CALHOUN FALLS CHARTER SCHOOL
(A Component Unit of the Charter Institute at Erskine)

CALHOUN FALLS, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT
June 30, 2019

(With Independent Auditors' Report Thereon)

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& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

Board of Directors
Calhoun Falls Charter School
Calhoun Falls, South Carolina

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and each major fund of Calhoun Falls Charter School ("the School"), a component unit of the Charter Institute of Erskine, as of and for the year ended June 30, 2019, which collectively comprise the School's basic financial statements, as listed in the accompanying table of contents.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Calhoun Falls Charter School at June 30, 2019, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension liability and contribution schedules, and other postemployment benefits liability and contribution schedules as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is supplementary information 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. 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.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The other supplemental schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of Calhoun Falls Charter School. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion such information is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2019, 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 grants. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Martin Smith and Company CPAs PA

Greenville, South Carolina
October 28, 2019

This discussion and analysis of Calhoun Falls Charter School's ("the School's") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

In the Statement of Net Position, the liabilities and deferred inflows of the School exceeded its assets and deferred outflows at the close of the 2019 fiscal year by $2,978,249. The School has investment in capital assets of $207,555. Therefore, the School reported a deficit balance in unrestricted net position of $3,185,804. This deficit is due to the implementation of GASB Statements No. 68 and 75 as described more fully below.

- The net pension liability of $2,117,727 as required by Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*. The School participates in the South Carolina Retirement System's ("SCRS") pension plans and the School is required by GASB 68 to recognize its proportionate share of the SCRS' unfunded liabilities on the School's Government-wide Financial Statements.

- The net other postemployment benefit ("OPEB") plan liability of $1,644,355 as required by Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The School participates in the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") OPEB plan, and the School is required by GASB 75 to recognize its proportionate share of the SCRHITF's unfunded liabilities on the School's Government-wide Financial Statements.

The School's total net position increased by $31,608 during the current fiscal year. The School continued its efforts toward its growth plan for student enrollment and coupled its revenue increases with careful cost containment efforts.

As of the close of the current fiscal year, the School's Governmental Funds reported a combined ending fund balance of $392,160. This was an increase of $15,386 in comparison with the prior year.

The School's total capital assets, net of accumulated depreciation, increased by $29,866 during the current fiscal year due to the fact that capital additions exceeded depreciation expense for the year.

During the 2019 fiscal year, the School's governmental fund type revenues were $2,167,733 compared to $2,104,843 in the prior year, an increase of 3.0%.

During the current fiscal year, the School's governmental fund-type expenditures of $2,152,347 were $73,937 less than in the prior year. These decreased expenditures were the result of the careful attention to expense reduction.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – required supplementary information in the form of this Management's Discussion and Analysis, the financial statements including Government-wide and Fund Financial Statements, the Notes to the Financial Statements, and required supplementary information in the form of budgetary comparison schedules and notes to the budgetary comparison schedules.

The financial statements include two kinds of statements that present different views of the School. The first two statements are Government-wide Financial Statements that provide a broad overview of the School's overall financial status, in a manner similar to a private-sector enterprise.

The Statement of Net Position presents information on all of the School's assets, deferred inflows and outflows, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Government-wide Financial Statements can be found at Exhibits A and B of this report.

The remaining financial statements are Fund Financial Statements which focus on individual parts of the School, reporting the School's operations in more detail than the Government-wide Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School are Governmental Funds, one of three types of funds (governmental, proprietary, and fiduciary).

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on near-term uses of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

The School maintains three individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund and the Special Revenue Fund. The Governmental Funds Financial Statements can be found at Exhibits C, D, E, and F of this report.

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found immediately following Exhibit G of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

The School adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided in the required supplementary information section for this fund to demonstrate compliance with its budget. This statement can be found at Exhibit G of this report.

Major Features of Calhoun Falls Charter School
Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements *Government Funds Only*
Scope	Entire School unit	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $2,978,249 at the close of the most recent fiscal year.

The following table provides a summary of the School's net position for 2019 compared to 2018:

Net Position

	2019	2018
Assets		
Current and other assets	$ 629,016	$ 605,681
Capital assets	207,555	177,689
Total assets	836,571	783,370
Deferred Outflows of Resources	922,191	1,608,624
Liabilities		
Unearned revenues	-	74,229
Other liabilities	236,856	154,678
Long-term liabilities	3,762,082	2,078,947
Total liabilities	3,998,938	2,307,854
Deferred Inflows of Resources	738,073	2,690,237
Net Position		
Net investment in capital assets	207,555	177,689
Unrestricted (deficit)	(3,185,804)	(3,187,546)
Total net position (deficit)	$ (2,978,249)	$ (3,009,857)

During the current fiscal year, net position of the School's activities increased by $31,608. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed to a deficit balance of $3,185,804 at June 30, 2019. The deficit net position for the year ended June 30, 2019 and 2018 is the result of the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB No. 68, *Accounting and Financial Reporting for Pensions*.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

The following table shows the changes in net position for fiscal year 2019 compared to 2018:

Changes in Net Position

	Governmental Activities	
	2019	**2018**
Revenues		
Program revenues:		
Charges for services	$ -	$ -
Operating grants	1,977,391	1,893,107
General revenue:		
Other revenue	202,752	238,965
Total revenues	2,180,143	2,132,072
Program Expenses		
Instruction	1,125,913	1,010,497
Support services	1,022,622	1,287,597
Total expenses	2,148,535	2,298,094
Increase (decrease) in net position	$ 31,608	$ (166,022)

Governmental Activities:

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

For the year ended June 30, 2019, the School's Governmental Funds reported a combined fund balance of $392,160, as compared to a combined fund balance of $376,774 for the prior year.

