specific purposes (if any) and unrestricted amounts. The net investment in capital assets (if any) is calculated by taking the capital assets, net of accumulated depreciation, less any related long-term financing arrangements, and adding back in any unspent bond or contract proceeds (if any).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis Of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the School's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School reports only one major governmental fund:

- The ***General Fund*** is the School's primary operating fund. It accounts for all financial resources of the School.

Basis of Accounting/Measurement Focus

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On an accrual basis, revenues are recognized in the fiscal year in which they are earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School funds certain programs by a combination of specific cost-reimbursement grants, categorical grants and general revenues. Thus, when program costs are incurred, there is both restricted and unrestricted net position available to finance the program. It is the School’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 and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

Receivables, which include amounts due from other governments, consist of amounts due from the various entities disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Inventories

Inventories are stated at cost using the first-in/first-out method. Donated food commodities are recorded at fair value. The School System utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenditures when used rather than when purchased.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Georgia ("TRS") and the Public School Employees' Retirement System ("PSERS"), and additions to/deductions from TRS/PSERS fiduciary net position have been determined on the same basis as they are reported by TRS/PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. See also Note 7 – Retirement Plans.

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). The cost of normal maintenance and repairs that does not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The School 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The capitalization threshold for all classes of assets is $5,000. The estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Estimated Useful Life
Buildings and Improvements	50 Years
Land Improvements	10 Years
Equipment	10 Years
SBITAs	Agreement Term

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a Statement of Net Position.

In addition to assets, the statement of financial position/governmental funds Balance Sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element 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/expenditure) until then. The governmental activities report several types of deferred outflows of resources related to the reporting of the net pension liability and net OPEB liability. See also Note 7 – Retirement Plans and Note 8 – Other Post-Employment Benefits.

In addition to liabilities, the statement of financial position/governmental funds Balance Sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items reported by the governmental activities related to changes in the net pension liability and net OPEB liability as discussed in Note 7 – Retirement Plans and Note 8 – Other Post-Employment Benefits.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post-Employment Benefits ("OPEB")

For purposes of measuring the net other post-employment benefits ("OPEB") liability (asset), 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 Personnel Post-Employment Health Benefit Fund (the "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.

Fund Equity

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

Fund Balance – Fund balance is a measurement of available financial resources defined as the difference between total assets/deferred outflows and total liabilities/deferred inflows in each fund.

Governmental Accounting Standards Board ("GASB") Statement No. 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

Nonspendable – Fund balance reported as "nonspendable" represents amounts not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).

Restricted – Fund balance reported as "restricted" represents amounts that can be spent only on the specific purposes stipulated by external parties, either constitutionally or through enabling legislation (e.g., grants and donations).

Committed – Fund balance reported as "committed" includes amounts that can be used only for the specific purposes determined by a formal action of the Board. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally. Actions to constrain resources should occur prior to the end of the School's fiscal year, though the exact amount may be determined subsequently.

Assigned – Fund balance reported as "assigned" represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. The intent is expressed either by the Board or by a designee to whom the Board delegates the authority. If these funds should have a deficit fund balance, those deficits are required to be reported as unassigned fund balance.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued) –

Unassigned – Fund balance reported as "unassigned" represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications. Unassigned amounts are available for any legal purpose.

The responsibility for designating funds to specific classifications shall be as follows:

Committed Fund Balance – The Governing Board (the "Board") is the School's highest level of decision making authority, and the formal action that is required to be taken to establish, modify or rescind a fund balance commitment is a resolution approved by the Board.

Assigned Fund Balance – The Governing Board has authorized the Principal or his/her designee as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Spending Policy – When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board and unassigned fund balance), the School will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Use of Estimates

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

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The School adopts an annual budget for its General Fund. After the School has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget.

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

Current:	
Support services:	
Educational media services	(2,094)
School administration	(11,670)
Student transportation	(42,485)
Other support services	(259,526)
Debt service	(6,501)

These excesses were funded by higher than anticipated revenues and from available fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Collateralization of Deposits

Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12, provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to and not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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 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) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, all of the School's cash and cash equivalent accounts were properly collateralized as required by State statutes.

Acceptable security for deposits consists of any one of or any combination of the following:

(1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,

(2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,

(3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,

(4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,

(5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,

(6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

Custodial Credit Risk (Continued).

(7) Bonds, bills, notes, certificates of indebtedness or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.

