

**FURLOW CHARTER SCHOOL
AMERICUS, GEORGIA**



**REPORT ON AUDIT
OF THE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

FURLOW CHARTER SCHOOL
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 – 27
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension	
Liability – Teachers’ Retirement System of Georgia	28 and 29
Schedule of Contributions – Teachers’ Retirement System of Georgia	30 and 31
Notes to Required Supplementary Information –	
Teachers’ Retirement System of Georgia	32
Schedule of Proportionate Share of the Net Pension Liability –	
Public School Employees’ Retirement System	33 and 34
Notes to Required Supplementary Information –	
Public School Employees’ Retirement System	35

FINANCIAL SECTION



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, 2024, 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, 2024, 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 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 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, and the Schedule of Contributions on pages 27 – 30, 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 have also issued our report dated October 28, 2024 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 28, 2024

BASIC FINANCIAL STATEMENTS

FURLOW CHARTER SCHOOL

STATEMENT OF NET POSITION JUNE 30, 2024

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash and cash equivalents	\$ 5,666,104
Inventory	18,139
Intergovernmental receivable	1,031,030
Prepaid items	62,760
Capital assets (non-depreciable)	111,152
Capital assets (depreciable, net of accumulated depreciation)	2,950,316
Total assets	9,839,501
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	2,789,852
Total assets and deferred outflows of resources	\$ 12,629,353
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 15,098
Salaries and benefits payable	432,811
Accrued interest payable	1,104
Notes payable, due within one year	228,210
Net pension liability, due in more than one year	6,612,556
Total liabilities	7,289,779
DEFERRED INFLOWS OF RESOURCES	
Pensions	27,341
Total liabilities and deferred inflows of resources	7,317,120
NET POSITION	
Net investment in capital assets	2,833,258
Unrestricted	2,478,975
Total net position	5,312,233
Total liabilities, deferred inflows of resources and net position	\$ 12,629,353

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

FURLOW CHARTER SCHOOL

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues, Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities			
Instruction	\$ 6,203,094	\$ 5,378,061	\$ (825,033)
Support services:			
Pupil services	218,894	490	(218,404)
Improvement of instructional services	474,908	14,667	(460,241)
General administration	2,000	-	(2,000)
Educational media services	83,634	82,988	(646)
School administration	722,425	166,293	(556,132)
Business administration	150,917	-	(150,917)
Maintenance and operation of plant	589,564	234,562	(355,002)
Student transportation	28,445	-	(28,445)
Other support services	301,597	262,205	(39,392)
School nutrition	670,964	397,737	(273,227)
Interest and fiscal charges	8,958	-	(8,958)
Total governmental activities	<u>\$ 9,455,400</u>	<u>\$ 6,537,003</u>	<u>(2,918,397)</u>
General revenues:			
Grants and programs not restricted for program purposes			<u>4,099,282</u>
Total general revenues			<u>4,099,282</u>
Change in net position			1,180,885
Net position - beginning of fiscal year			<u>4,131,348</u>
Net position - end of fiscal year			<u>\$ 5,312,233</u>

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

FURLOW CHARTER SCHOOL

BALANCE SHEET GOVERNMENTAL FUND JUNE 30, 2024

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 5,666,104
Inventory	18,139
Accounts receivable	1,031,030
Prepaid items	<u>62,760</u>
Total assets	<u><u>\$ 6,778,033</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 15,098
Salaries and benefits payable	<u>432,811</u>
Total liabilities	<u>447,909</u>
FUND BALANCES	
Nonspendable:	
Prepaid items	62,760
Inventory	18,139
Assigned for school activities	112,793
Unassigned	<u>6,136,432</u>
Total fund balances	<u>6,330,124</u>
Total liabilities and fund balances	<u><u>\$ 6,778,033</u></u>

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, 2024

Total fund balance - governmental funds	\$	6,330,124
---	----	-----------

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	\$	3,443,822	
Less accumulated depreciation		<u>(382,354)</u>	
Total capital assets			3,061,468

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:

Note payable	\$	(228,210)	
Deferred outflows - pensions		2,789,852	
Deferred inflows - pensions		(27,341)	
Net pension liability		(6,612,556)	
Accrued interest payable		<u>(1,104)</u>	
Total long-term liabilities			<u>(4,079,359)</u>

Net position of governmental activities	\$	<u>5,312,233</u>
---	----	------------------