The Special Revenue and EIA Funds consists of federal grants in the amount of $265,923, and state revenue of $911,435, and was used to fund instruction and support service expenditures. This special revenue funding was higher in the current fiscal year than in the previous year.

General Fund Budgetary Highlights

The School's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the School had $207,555 invested in capital assets, net of depreciation and related debt.

The total increase in the School's investment in capital assets was $29,866. Acquisitions during the year totaled $52,180 and depreciation expense of $38,744 was recognized.

The following table shows fiscal 2019 balances compared to 2018:

Capital Assets at June 30
Capital Assets (Net of Depreciation)

	Governmental Activities	
	2019	**2018**
Leasehold improvements	$ 37,288	$ 22,793
Equipment and furniture	125,941	122,146
Vehicles	44,326	32,750
Totals	$ 207,555	$ 177,689

Long-term Debt

At fiscal year-end, the School had no long-term capital indebtedness.

As noted earlier, other obligations include accounts payable and other accrued expenses. More detailed information about the School's debt and other long-term liabilities, including its net pension liability, is presented in the Notes to the Financial Statements.

Contacting the School's Financial Management

This financial report is designed to provide interested parties with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School's business office located at 205 Edgefield Street, Calhoun Falls, South Carolina 29628.

Exhibit A

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Statement of Net Position
June 30, 2019

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	370,567
Due from state		47,632
Due from other governmental units		177,478
Prepaid items		33,339
Capital assets, net of accumulated depreciation		207,555
Total assets		836,571
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions and OPEB		922,191
Total deferred outflows of resources		922,191
LIABILITIES		
Accounts payable and accrued liabilities		82,195
Accrued payroll and payroll liabilities		154,386
Due to state		275
Unearned income		-
Net pension liability		2,117,727
Net OPEB liability		1,644,355
Total liabilities		3,998,938
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions and OPEB		738,073
Total deferred inflows of resources		738,073
NET POSITION (DEFICIT)		
Net investment in capital assets		207,555
Unrestricted net position (deficit)		(3,185,804)
Total net position (deficit)	$	(2,978,249)

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

Exhibit B

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
Functions / Programs	**Expenses**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction	$ 1,125,913	$ -	$ 1,036,228	$ -	$ (89,685)
Support services	1,022,622	-	941,163	-	(81,459)
Total governmental activities	$ 2,148,535	$ -0-	$ 1,977,391	$ -0-	(171,144)
	General revenues:				
	Contributions				153,304
	Investment earnings				251
	Other revenue				49,197
	Total general revenues				202,752
	Change in net position				31,608
	Net position, beginning of year				(3,009,857)
	Net position, end of year				$ (2,978,249)

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

Exhibit C

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2019

	General	Special Revenue	Special Revenue - EIA	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 370,567	$ -	$ -	$ 370,567
Due from state	-	-	46,929	46,929
Due from other governmental units	703	177,478	-	178,181
Due from other funds	224,132	-	-	224,132
Prepaid items	33,339	-	-	33,339
Total assets	$ 628,741	$ 177,478	$ 46,929	$ 853,148
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$ 82,195	$ -	$ -	$ 82,195
Accrued payroll and payroll liabilities	154,386	-	-	154,386
Due to state	-	275	-	275
Due to other funds	-	177,203	46,929	224,132
Unearned income	-	-	-	-
Total liabilities	236,581	177,478	46,929	460,988
Fund balances:				
Nonspendable	33,339	-	-	33,339
Unassigned	358,821	-	-	358,821
Total fund balances	392,160	-	-	392,160
Total liabilities and fund balances	$ 628,741	$ 177,478	$ 46,929	$ 853,148

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

Exhibit D

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balances - Governmental Funds	$ 392,160
Amounts reported for Governmental Activities in the Statement of Net Position are different because of the following:	
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in Governmental Funds. The cost of assets is $452,405 and the accumulated depreciation is $244,850.	207,555
Long-term liabilities, including pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(3,762,082)
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	922,191
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	(738,073)
Net position of Governmental Activities	$ (2,978,249)

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

Exhibit E

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	General	Special Revenue	EIA	Total Governmental Funds
REVENUES				
Local sources	$ 274,228	$ 16,864	$ -	$ 291,092
State sources	699,283	29,910	881,525	1,610,718
Federal sources	-	265,923	-	265,923
Total revenues all sources	973,511	312,697	881,525	2,167,733
EXPENDITURES				
Current:				
Instruction	868,754	94,840	88,368	1,051,962
Support services	760,197	177,269	43,881	981,347
Community services	-	-	-	-
Intergovernmental	-	12,410	-	12,410
Debt service	-	-	-	-
Capital outlay	18,070	60,713	27,845	106,628
Total expenditures	1,647,021	345,232	160,094	2,152,347
Excess (deficiency) of revenues over expenditures	(673,510)	(32,535)	721,431	15,386
OTHER FINANCING SOURCES (USES)				
Operating transfers in	721,431	32,535	-	753,966
Operating transfers out	(32,535)	-	(721,431)	(753,966)
Total other financing sources (uses)	688,896	32,535	(721,431)	-
Net change in fund balances	15,386	-0-	-0-	15,386
Fund balance, July 1, 2018	376,774	-0-	-0-	376,774
Fund balance, June 30, 2019	$ 392,160	$ -0-	$ -0-	$ 392,160

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

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Total net change in fund balance - Governmental Funds	$	15,386
Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay ($68,610) exceeds depreciation ($38,744) in the period.		29,866
Governmental Funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.		12,410
Governmental Funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions is reported as pension and OPEB expense. This is the amount by which the costs of benefits earned ($208,195) exceeds employer contributions ($182,476).		(26,054)
Change in net position of Governmental Activities	$	31,608

