

Greer Middle College Charter High School

**(A Component Unit of the
South Carolina Public Charter School District)**

Taylors, South Carolina

**ANNUAL FINANCIAL REPORT
June 30, 2021**

(With Independent Auditors' Report Thereon)

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Annual Financial Report
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MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors
Greer Middle College Charter High School
Taylors, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Greer Middle College Charter High School ("the School"), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's 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 Greer Middle College Charter High School at June 30, 2021, and the respective changes in financial position thereof 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, the budgetary comparison information, the pension liability and contribution schedules, and other post-employment benefits liability and contribution schedules, as listed in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is supplementary information required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 financial statements of Greer Middle College Charter High 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 29, 2021, 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 29, 2021

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

This discussion and analysis of Greer Middle College Charter High School's ("the School") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should read the information presented herein in conjunction with additional information we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

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 2021 fiscal year by \$2,067,806 (net deficit). The School has invested \$12,283,713 in capital assets, net of accumulated depreciation, and financed these property acquisitions with \$10,476,000 in related debt. The School also has \$261,240 in restricted net position. Therefore, the School reported an unrestricted net deficit of \$4,136,759.

Included in liabilities is the net pension obligation of \$4,708,495 and other post-employment benefit obligation of \$4,404,914.

The School's total net position decreased by \$533,772 during its most recent fiscal year.

Fund Financial Statements

As of the close of the current fiscal year, the School's Governmental Funds reported combined ending fund balances of \$2,860,527. This is a decrease in the fund balances of \$938,798 from the previous year. The principal cause of the decrease was that the School borrowed during the previous fiscal year for planned capital improvements and expended those funds during the current fiscal year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,599,287.

The School's total capital assets, net of accumulated depreciation, increased by \$171,014 during the current fiscal year, as fixed asset additions were higher than depreciation expense.

The School's total long-term debt decreased by \$819,500 during the current fiscal year, as the School made its scheduled debt payments and had its \$489,500 note payable obtained from a bank under the Paycheck Protection Program forgiven.

During the 2021 fiscal year, the School's governmental fund-type revenues were \$5,772,322, an increase of \$671,288 from the previous year.

During the current fiscal year, the School's governmental fund-type expenditures were \$6,811,120.

Overall

The 135-day student count increased by 28, from 474 students in the prior year to 502 students in the current year. The 135-day enrollment count is the basis for most of the state funds that the School receives.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the School's Financial Statements. The School's Financial Statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the Financial Statements, this report contains Required Supplementary Information that will enhance the reader's understanding of the financial condition of the School.

Government-Wide Financial Statements

The Government-Wide Financial Statements 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 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 assets are 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.

The Government-Wide Financial Statements distinguish functions of the School that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). However, all activities of the School are Governmental Activities, which include instruction, supporting services, and debt service. The School's operations do not include any Business-type Activities.

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

Fund Financial Statements

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.

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.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

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 Balance provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

The School maintains two 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.

Notes to the Financial Statements

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 following Exhibit F of this report.

Other Information

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.

Major Features of Greer Middle College Charter High School Government-Wide and Fund Financial Statements		
	Government-Wide Statements	Fund Financial Statements
		<i>Government Funds Only</i>
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 Balances
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

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

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 \$2,067,806 at the close of the most recent fiscal year.

The following table provides a summary of the School's net position for 2021 compared to 2020:

	Net Position	
	Governmental Activities	
	2021	2020
Assets		
Current and other assets	\$ 3,291,773	\$ 4,451,075
Capital assets	12,283,713	12,112,699
Total assets	<u>15,575,486</u>	<u>16,563,774</u>
Deferred Outflows of Resources	<u>2,743,392</u>	<u>1,104,055</u>
Liabilities		
Other liabilities	431,246	651,750
Net pension liability	4,708,495	3,613,895
Net OPEB liability	4,404,914	3,208,183
Long-term liabilities	10,476,000	11,295,500
Total liabilities	<u>20,020,655</u>	<u>18,769,328</u>
Deferred Inflows of Resources	<u>366,029</u>	<u>432,535</u>
Net Position		
Net investment in capital	1,807,713	2,385,223
Restricted for capital projects	261,240	61,075
Unrestricted net position	<u>(4,136,759)</u>	<u>(3,980,332)</u>
Total net position	<u>\$ (2,067,806)</u>	<u>\$ (1,534,034)</u>

During the current fiscal year, net position of the School's governmental activities decreased by \$533,772. 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 from a deficit of \$3,980,332 at June 30, 2020, to a deficit of \$4,136,759 at June 30, 2021. The deficit net position for the year ended June 30, 2020 and 2019 is primarily the result of reporting required under GASB No. 68, *Accounting and Financial Reporting for Pensions*.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

The following table shows the changes in net position for fiscal year 2021 compared to 2020:

Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Operating grants	\$ 5,724,359	\$ 4,714,786
Charges for services and sales	-	331,502
General revenues:		
Local revenue	110,303	24,447
Other	3,840	195,160
	<u>5,838,502</u>	<u>5,265,895</u>
Program Expenses		
Instruction	3,533,342	2,764,629
Support services	2,880,432	2,374,896
Interest	448,000	239,104
	<u>6,861,774</u>	<u>5,378,629</u>
Non-recurring item - contribution from forgiveness of PPP loan	489,500	-
	<u>489,500</u>	<u>-</u>
Decrease in net position	<u>\$ (533,772)</u>	<u>\$ (112,734)</u>

Governmental Activities:

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

For the year ended June 30, 2021, the School's Governmental Funds reported combined fund balances of \$2,860,527 as compared to \$3,899,320 for the prior year.