NOTE 5. CAPITAL ASSETS

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

	Balances July 1, 2024	Increases	Decreases	Transfers	Balances June 30, 2025
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 111,152	$ -	$ -	-	$ 111,152
Total	111,152	-	-	-	111,152
Capital assets, being depreciated:					
Buildings and Building Improvements	2,679,645	16,302	-	(325,213)	2,370,734
Land Improvements	-	133,842	-	29,000	162,842
Equipment	592,226	398,327	-	296,213	1,286,766
SBITAs	60,799	-	-	-	60,799
Total	3,332,670	548,471	-	-	3,881,141
Less accumulated depreciation for:					
Buildings and Building Improvements	(196,026)	(105,733)	-	54,254	(247,505)
Land Improvements	-	(8,625)	-	(4,673)	(13,298)
Equipment	(137,288)	(162,340)	-	(49,581)	(349,209)
SBITAs	(49,040)	(11,759)	-	-	(60,799)
Total	(382,354)	(288,457)	-	-	(670,811)
Total assets being depreciated, net	2,950,316	260,014	-	-	3,210,330
Governmental activities capital assets, net	$ 3,061,468	$ 260,014	$ -	-	$ 3,321,482

Current fiscal year depreciation expense by function is as follows:

Instruction	$ 232,420
Maintenance and operation of plant	41,008
Student transportation	15,029
	$ 288,457

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due In More Than One Year
Governmental Activities						
Note payable	$ 228,210	$ -	$ (228,210)	$ -	$ -	$ -
Net pension liability	6,612,556	1,893,160	(2,341,453)	6,164,263	-	6,164,263
Net OPEB Liability	3,578,808	1,235,409	(671,078)	4,143,139	-	4,143,139
Governmental activities Long-term liabilities	$ 10,419,574	$ 3,128,569	$ (3,240,741)	$ 10,307,402	$ -	$ 10,307,402

Note Payable. During the year ended June 30, 2020, the School issued debt in the amount of $640,250. The note payable bears interest of 5.23% with final maturity in 2025. Proceeds of the note were used for the purchase of the school building and land previously provided by Sumter County Board of Education for use. The note was paid in full as of June 30, 2025.

NOTE 7. RETIREMENT PLANS

The School participates in various retirement plans administered by the State of Georgia, as further explained below.

Teachers' Retirement System of Georgia ("TRS")

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

NOTE 7. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Benefits Provided. TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employees' 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 ten 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 employees' creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employees' beneficiary had the employee retired on the date of death. Death benefits are based on the employees' 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. 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% of their annual pay during fiscal year 2025. The School's contractually required contribution rate for the year ended June 30, 2025 was 20.78%. For the current fiscal year, employer contributions to the pension plan were $820,565.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows Related to Pensions. At June 30, 2025, the School reported a liability of $6,164,263 for its proportionate share of the net pension liability for TRS. The net pension liability for TRS 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'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's proportion was 0.024525%, which was an increase of 0.002128% from its proportion measured as of June 30, 2023.

NOTE 7. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows Related to Pensions (Continued). For the year ended June 30, 2025, the School recognized pension expense of $1,411,651 for TRS. At June 30, 2025, the School reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 697,529	$ 18,424
Changes of assumptions	428,818	-
Net difference between projected and actual earnings on pension plan investments	-	859,431
Changes in proportion and differences between School contributions and proportionate share of contributions	652,633	-
School contributions subsequent to the measurement date	820,565	-
Total	$ 2,599,545	$ 877,855

School contributions subsequent to the measurement date of $820,565 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ 426,238
2027	956,242
2028	(243,023)
2029	(238,332)

NOTE 7. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

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

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

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

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

The long-term expected rate of return on TRS 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.

NOTE 7. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

Actuarial Assumptions (Continued). 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%	

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

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the School'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:

	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
School's proportionate share of the net pension liability (asset)	$ 10,609,931	$ 6,164,263	$ 2,535,238

NOTE 7. RETIREMENT PLANS (CONTINUED)

Teachers' Retirement System of Georgia ("TRS") (Continued)

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.

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 TRS. The Employees' Retirement System ("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 https://www.ers.ga.gov/financials.

Benefits Provided. A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service. Upon retirement, the member will receive a monthly benefit of $16.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

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

Individuals who became members prior to July 1, 2012, contribute $4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012, contribute $10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was $7,118.