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

Exhibit G

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Fund
For the Year Ended June 30, 2019

	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Local	$ 134,132	$ 134,132	$ 274,228	$ 140,096
State	698,094	698,094	699,283	1,189
Federal	-	-	-	-
Total revenues all sources	832,226	832,226	973,511	141,285
EXPENDITURES				
Current:				
Instruction	939,351	939,351	868,754	70,597
Support services	656,407	656,407	760,197	(103,790)
Community services	-	-	-	-
Debt service	-	-	-	-
Capital outlay	(17,000)	(17,000)	18,070	(35,070)
Total expenditures	1,578,758	1,578,758	1,647,021	(68,263)
Excess (deficiency) of revenues over expenditures	(746,532)	(746,532)	(673,510)	73,022
OTHER FINANCING SOURCES (USES)				
Transfer from EIA Fund	720,996	720,996	721,431	435
Transfer to Special Revenue Fund	-	-	(32,535)	(32,535)
Total other financing sources (uses)	720,996	720,996	688,896	(32,100)
Net change in fund balance	$ (25,536)	$ (25,536)	15,386	$ 40,922
Fund balance, July 1, 2017			376,774	
Fund balance, June 30, 2018			$ 392,160	

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Calhoun Falls Charter School ("the School") is a non-profit organization incorporated in the state of South Carolina and organized under the South Carolina Charter School Act. The School was initially formed in August 2008. The School operates within the Charter Institute at Erskine ("the District"). The School serves students in grades 6 through 12 in Calhoun Falls, South Carolina.

The accounting policies of the School conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governments. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The School is a charter school under legislation enacted on June 18, 1996. A charter school is considered a public school and the School is a part of the Charter Institute at Erskine for the purposes of state law and state constitution. Because the District Board of Trustees ("the Board") can significantly influence operations and the District provides substantial financial support, the School's financial statements are included in those of the District as a discretely presented component unit.

B. Government-wide and Fund Financial Statements

The Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities which report information on the School as a whole, except for fiduciary funds, if any. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between governmental and business-type activities of the School. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges paid by the recipient of goods or services offered by the program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for the Governmental Funds. Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due. All other revenue items are considered to be measurable and available only when cash is received by the School.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The School reports the following major Governmental Funds:

- The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund. All general revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

- The Special Revenue Fund accounts for specific revenue sources that are legally restricted to expenditures for specified purposes. Money in this fund is expended according to the provisions of general statutes applicable to charter schools.

- The Special Revenue - Education Improvement Act ("EIA") Fund is used to account for the revenue from the South Carolina Education Improvement Act of 1984 which is legally required by the state to be accounted for as a specific revenue source.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance

1) Deposits and Investments

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The School pools money from its funds to facilitate disbursements and maximize investment income. Investments are reported at fair value.

2) Prepaid items

Payments made to vendors for services benefiting future periods are recorded as prepaid items in both Government-wide and Fund Financial Statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

3) Receivables and Payables

During the course of operations, numerous transactions occur between the School, vendors and revenue sources for goods provided or services rendered. Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. All receivables are considered fully collectible; therefore, no allowance has been made for doubtful accounts. Amounts due to individuals, vendors or other governmental units are recorded as payables at year-end.

4) Short-term Interfund Receivables and Payables

On Fund Financial Statements, receivables and payables resulting from short-term interfund loans are classified as "due from other funds" or "due to other funds". These amounts are eliminated in the governmental column of the Statement of Net Position.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

5) Capital Assets

Capital assets include leasehold improvements, equipment and furniture, and vehicles. Capital assets are defined by the School as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Years
Leasehold improvements	10
Equipment and furniture	3 - 5
Vehicles	7

6) Compensated Absences

Vacation is noncumulative, and employees are not paid for unused vacation days. Sick pay is nonvesting. Due to these policies and other uncertainties, there is no vested or accumulated vacation or sick pay that is expected to be paid after year end.

7) Long-term Obligations

In the Government-wide Financial Statements long-term debt and long-term obligations are reported as liabilities in the applicable Governmental Activities Statement of Net Position. In the Fund Financial Statements, governmental fund-types recognize principal and interest payments as expenditures of the current period and report the face amount of debt issued as other financing sources.

8) Pension Plan

In Government-wide Financial Statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The School recognizes a net pension liability ("NPL"), which represents the School's proportionate share of the excess of the total pension liability ("TPL") over the fiduciary net position of the qualified pension plan, measured as of the School's fiscal year-end. Changes in the NPL during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in NPL that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

9) Postemployment Benefits Other Than Pensions

In Government-wide Financial Statements, postemployment benefits other than pensions ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the modified accrual basis of accounting. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. School contributions to the pension and OPEB plans subsequent to the measurement date and the net difference between expected and actual experience in the pension and OPEB plans are included as deferred outflows of resources. These deferred charges are either (a) recognized in the subsequent period as a reduction of the net pension and OPEB liability (which includes pension and OPEB contributions made after the measurement date) or (b) amortized in a systematic and rational way to pension and OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The net difference between projected and actual earnings on pension and OPEB plan investments are included as deferred inflows of resources. These deferred credits are amortized in a systematic and rational way as a reduction to pension and OPEB expense in future periods in accordance with GAAP.