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, 2024

	General Fund
Revenues	
State sources	\$ 8,065,173
Local and other sources	231,511
Federal sources	<u>2,339,601</u>
Total revenues	<u>10,636,285</u>
Expenditures	
Current:	
Instruction	5,942,792
Support services:	
Pupil services	218,894
Improvement of instructional services	474,908
Educational media services	83,634
General administration	2,000
School administration	636,096
Business administration	125,159
Maintenance and operation of plant	571,466
Student transportation	19,911
Other support services	301,597
School nutrition	670,964
Capital outlay	155,502
Debt service:	
Principal	187,938
Interest	<u>9,033</u>
Total expenditures	<u>9,399,894</u>
Net change in fund balance	1,236,391
Fund balance - beginning of fiscal year	<u>5,093,733</u>
Fund balance - end of fiscal year	<u><u>\$ 6,330,124</u></u>

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, 2024

Total net change in fund balance - governmental fund	\$	1,236,391
--	----	-----------

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	863,468
Depreciation expense	(241,598)

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	187,938
---------------------------	---------

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	(865,389)
Accrued interest	75

Change in net position of governmental activities	\$	<u>1,180,885</u>
---	----	------------------

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, 2024

	Original	Final	Actual Amounts	Variance Positive (Negative)
Revenues				
State funds	\$ 7,460,594	\$ 7,439,312	\$ 8,065,173	\$ 625,861
Local funds	-	-	231,511	231,511
Federal funds	2,694,802	2,719,014	2,339,601	(379,413)
Total revenues	10,155,396	10,158,326	10,636,285	477,959
Expenditures				
Current:				
Instruction	6,547,966	6,486,730	5,942,792	543,938
Support services:				
Pupil services	273,789	290,545	218,894	71,651
Improvement of instructional services	343,514	379,800	474,908	(95,108)
Educational media services	99,298	99,298	83,634	15,664
General administration	3,500	3,500	2,000	1,500
School administration	602,670	602,670	636,096	(33,426)
Business administration	142,855	142,855	125,159	17,696
Maintenance and operation of plant	992,893	965,859	571,466	394,393
Student transportation	120,000	120,000	19,911	100,089
Other support services	37,400	37,400	301,597	(264,197)
School nutrition	581,977	586,209	670,964	(84,755)
Capital outlay	209,034	242,960	155,502	87,458
Debt service	200,500	200,500	196,971	3,529
Total expenditures	10,155,396	10,158,326	9,399,894	758,432
Net change in fund balance	-	-	1,236,391	1,236,391
Fund balance - beginning	5,093,733	5,093,733	5,093,733	-
Fund balance - ending	\$ 5,093,733	\$ 5,093,733	\$ 6,330,124	\$ 1,236,391

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

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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).

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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.

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.

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:

	<u>Estimated Useful Life</u>
Equipment	10 Years
Building	50 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.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Governemental 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.

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.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued) –

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.

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, 2024.

Current:

Support services:

Improvement of instructional services	\$	(95,108)
School administration		(33,426)
Other support services		(264,197)
School nutrition		(84,755)

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

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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, 2024, 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

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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, 2023	Increases	Decreases	Transfers	Balances June 30, 2024
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 111,152	\$ -	\$ -	-	\$ 111,152
Construction in progress	1,395,521	142,426	-	(1,537,947)	-
Total	1,506,673	142,426	-	(1,537,947)	111,152
Capital assets, being depreciated:					
Equipment	304,488	287,738	-	-	592,226
Building	708,394	433,304	-	1,537,947	2,679,645
SBITAs	60,799	-	-	-	60,799
Total	1,073,681	721,042	-	1,537,947	3,332,670
Less accumulated depreciation for:					
Equipment	(54,068)	(83,220)	-	-	(137,288)
Building	(64,032)	(131,994)	-	-	(196,026)
SBITAs	(22,656)	(26,384)	-	-	(49,040)
Total	(140,756)	(241,598)	-	-	(382,354)
Total assets being depreciated, net	932,925	479,444	-	1,537,947	2,950,316
Governmental activities capital assets, net	\$ 2,439,598	\$ 621,870	\$ -	-	\$ 3,061,468

Current fiscal year depreciation expense by function is as follows:

Student transportation	\$ 8,534
Maintenance and operation of plant	18,098
Instruction	214,966
	<u>\$ 241,598</u>

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 6. LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due In More Than One Year</u>
Governmental activities:						
Note payable	\$ 416,148	\$ -	\$ (187,938)	\$ 228,210	\$ 228,210	\$ -
Net pension liability	6,995,753	1,685,315	(2,068,512)	6,612,556	-	6,612,556
Governmental activities						
Long-term liabilities	<u>\$ 7,411,901</u>	<u>\$ 1,685,315</u>	<u>\$ (2,256,450)</u>	<u>\$ 6,840,766</u>	<u>\$ 228,210</u>	<u>\$ 6,612,556</u>

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 outstanding balance of the note as of June 30, 2024 was \$228,210.