NOTE 7. RETIREMENT PLANS (CONTINUED)

Public School Employees' Retirement System ("PSERS") (Continued)

Pension Liabilities and Pension Expense. At June 30, 2025, the School did not have a liability for its proportionate share of the net pension liability of PSERS because of a special funding situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School is $24,414 as of June 30, 2025.

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

For the year ended June 30, 2025, the School recognized pension expense of $5,647 and revenue of $5,647 for support provided by the State of Georgia.

Actuarial Assumptions. Total pension liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50%

Mortality rates are as follows:

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

NOTE 7. RETIREMENT PLANS (CONTINUED)

Public School Employees' Retirement System ("PSERS") (Continued)

Actuarial Assumptions (Continued)

Mortality rates are as follows:

- The Pub-2010 Family of Tables projected generationally with the MP-2019 projection scale with further adjustments are used for post-retirement mortality assumptions as follows.

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

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

NOTE 7. RETIREMENT PLANS (CONTINUED)

Public School Employees' Retirement System ("PSERS") (Continued)

Actuarial Assumptions (Continued).

The long-term expected rate of return on PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected 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
Alternative	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 PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PSERS 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.

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

State of Georgia School Employees' Post-employment Benefit Fund

Plan Description

The Board participates in the State of Georgia School Employees' Post-employment Benefit Fund (the "School OPEB Fund") which is another post-employment benefit ("OPEB") plan administered by the State of Georgia Department of Community Health ("DCH"). Certified teachers and non-certified employees of the Board as defined in §20-2-875 of the O.C.G.A. are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund 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 non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from the 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 Board were $247,614 for the year ended June 30, 2025, which included $91,325 of on-behalf payments made by the State of Georgia, for a net contribution of $156,289. Active employees are not required to contribute to the School OPEB Fund.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees' Post-employment Benefit Fund (Continued)

Contributions (Continued)

At June 30, 2025, the Board reported a liability of $4,143,139 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 System's proportion of the net OPEB liability was actuarially determined based on employer contributions to the School OPEB Fund during the fiscal year ended June 30, 2024. At June 30, 2024, the School System's proportion was .036355%, which was an increase of 0.003682% from its proportion measured as of June 30, 2023.

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

For the year ended June 30, 2025, the Board recognized OPEB expense of $856,778. At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 203,172	$ 748,101
Changes of assumptions	483,108	410,119
Net difference between projected and actual earnings on pension plan investments	-	26,971
Changes in proportion and differences between School contributions and proportionate share of contributions	2,981,349	-
School contributions subsequent to the measurement date	156,289	-
Total	$ 3,823,918	$ 1,185,191

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

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

School System contributions subsequent to the measurement date of $156,289 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	$	647,944
2027		598,322
2028		746,673
2029		367,903
2030		113,562
2031		8,034

Actuarial Assumptions

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

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

Actuarial Assumptions (Continued)

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

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	2.60 %
Equities	70.00	9.10
Total	100.00 %	

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

Discount Rate

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

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

State of Georgia School Employees Post-employment Benefit Fund (Continued)

Sensitivity of the School System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1.00% Decrease (2.98%)	Current Discount Rate (3.98%)	1.00% Increase (4.98%)
School's proportionate share of the net pension liability (asset)	$ 4,687,422	$ 4,143,139	$ 3,684,136

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

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

	1.00% Decrease	Current Discount Rate	1.00% Increase
School's proportionate share of the net pension liability (asset)	$ 3,579,908	$ 4,143,139	$ 4,835,284

NOTE 9. RISK MANAGEMENT

The School 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 acts of God.

The School has obtained commercial insurance for risks of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God. The School has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the School's insurance coverage in either of the past two fiscal years.

NOTE 10. PRIOR PERIOD RESTATEMENT

The financial statements of the School reflect a prior period restatement to beginning net position for governmental activities related to previously omitted reporting of the School OPEB Fund. The restatement is as follows:

Net position, governmental activites, as previously reported	$	5,312,233
Deferred ouflows of resources - School OPEB Fund		4,249,700
Deferred inflows of resources - School OPEB Fund		(1,474,815)
Net OPEB liability - School OPEB Fund		(3,578,808)
Net position, governmental activities, as restated	$	4,508,310

REQUIRED SUPPLEMENTARY INFORMATION

FURLOW CHARTER SCHOOL

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

	2025	2024	2023
School's proportion of the net pension liability	**0.024525%**	0.022397%	0.021544%
School's proportionate share of the net pension liability	$ **6,164,263**	$ 6,612,556	$ 6,995,753
School's covered payroll	**3,831,186**	3,276,188	2,911,999
School's proportionate share of the net pension liability as a percentage of its covered payroll	**160.90%**	201.84%	240.24%
Plan fiduciary net position as a percentage of the total pension liability	**80.86%**	76.29%	72.85%