11) Fund Equity

In the Fund Financial Statements, fund balance classifications depict the nature of the net resources reported in the Governmental Funds. Individual Governmental Funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The General Fund also includes unassigned amounts. The School considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used. The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any are determined. Then any remaining fund balance amounts for the non-general funds. Committed fund balance amounts are established by the School's Board through motions passed at the School's Board meetings. Assigned fund balance amounts are established by the School's administration. The School has no assigned fund balance amounts.

Nonspendable Fund Balance - includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The School's nonspendable fund balance represents amounts not in spendable form.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

11) Fund Equity, continued

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the School's Board.

Assigned Fund Balance - includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are established by the School's administration.

Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other Governmental Funds, it may be necessary to report a negative unassigned fund balance.

12) Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net assets component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

13) Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

13) Fair Value, continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The School believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

14) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets for all Governmental Funds are adopted on the modified accrual basis for accounting, which is consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end and the School does not employ encumbrance accounting.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the School's Board. The legal level of control is at the fund level. During the year, the School revised the budget. The administration has discretionary authority to make transfers between appropriation accounts but did not make such transfers this year. The budget amounts in the financial statements are as amended by the Board.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The School's cash investment objectives are preservation of capital, liquidity and yield. The School is authorized to invest in securities as allowed by South Carolina statute. Those investments are restricted to:

1) Obligations of the United States and agencies thereof;
2) General obligations of the State of South Carolina or any of its political units;
3) Savings and loan associations to the extent that the same are secured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation ("FDIC");
4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest. Investments, which consist of certificates of deposit, are stated at cost which approximates market. During the year, investments made but not held as of the balance sheet date consisted of certificates of deposit.

Custodial credit risk – Custodial credit risk is the risk that the School's deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to $250,000 per bank. At June 30, 2019, the School's carrying amount of deposits was $370,567 and the bank balance was $370,656, all of which was covered by the FDIC.

Credit risk - South Carolina state statues only authorize the School to invest in certain types of investments. The School has no investment policy that would further restrict its choices.

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

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. The School does not have a policy that limits the amount that may be invested in any one issuer.

B. Due From and Due to Other Funds/Transfers From and To Funds

At June 30, 2019, there was $177,203 due to the General Fund from Special Revenue Funds and $46,929 due to the General Fund from the EIA Fund. During the course of regular operations, the School has transactions between funds to provide services. These transactions are generally reflected as transfers. During the year ended June 30, 2019, the School transferred $32,535 from the General Fund to the Special Revenue Fund to pay school food service expense above the fees collected. The School also transferred $721,431 of charter school funding from the Special Revenue – EIA Fund to the General Fund to pay certain expenses.

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

C. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Leasehold improvements	$ 41,542	$ -	$ -	$ 41,542
Equipment and furniture	498,479	5,123	214,979	288,623
Vehicles	53,630	-	-	53,630
Total capital assets being depreciated	593,651	5,123	214,979	383,795
Less acccumulated depreciation for:				
Leasehold improvements	15,015	3,734	-	18,749
Equipment and furniture	339,618	38,015	211,156	166,477
Vehicles	12,115	8,765	-	20,880
Total accumulated depreciation	366,748	50,514	211,156	206,106
Governmental activities capital assets, net	$ 226,903	$ (45,391)	$ 3,823	$ 177,689

Depreciation expense charged to functions/programs was as follows:

Instruction	$ 41,927
Support services	8,587
Total depreciation expense for governmental activities	$ 50,514

IV. OTHER INFORMATION

A. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains a general liability policy and an errors and omissions policy with a commercial carrier. The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

B. Commitments

The School leases its facility under an operating lease with the Town of Calhoun Falls for one dollar ($1.00) which is payable annually at the beginning of the school year. The lease is effective for the duration of the School's charter, or until such time that both parties agree to a more formal lease arrangement. For the year ended June 30, 2019, in-kind revenue and expense of $139,500 was recorded for the use of the facility.

C. Contingencies

The School participates in a number of federal and state assisted grant programs. These programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the School's management believes such disallowances, if any, would not be significant.

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans

The School participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("the Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission ("RSIC") as co-trustees of the Retirement Trust Funds.

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions – The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program ("State ORP") is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts, and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

Plan Membership – Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

Plan Membership, continued

State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

Plan Benefits – Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below:

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Funding Policy – Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the PEBA board, are insufficient to maintain the amortization period set in statute, the PEBA Board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

Funding Policy, continued

The Retirement System Funding and Administration Act establishes a ceiling on employee contributions rates at 9% for SCRS. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56% for SCRS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

As noted above, both employees and the School are required to contribute to the plans at rates established and as amended by the PEBA. The School's contributions are actuarially determined but are communicated to and paid by the School as a percentage of the employees' annual eligible compensation.

Contribution Summary – Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates		
	2019	2018	2017
Employer Contribution Rate:^			
Retirement*	14.41%	13.41%	11.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	14.56%	13.56%	11.56%
Employee Contribution Rate	9.00%	9.00%	8.66%

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The required contributions and percentages of amounts contributed by the School to the plans for the past three years were as follows:

Year Ended	SCRS Contributions		State ORP Contributions	
June 30,	Required	% Contributed	Required	% Contributed
2019	$ 128,415	100%	$ 541	100%
2018	127,875	100%	4,933	100%
2017	105,285	100%	2,423	100%

Eligible payrolls of the School covered under the plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2019	$ 881,971	$ 5,664	$ 887,635
2018	943,028	57,638	1,000,666
2017	910,774	36,945	947,719

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

Actuarial Assumptions – Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2017. The TPL was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018:

	SCRS
Actuarial Cost Method	Entry age normal
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	3.0% to 12.5% (varies by service)
Benefit adjustments	lesser of 1% or $500 annually

*Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table ("2016 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2018, total pension liability are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investments fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	**47.0%**		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	**10.0%**		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	**13.0%**		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	**18.0%**		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	**12.0%**		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 48,821,730,067	$ 26,414,916,370	$ 22,406,813,697	54.1%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirement of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2019, the School reported a liability of $2,117,727 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2018, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2017 that was projected forward to the measurement date. The School's proportion of the NPL was based on a projection of the School's long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2018 measurement date, the School's proportion was 0.009451%, which was an increase of 0.000216% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School recognized pension expense of $104,553 for its proportionate share of the PEBA's pension expense. At June 30, 2019, the School reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 3,823	$ 12,462
Assumption changes	84,020	-
Net difference between projected and actual earnings on pension plan investments	104,857	71,217
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	469,375	519,905
School contributions subsequent to the measurement date	128,956	-
	$ 791,031	$ 603,584

IV. OTHER INFORMATION, Continued

D. Employee Retirement Systems and Pension Plans, Continued

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

$128,956 reported as deferred outflows of resources related to pensions resulting from School contributions to the PEBA subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the PEBA will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2020	$ 210,265
2021	(119,640)
2022	(29,496)
2023	(2,638)
	$ 58,491

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the system's fiduciary net position was projected to be available to make all the 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 TPL.

Pension Liability Sensitivity - The following table presents the School's proportionate share of the NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the School's proportionate share of the NPL would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Asset Class	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
School's proportionate share of the Net Pension Liability:	$ 2,706,062	$ 2,117,727	$ 1,697,124

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds

PEBA – Insurance Benefits is the state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trust, and retirement systems.

The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits ("OPEB"). See Note IV. D. for more details on the PEBA and the SFAA.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions – The Other Post-Employment Benefits Trust Funds ("OPEB Trusts"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), which were established by the State of South Carolina as Act 195 effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Plan Benefits – The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the School, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds, Continued

Funding Policy – Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The covered payroll surcharge rates for the past two years were as follows:

	Year Ended June 30,	
	2019	2018
Employer Contribution Rate:^	6.05%	5.50%

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The required payroll surcharge, percentages of amounts contributed, and eligible payroll by the School covered by the SCRHITF for the past two years were as follows:

Year Ended	Contributions		
June 30,	Required	% Contributed	Eligible Payroll
2019	$ 53,702	100%	$ 887,635
2018	55,037	100%	1,000,666

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School approximately $12,410 for the year ended June 30, 2018 (measurement period). The contributions from these non-employer contributing entities are recognized as state revenues and intergovernmental expenditures in the School's Governmental Funds Financial Statements.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds, Continued

Funding Policy, continued

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Actuarial Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on an actuarial valuation performed as of June 30, 2017. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2018 using generally accepted actuarial principles.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.62% as of June 30, 2018
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 4 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for partial funded premiums 20% participation for retirees who are eligible for non-funded premiums
Notes:	There were no benefit changes during the current year; the discount rate changed from 3.59% as of June 30, 2016 to 3.62% as of June 30, 2018

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds, Continued

Long-term Expected Rate of Return – The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			**4.00%**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The Net OPEB Liability ("NOL") is calculated separately for each system and represents that particular system's total OPEB liability ("TOL") determined in accordance with GASB No. 74 less its fiduciary net position.

The following table represents the components of the NOL as of the June 30, 2018 measurement date:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2017	$ 14,659,610,970	$ 1,114,774,760	$13,544,836,210	7.60%
June 30, 2018	$ 15,387,115,010	$ 1,216,530,062	$14,170,584,948	7.91%

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds, Continued

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

At June 30, 2019, the School reported a liability of $1,644,355 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2018, and the TOL for the SCRHITF used to calculate the NOL was determined by an actuarial valuation as of June 30, 2017 that was projected forward to the measurement date. The School's proportion of the NOL was based on a projection of the School's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2018 measurement date, the School's proportion was 0.011604%, which was an increase of 0.000366% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School recognized OPEB expense of $103,642 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2019, the School reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to SCRHITF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 24,633	$ 573
Assumption changes	-	133,900
Net difference between projected and actual earnings on OPEB plan investments	6,305	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	46,702	16
School contributions subsequent to the measurement date	53,702	-
	$ 131,342	$ 134,489

$53,702 reported as deferred outflows of resources related to the School's contributions subsequent to the measurement date to the SCRHITF will be recognized as a reduction of the NOL in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the SCRHITF will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2020	$ (12,106)
2021	(12,106)
2022	(12,782)
2023	(13,851)
Thereafter	(6,004)
	$ (56,849)

IV. OTHER INFORMATION, Continued

E. Other Post-Employment Benefits Trust Funds, Continued

Discount Rate – The discount rate of 3.62% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the discount rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

OPEB Liability Sensitivity – The following table presents the School's proportionate share of the SCRHITF's NOL calculated using a single discount rate of 3.62%, as well as what the School's NOL would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
School's proportionate share of the SCRHITF net OPEB liability	$ 1,937,208	$ 1,644,355	$ 1,408,292

Regarding the sensitivity of the SCRHITF's NOL to changes in the healthcare cost trend rates, the following table presents the School's proportionate share of the SCRHITF's NOL, calculated using the assumed trend rates as well as what the School's NOL would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School's proportionate share of the SCRHITF net OPEB liability	$ 1,353,038	$ 1,644,355	$ 2,020,973

Additional Financial and Actuarial Information – Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements.

F. Subsequent Events

In preparing these financial statements, Calhoun Falls Charter School has evaluated events and transactions for potential recognition or disclosure through October 28, 2019, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended June 30, 2019.