Notes payable debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 228,210	\$ 8,291	\$ 236,501
	<u>\$ 228,210</u>	<u>\$ 8,291</u>	<u>\$ 236,501</u>

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.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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 2024. The School's contractually required contribution rate for the year ended June 30, 2024 was 19.98%. For the current fiscal year, employer contributions to the pension plan were \$765,471.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows Related to Pensions. At June 30, 2024, the School reported a liability of \$6,612,556 for its proportionate share of the net pension liability for TRS. The net pension liability for TRS was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected, total pension liability as of June 30, 2023, 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, 2023. At June 30 2023, the School's proportion was 0.022397%, which was an increase of 0.000853% from its proportion measured as of June 30, 2022.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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, 2024, the School recognized pension expense of \$1,630,859 for TRS. At June 30, 2024, the School reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 335,777	\$ 27,341
Changes of assumptions	680,290	-
Net difference between projected and actual earnings on pension plan investments	465,079	-
Changes in proportion and differences between School contributions and proportionate share of contributions	543,235	-
School contributions subsequent to the measurement date	<u>765,471</u>	<u>-</u>
Total	<u>\$ 2,789,852</u>	<u>\$ 27,341</u>

School contributions subsequent to the measurement date of \$765,471 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ 702,853
2026	483,417
2027	954,448
2028	(143,678)

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 7. RETIREMENT PLANS (CONTINUED)

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

Actuarial Assumptions. The total pension liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2022, 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, 2022 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.

FURLLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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 %	0.90 %
Domestic large equities	46.30	9.40
Domestic small equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
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 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)	\$ 10,455,221	\$ 6,612,556	\$ 3,474,503

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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, 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 \$5,125.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 7. RETIREMENT PLANS (CONTINUED)

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

Pension Liabilities and Pension Expense. At June 30, 2024, 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 \$28,396 as of June 30, 2024.

The PSERS net pension liability was measured as of June 30, June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 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, 2023.

For the year ended June 30, 2024, the School recognized pension expense of \$5,125 and revenue of \$5,125 for support provided by the State of Georgia.

Actuarial Assumptions. Total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, 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 scale is used for both males and females while in active service.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

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 %	0.90 %
Domestic large equities	46.30	9.40
Domestic small equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternative	5.00	10.50
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>.

FURLOW CHARTER SCHOOL

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 8. 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.

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,

	2024	2023
School's proportion of the net pension liability	0.022397%	0.021544%
School's proportionate share of the net pension liability	\$ 6,612,556	\$ 6,995,753
School's covered payroll	3,276,188	2,911,999
School's proportionate share of the net pension liability as a percentage of its covered payroll	201.84%	240.24%
Plan fiduciary net position as a percentage of the total pension liability	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,

	2024	2023
Contractually required contributions	\$ 765,471	\$ 654,582
Contributions in relation to the contractually required contribution	765,471	654,582
Contribution deficiency (excess)	\$ -	\$ -
School's covered payroll	\$ 3,831,186	\$ 3,276,188
Contributions as a percentage of covered payroll	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.

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 576,867	\$ 519,459	\$ 442,701	\$ 407,793	\$ 307,845
<u>576,867</u>	<u>519,459</u>	<u>442,701</u>	<u>407,793</u>	<u>307,845</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,911,999	\$ 2,725,388	\$ 2,094,141	\$ 1,951,163	\$ 1,831,321
19.81%	19.06%	21.14%	20.90%	16.81%

FURLOW CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION TEACHERS' RETIREMENT SYSTEM OF GEORGIA FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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,

	<u>2024</u>	<u>2023</u>
School's proportion of the net pension liability	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	<u>28,396</u>	<u>59,664</u>
Total	<u>\$ 28,396</u>	<u>\$ 59,664</u>
School's covered payroll	\$ 117,840	\$ 153,054
School's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	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.

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
0.00%	0.00%	0.00%	0.00%
\$ -	\$ -	\$ -	\$ -
<u>3,041</u>	<u>10,161</u>	<u>4,772</u>	<u>9,042</u>
<u>\$ 3,041</u>	<u>\$ 10,161</u>	<u>\$ 4,772</u>	<u>\$ 9,042</u>
\$ 83,544	\$ 35,988	\$ 37,401	\$ 33,121
N/A	N/A	N/A	N/A
98.00%	84.45%	85.02%	85.26%

FURLOW CHARTER SCHOOL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE FISCAL YEARS ENDED JUNE 30, 2024

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.