The Special Revenue Funds consists of various Federal and Education Improvement Act Funds. These funds were spent appropriately as mandated by the legislation that allowed for their distribution. The EIA funds that were received during the year were expended during the current fiscal year; therefore, there was no fund balance at the end of the previous or current year. As of July 1, 2020, the School implemented GASB Statement No. 84, *Fiduciary Activities*. Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the Special Revenue Fund. Therefore, this fund did have a fund balance as of June 30, 2021.

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. During the course of the fiscal year 2021, amendments to the School's General Fund budget resulted in an insignificant change in fund balances.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the School had \$12,283,713 net investment in capital assets.

The total increase in the School's net investment in capital assets was \$171,014.

The following table shows fiscal 2021 balances compared to 2020:

	Capital Assets (Net of Depreciation)	
	Governmental Activities	
	2021	2020
Buildings and facilities	\$ 11,925,270	\$ 7,056,763
Technology	24,556	27,049
Vehicles	36,368	128,889
Furniture and equipment	297,519	177,583
Construction in progress	-	4,722,415
	<hr/>	<hr/>
Totals	\$ <u>12,283,713</u>	\$ <u>12,112,699</u>

The School completed a construction expansion project to provide a gymnasium and additional classroom space.

Long-term Debt

At fiscal year-end, the School had \$10,476,000 in notes payable versus \$11,295,500 in the prior year, as shown in the following table:

	Governmental Activities	
	2021	2020
	Note payable to South Carolina Jobs - Economic Development Authority	\$ 5,744,000
Note payable to South Carolina Jobs - Economic Development Authority	4,732,000	4,850,000
Note payable to bank under Paycheck Protection Program	-	489,500
	<hr/>	<hr/>
Total long-term debt	\$ <u>10,476,000</u>	\$ <u>11,295,500</u>

More detailed information about the School's debt and other long-term liabilities is presented in the Notes to the Financial Statements.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

Economic Factors

The following key economic indicators reflect the operations of the School:

- The School continues to see community support as evidenced by the volunteerism, local organizations donating classroom and office supplies, private donations, and support through fundraising.
- The School has a returning staff of professionals that are committed to the School.
- The School will continue to seek both federal and private grant funds to supplement its Education Finance Act (“EFA”) funding.

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 138 W McElhaney Road, Taylors, South Carolina 29687.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Statement of Net Position
June 30, 2021**

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,161,279
Due from other governmental units	130,494
Capital assets	14,904,638
Less accumulated depreciation and amortization	<u>(2,620,925)</u>
Total capital assets, net of depreciation	<u>12,283,713</u>
Total assets	<u>15,575,486</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred pension and OPEB plan charges	<u>2,743,392</u>
Total deferred outflows of resources	<u>2,743,392</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	338,544
Revenue collected in advance	92,627
Due to other governmental units	75
Pension liability	4,708,495
OPEB liability	4,404,914
Long-term liabilities:	
Due within one year - notes payable	341,200
Due in more than one year - notes payable	<u>10,134,800</u>
Total liabilities	<u>20,020,655</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred pension and OPEB plan credits	<u>366,029</u>
Total deferred inflows of resources	<u>366,029</u>
<u>NET POSITION</u>	
Net investment in capital assets	1,807,713
Restricted	261,240
Unrestricted net position (deficit)	<u>(4,136,759)</u>
Total net position (deficit)	<u>\$ (2,067,806)</u>

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

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2021**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Change in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Instruction	\$ 3,466,687	\$ -	\$ 2,908,487	\$ (558,200)
Support services	2,947,087	-	2,440,008	(507,079)
Interest and other charges	448,000	-	375,864	(72,136)
Total governmental activities	<u>6,861,774</u>	<u>-0-</u>	<u>5,724,359</u>	<u>(1,137,415)</u>
Total	<u>\$ 6,861,774</u>	<u>\$ -0-</u>	<u>\$ 5,724,359</u>	<u>(1,137,415)</u>
General revenues:				
				110,303
				3,840
				<u>114,143</u>
				(1,023,272)
				<u>489,500</u>
				(533,772)
				<u>(1,534,034)</u>
				<u>\$ (2,067,806)</u>