Schedule 1

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2019

	2019	2018	2017	2016	2015
School's proportion of the net pension liability	0.009451%	0.009235%	0.014053%	0.005377%	0.011652%
School's proportionate share of the net pension liability	$ 2,117,727	$ 2,078,947	$ 3,001,700	$ 1,019,774	$ 2,006,088
School's covered-employee payroll	$ 1,000,666	$ 947,719	$ 927,404	$ 983,571	$ 974,921
School's proportionate share of the net pension liability as a percentage of the covered-employee payroll	211.63%	219.36%	323.67%	103.68%	205.77%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.90%	57.00%	59.90%

Schedule 2

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of School Contributions - Pension Plan
June 30, 2019

	2019	2018	2017	2016	2015
Contractually required contributions	$ 128,956	$ 132,808	$ 107,708	$ 99,705	$ 154,437
Contributions in relation to the contractually required contributions	128,956	132,808	107,708	99,705	154,437
Contribution deficiency (excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
School's covered-employee payroll	$ 887,635	$ 1,000,666	$ 947,719	$ 927,404	$ 983,571
Contributions as percentage of covered-employee payroll	14.53%	13.27%	11.36%	10.75%	15.70%

Schedule 3

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2019

	SCRHITF	
	2019	**2018**
School's proportion of the net OPEB liability	0.011604%	0.011238%
School's proportionate share of the net OPEB liability	$ 1,644,355	$ 1,522,169
School's covered-employee payroll	$ 1,000,666	$ 947,719
School's proportionate share of the net OPEB liability as a percentage of the covered-employee payroll	164.33%	160.61%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%

Schedule 4

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of School Contributions - OPEB Plan
June 30, 2019

	SCRHITF	
	2019	**2018**
Contractually required contributions	$ 53,702	$ 55,037
Contributions in relation to the contractually required contributions	53,702	55,037
Contribution deficiency (excess)	$ -0-	$ -0-
School's covered-employee payroll	$ 887,635	$ 1,000,666
Contributions as percentage of covered-employee payroll	6.05%	5.50%

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	$ 235	$ 251	$ 16
1700 Pupil activities			
1730 Pupil organization membership dues and fees	4,700	2,235	(2,465)
1740 Student fees	25,000	25,384	384
1790 Other pupil activities	21,463	21,578	115
1900 Other revenue from local sources			
1920 Contributions & donations private sources	13,804	153,304	139,500
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	68,930	71,476	2,546
Total local sources	134,132	274,228	140,096
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3180 Fringe benefits employer contributions	157,351	157,351	-
3181 Retiree insurance	43,322	43,322	-
3300 Education Finance Act (EFA)			
3310 Full-time programs			
3313 Elementary	148,205	148,205	-
3314 High school	48,805	48,805	-
3316 Speech handicapped (part-time program)	8,254	9,443	1,189
3317 Homebound	845	845	-
3320 Part-time programs			
3322 Educable mentally handicapped	8,648	8,648	-
3323 Learning disabilities	33,986	33,986	-
3327 Vocational	157,494	157,494	-

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
3330 Miscellaneous EFA programs			
3332 High achieving students	$ 3,355	$ 3,355	$ -
3334 Limited English proficiency	497	497	-
3351 Academic assistance	27,844	27,844	-
3352 Pupils in poverty	55,634	55,634	-
3353 Dual credit enrollment	3,232	3,232	-
3392 NBC Excess EFA formula	622	622	-
Total state sources	698,094	699,283	1,189
Total revenues all sources	832,226	973,511	141,285
EXPENDITURES			
100 Instruction			
110 General instruction			
113 Elementary programs			
100 Salaries	194,926	164,612	30,314
200 Employee benefits	94,846	88,069	6,777
114 High school programs			
100 Salaries	295,817	278,440	17,377
200 Employee benefits	117,896	123,611	(5,715)
300 Purchased services	26,121	26,391	(270)
400 Supplies and materials	27,840	18,537	9,303
115 Career and technology education programs			
100 Salaries	78,731	72,324	6,407
200 Employee benefits	37,109	35,468	1,641
300 Purchased services	-	1,280	(1,280)
400 Supplies and materials	5,000	2,284	2,716
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	32,633	33,823	(1,190)
400 Supplies and materials	40	40	-
127 Learning disabilities			
200 Employee benefits	23,227	23,146	81
300 Purchased services	5,165	729	4,436
Total instruction	939,351	868,754	70,597

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	$ 14,081	$ 12,968	$ 1,113
200 Employee benefits	4,186	3,266	920
213 Health services			
300 Purchased services	666	666	-
220 Instructional staff services			
221 Improvement of instruction - curriculum development			
100 Salaries	-	2,500	(2,500)
200 Employee benefits	7,894	1,911	5,983
300 Purchased services	3,919	-	3,919
224 Improvement of instruction - inservice and staff training			
300 Purchased services	13,151	11,160	1,991
230 General administrative services			
231 Board of education			
318 Audit services	11,600	11,600	-
600 Other objects	5,287	6,537	(1,250)
233 School administration			
100 Salaries	108,769	111,476	(2,707)
200 Employee benefits	46,370	47,255	(885)
300 Purchased services	42,248	53,143	(10,895)
400 Supplies and materials	10,513	10,438	75
500 Capital outlay	17,000	1,070	15,930
600 Other objects	2,000	1,954	46
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	33,764	33,764	-
600 Other objects	1,200	985	215
254 Operation and maintenance of plant			
100 Salaries	33,129	28,514	4,615
200 Employee benefits	12,490	12,040	450
300 Purchased services	90,083	198,853	(108,770)
321 Public utility services	4,400	28,145	(23,745)
400 Supplies and materials	6,000	4,649	1,351