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

2022	2021	2020	2019	2018	2017	2016
0.020918%	0.016243%	0.015988%	0.015375%	0.012901%	0.009955%	0.000000%
$ 1,850,058	$ 3,934,690	$ 3,437,852	$ 2,853,929	$ 2,397,691	$ 2,053,827	$ -
2,725,388	2,094,141	1,951,163	1,831,321	1,484,653	1,092,004	-
67.88%	187.89%	176.20%	155.84%	161.50%	188.08%	0.00%
92.03%	77.01%	78.56%	80.27%	79.33%	76.06%	0.00%

FURLOW CHARTER SCHOOL

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

	2025	2024	2023
Contractually required contributions	**$ 820,565**	$ 765,471	$ 654,582
Contributions in relation to the contractually required contribution	**820,565**	765,471	654,582
Contribution deficiency (excess)	**$ -**	$ -	$ -
School's covered payroll	**$ 3,948,820**	$ 3,831,186	$ 3,276,188
Contributions as a percentage of covered payroll	**20.78%**	19.98%	19.98%

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

2022	2021	2020	2019	2018	2017	2016
$ 576,867	$ 519,459	$ 442,701	$ 407,793	$ 307,845	$ 211,860	$ 155,829
576,867	519,459	442,701	407,793	307,845	211,860	155,829
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 2,911,999	$ 2,725,388	$ 2,094,141	$ 1,951,163	$ 1,831,321	$ 1,484,653	$ 1,092,004
19.81%	19.06%	21.14%	20.90%	16.81%	14.27%	14.27%

FURLOW CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CHANGES OF ASSUMPTIONS

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

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

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

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

FURLOW CHARTER SCHOOL

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

	2025	2024	2023
School's proportion of the net pension liability	**0.00%**	0.00%	0.00%
School's proportionate share of the net pension liability	**$ -**	$ -	$ -
State of Georgia's proportionate share of the net position liability associated with the School	**24,414**	28,396	59,664
Total	**$ 24,414**	$ 28,396	$ 59,664
School's covered payroll	**$ 163,569**	$ 117,840	$ 153,054
School's proportionate share of the net pension liability as a percentage of its covered payroll	**N/A**	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	**90.02%**	85.67%	81.21%

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

2022	2021	2020	2019	2018	2017
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -	$ -
3,041	10,161	4,772	9,042	8,168	5,407
$ 3,041	$ 10,161	$ 4,772	$ 9,042	$ 8,168	$ 5,407
$ 83,544	$ 35,988	$ 37,401	$ 33,121	$ 31,491	$ 13,454
N/A	N/A	N/A	N/A	N/A	N/A
98.00%	84.45%	85.02%	85.26%	85.69%	81.00%

FURLOW CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

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 three years for males and two years for females).

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation, further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumption utilized by the System based on the experience study prepared for the five-year period ended June 30, 2019. Primary among the changes were the updates to rates of 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.

FURLOW CHARTER SCHOOL

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

	2025	2024	2023
School System's proportion of the net OPEB liability	**0.036355%**	0.032673%	0.027012%
School System's proportion of the net OPEB liability	**$ 4,143,139**	$ 3,578,808	$ 452,575
School System's covered employee payroll	**3,619,248**	3,039,042	711,813
School System's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	**114.48%**	117.76%	63.58%
Plan fiduciary net position as a percentage of the total OPEB liability	**6.88%**	6.05%	6.17%

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

FURLOW CHARTER SCHOOL

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

	2025	2024	2023	2022
Contractually required contribution	**$ 247,614**	$ 148,683	$ 125,608	$ 97,668
Contributions in relation to the contractually required contribution	**247,614**	148,683	125,608	97,668
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
School System's covered employee payroll	**$ 3,658,239**	$ 3,619,248	$ 3,039,042	$ 711,813
Contributions as a percentage of covered employee payroll	**6.77%**	4.11%	4.13%	13.72%

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

FURLOW CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL OPEB FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

CHANGES OF BENEFIT TERMS

There have been no changes in benefit terms.

CHANGES IN ASSUMPTIONS

June 30, 2023 valuation: Medicare health care trend rates were updated.

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

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

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

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

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

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

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

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