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
470 Energy	$ 52,000	$ 50,152	$ 1,848
500 Capital outlay	18,334	17,000	1,334
600 Other objects	300	139	161
255 Student transportation			
300 Purchased services	533	533	-
260 Central support services			
263 Information services			
300 Purchased services	3,500	3,057	443
266 Technology and data processing services			
300 Purchased services	20,683	19,252	1,431
270 Supporting services - pupil activity			
271 Pupil services activities			
100 Salaries	24,241	23,741	500
200 Employee benefits	12,048	10,514	1,534
300 Purchased services	-	741	(741)
600 Other objects	36,650	44,202	(7,552)
660 Pupil activity	2,368	26,042	(23,674)
Total support services	639,407	778,267	(138,860)
Total expenditures	1,578,758	1,647,021	(68,263)
OTHER FINANCING SOURCES (USES)			
Interfund transfers, From (To) other funds:			
5230 Transfer from EIA Fund	720,996	721,431	435
421-710 Transfer to Special Revenue Fund	-	(32,535)	(32,535)
Total other financing sources (uses)	720,996	688,896	(32,100)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	$ (25,536)	15,386	$ 40,922
FUND BALANCE, July 1, 2018		376,774	
FUND BALANCE, June 30, 2019		$ 392,160	

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects)* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
REVENUES								
1000 Revenue from local sources								
1600 Food services								
1610 Lunch sales to pupils	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,864	$ 16,864
Total local sources	-	-	-	-	-	-	16,864	16,864
3000 Revenue from state sources								
3100 Restricted state funding								
3187 Teacher supplies	-	-	-	-	-	5,500	-	5,500
3600 Education Lottery Act revenue								
3670 School safety-facility safety upgrades	-	-	-	-	-	12,000	-	12,000
3900 Other state revenue								
3994 PEBA nonemployer contributions	-	-	-	-	-	12,410	-	12,410
Total state sources	-	-	-	-	-	29,910	-	29,910
4000 Revenue from federal sources								
4200 Occupational education								
4210 Perkins aid, Title I	-	-	-	32,618	-	-	-	32,618
4300 Elementary and Secondary Education Act of 1965 (ESEA)								
4310 Title I, basic state grant programs	136,791	-	-	-	-	-	-	136,791
4351 Improving teacher quality	-	-	-	-	-	-	3,800	3,800

* See Schedule 7 for a listing of LEA subfund codes for each program.

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects)* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
4500 Programs for children with disabilities								
4510 IDEA	$ -	$ 13,666	$ -	$ -	$ -	$ -	$ -	$ 13,666
4900 Other federal sources								
4990 Other federal revenue								
4999 Revenue from other federal sources	-	-	-	-	-	-	79,048	79,048
Total federal sources	136,791	13,666	-	32,618	-	-	82,848	265,923
Total revenues all sources	136,791	13,666	-	32,618	-	29,910	99,712	312,697
EXPENDITURES								
100 Instruction								
110 General instruction								
113 Elementary programs								
100 Salaries	12,200	-	-	-	-	-	-	12,200
200 Employee benefits	5,355	-	-	-	-	-	-	5,355
114 High school programs								
100 Salaries	17,783	-	-	-	-	-	-	17,783
200 Employee benefits	6,506	-	-	-	-	-	-	6,506
400 Supplies and materials	22,098	-	-	-	-	5,500	-	27,598
500 Capital outlay	48,713	-	-	-	-	-	-	48,713
115 Career & technology education programs								
100 Salaries	-	-	-	638	-	-	-	638
300 Purchased services	-	-	-	1,780	-	-	-	1,780
400 Supplies and materials	-	-	-	6,858	-	-	-	6,858

* See Schedule 7 for a listing of LEA subfund codes for each program.

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
120 Exceptional programs								
127 Learning disabilities								
100 Salaries	$ -	$ 12,871	$ -	$ -	$ -	$ -	$ -	$ 12,871
400 Supplies and materials	-	795	-	-	-	-	-	795
170 summer school programs								
175 Instructional prog beyond reg school day								
100 Salaries	1,575	-	-	-	-	-	-	1,575
200 Employee benefits	142	-	-	-	-	-	-	142
180 Adult/Continuing education programs								
188 Parenting/Family literacy								
400 Supplies and materials	739	-	-	-	-	-	-	739
Total instruction	115,111	13,666	-	9,276	-	5,500	-	143,553
200 Support services								
210 Pupil services								
211 Attendance and social work services								
200 Employee benefits	106	-	-	-	-	-	-	106
220 Instructional staff services								
221 Improvement of instruction - curriculum development								
100 Salaries	15,279	-	-	-	-	-	-	15,279
200 Employee benefits	6,295	-	-	-	-	-	-	6,295

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
223 Supervision of special programs								
100 Salaries	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ -	$ 5,000
224 Improvement of instruction - in-service and staff training								
300 Purchased services	-	-	-	-	-	-	3,800	3,800
250 Finance and operations services								
256 Food service								
100 Salaries	-	-	-	-	-	-	48,242	48,242
200 Employee benefits	-	-	-	-	-	-	38,744	38,744
400 Supplies and materials	-	-	-	-	-	12,000	40,961	52,961
600 Other objects	-	-	-	-	-	-	500	500
270 Support services - pupil services								
271 Pupil services activities								
300 Purchased services	-	-	-	18,342	-	-	-	18,342
Total support services	21,680	-	-	23,342	-	12,000	132,247	189,269
410 Intergovernmental expenditures								
412 Payments to other governmental units								
720 Transits	-	-	-	-	-	12,410	-	12,410
Total intergovernmental expenditures	-	-	-	-	-	12,410	-	12,410
Total expenditures	136,791	13,666	-	32,618	-	29,910	132,247	345,232

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
OTHER FINANCING SOURCES (USES)								
Interfund transfers, From (To) other funds:								
5210 Transfer from General Fund								
(Excludes indirect costs)	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,535	$ 32,535
Total other financing sources (uses)	-	-	-	-	-	-	32,535	32,535
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FUND BALANCE, July 1, 2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FUND BALANCE, June 30, 2019	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Special Revenue Fund - Schedule of Program Classifications
For Fiscal Year Ended June 30, 2019

LEA Subfund Code	Program		Revenue	Revenue Code
OTHER RESTRICTED STATE GRANTS				
917	Teacher supplies	$	5,500	3187
970	School safety-facility safety upgrades		12,000	3670
994	PEBA nonemployer contributions		12,410	3994
		$	29,910	
OTHER SPECIAL REVENUE PROGRAMS				
802	Lunch sales to students	$	16,864	1610
267	Improving teacher quality		3,800	4351
802	USDA reimbursements		79,048	7904
		$	99,712	

Schedule 8

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Summary Schedule for Designated State Restricted Grants
For Fiscal Year Ended June 30, 2019

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue Interfund Transfers In/(Out)	Special Revenue Other Fund Transfers In/(Out)	Special Revenue Fund Unearned
917	3187	Teacher supplies	$ 5,500	$ 5,500	$ -	$ -	$ -
970	3670	School safety-facility safety upgrades	12,000	12,000	-	-	-
994	3994	PEBA nonemployer contributions	12,410	12,410	-	-	-
							-
			$ 29,910	$ 29,910	$ -0-	$ -0-	$ -0-

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2019

	Actual
REVENUES	
3000 Revenue from state sources	
3500 Education Improvement Act	
3507 Aid to district technology	$ 2,159
3518 Adoption list of formative assessment	1,500
3519 Grade 10 assessments	720
3525 Career and technology education equipment	12,796
3529 Career and technology education	84,828
3538 Students at risk of school failure	17,008
3550 Teacher salary increase (No Carryover Provision)	30,084
3555 Teacher salary fringe (No Carryover)	6,171
3583 Charter school payments	721,431
3595 EEDA - supplies and materials	392
3597 Aid to districts	4,436
Total state sources	881,525
Total revenues all sources	881,525
EXPENDITURES	
100 Instruction	
110 General instruction	
113 Elementary programs	
100 Salaries	30,083
200 Employee benefits	6,171
114 High school programs	
100 Salaries	17,009
400 Supplies and materials	8,344
115 Career and technology education programs	
300 Purchased services	6,344
400 Supplies and materials	15,981
500 Capital outlay	27,845
120 Exceptional programs	
127 Learning disabilities	
300 Purchased services	4,436
Total instruction	116,213

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2019

	Actual
200 Support services	
210 Pupil services	
212 Guidance services	
400 Supplies and materials	$ 392
220 Instructional staff services	
221 Improvement of instuction - curriculum development	
200 Employee benefits	11,533
300 Purchased services	17,313
260 Central support services	
266 Technology and data processing services	
100 Salaries	9,500
300 Purchased services	427
260 Support services - pupil activity	
271 Pupil services activities	
660 Pupil activity	4,716
Total support services	43,881
Total expenditures	160,094
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
420-710 Transfer to General Fund (excluding indirect costs)	(721,431)
Total other financing sources (uses)	(721,431)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-
FUND BALANCE, July 1, 2018	-0-
FUND BALANCE, June 30, 2019	$ -0-

Schedule 10

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Education Improvement Act
Summary Schedule by Program
For Fiscal Year Ended June 30, 2019

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3507 Aid to district technology	$ 2,159	$ 2,159	$ -	$ -	$ -
3518 Adoption list of formative assessment	1,500	1,500	-	-	-
3519 Grade 10 assessments	720	720	-	-	-
3525 Career and technology education equipment	12,796	12,796	-	-	-
3529 Career and technology education	84,828	84,828	-	-	-
3538 Students at risk of school failure	17,008	17,008	-	-	-
3550 Teacher salary increase (No Carryover Provision)	30,084	30,084	-	-	-
3555 Teacher salary fringe (No Carryover)	6,171	6,171	-	-	-
3583 Charter school payments	721,431	-	-	(721,431)	-
3595 EEDA - supplies and materials	392	392	-	-	-
3597 Aid to districts	4,436	4,436	-	-	-
TOTALS	$ 881,525	$ 160,094	$ -0-	$ (721,431)	$ -0-

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of Due to State Department of Education/Federal Government
June 30, 2019

Program	Project Number	Revenue & Subfund Codes	Description	Amount Due to State Department of Education/ Federal Government
None				$ -0-
				$ -0-

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified.	
Internal control over financial reporting:		
• Material weakness (es) identified?	________ Yes	___X___ No
• Significant deficiency (ies) identified?	________ Yes	___X___ No
Noncompliance material to financial statements noted?	________ Yes	___X___ No

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Section II - Financial Statement Findings

None.

Schedule 13

CALHOUN FALLS CHARTER SCHOOL
CALHOUN FALLS, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2019

Section I - Financial Statement Findings

None.

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

Board of Directors
Calhoun Falls Charter School
Calhoun Falls, South Carolina

We have audited the financial statements of Calhoun Falls Charter School ("the School") as of and for the year ended June 30, 2019, and have issued our report thereon dated October 28, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calhoun Falls Charter School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

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

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

Purpose of this Report

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

Martin Smith and Company CPAs PA

Greenville, South Carolina
October 28, 2019