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

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,125,694	\$ 35,585	\$ -	\$ 3,161,279
Due from other governmental units	-	130,494	-	130,494
Due from other funds	-	33,968	48,507	82,475
	<u>-</u>	<u>33,968</u>	<u>48,507</u>	<u>82,475</u>
Total assets	<u>\$ 3,125,694</u>	<u>\$ 200,047</u>	<u>\$ 48,507</u>	<u>\$ 3,374,248</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 32,013	\$ -	\$ -	\$ 32,013
Accrued expenses	306,531	-	-	306,531
Due to other funds	82,475	-	-	82,475
Due to other governmental units	-	-	75	75
Unearned revenue	44,195	-	48,432	92,627
	<u>465,214</u>	<u>-0-</u>	<u>48,507</u>	<u>513,721</u>
Total liabilities	<u>465,214</u>	<u>-0-</u>	<u>48,507</u>	<u>513,721</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	61,193	200,047	-	261,240
Committed	-	-	-	-
Unassigned	2,599,287	-	-	2,599,287
	<u>2,660,480</u>	<u>200,047</u>	<u>-0-</u>	<u>2,860,527</u>
Total fund balances	<u>2,660,480</u>	<u>200,047</u>	<u>-0-</u>	<u>2,860,527</u>
Total liabilities and fund balances	<u>\$ 3,125,694</u>	<u>\$ 200,047</u>	<u>\$ 48,507</u>	<u>\$ 3,374,248</u>

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

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021**

Total fund balances - governmental funds	\$ 2,860,527
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 \$14,904,638 and the accumulated depreciation is \$2,620,925.	12,283,713
Long-term liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,708,495)
Long-term liabilities, including net OPEB plan obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,404,914)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(10,476,000)
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	2,743,392
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	<u>(366,029)</u>
Net position of governmental activities	<u><u>\$ (2,067,806)</u></u>

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

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>EIA Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local	\$ 81,599	\$ 329,722	\$ -	\$ 411,321
State	2,434,189	146,905	2,657,696	5,238,790
Federal	-	122,211	-	122,211
Intergovernmental	-	-	-	-
	<u>2,515,788</u>	<u>598,838</u>	<u>2,657,696</u>	<u>5,772,322</u>
Total revenues all sources				
EXPENDITURES				
Current:				
Instruction	2,712,241	122,563	174,593	3,009,397
Support services	1,515,792	365,154	4,702	1,885,648
Community services	75,755	-	-	75,755
Intergovernmental	-	32,543	-	32,543
Debt services:				
Redemption of principal	330,000	-	-	330,000
Interest	448,000	-	-	448,000
Capital outlay	980,107	26,255	23,415	1,029,777
	<u>6,061,895</u>	<u>546,515</u>	<u>202,710</u>	<u>6,811,120</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(3,546,107)</u>	<u>52,323</u>	<u>2,454,986</u>	<u>(1,038,798)</u>
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	100,000	-	-	100,000
Operating transfers in	2,454,986	-	-	2,454,986
Operating transfers out	-	-	(2,454,986)	(2,454,986)
	<u>2,554,986</u>	<u>-</u>	<u>(2,454,986)</u>	<u>100,000</u>
Total other financing sources (uses)				
Net change in fund balances	(991,121)	52,323	-0-	(938,798)
FUND BALANCE, July 1, 2020	<u>3,799,325</u>	<u>-0-</u>	<u>-0-</u>	<u>3,799,325</u>
Restatement	<u>(147,724)</u>	<u>147,724</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1, 2020, as restated	<u>3,651,601</u>	<u>147,724</u>	<u>-0-</u>	<u>3,899,320</u>
FUND BALANCE, June 30, 2021	<u>\$ 2,660,480</u>	<u>\$ 200,047</u>	<u>\$ -0-</u>	<u>\$ 2,860,527</u>

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

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021**

Total net change in fund balances - governmental funds	\$	(938,798)
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 (\$900,003), less disposals, exceeds depreciation (\$714,368) in the period.		185,635
Proceeds from sale of fixed assets provide current financial resources in the governmental funds, but reduces capital assets in the Statement of Net Position.		(21,336)
Forgiveness of PPP loan reduces long-term liabilities in the Statement of Net Position, but is not recorded in the Governmental Funds.		489,500
Governmental funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.		32,543
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 (\$1,111,011) exceeds employer contributions (\$499,695).		(611,316)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		<u>330,000</u>
Change in net position of governmental activities	\$	<u><u>(533,772)</u></u>

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

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Greer Middle College Charter High School (“the School”) conform to accounting principles generally accepted in the United States of America as applicable to governments. 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 South Carolina Public Charter School District (“the School District”) for the purposes of state law and state constitution. Because the School District Board of Trustees (“the Board”) can significantly influence operations and the School District provides substantial financial support, the School’s financial statements are included in those of the School 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 all of the 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 to customers who purchase, use or directly benefit from services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and 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 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.
- The Special Revenue Fund accounts for specific revenue sources (other than expendable trusts) 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.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Implementation of GASB Statement No. 84

As of July 1, 2020, the School implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve the identification of those activities to be considered as fiduciary activities for accounting and reporting purposes and how those activities should be reported. The requirements of the statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by information reported in financial statements for assessing government accountability and stewardship. The impact to the School resulted in certain activities previously reported in the General Fund being reported as activity funds in the Special Revenue Fund under GASB 84. The effect of the implementation of this standard on beginning fund balance by fund is disclosed in Footnote IV. F.

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, short-term investments with original maturities of three months or less from the date of acquisition, and investments in the State Treasurer’s Local Government Investment Pool (“LGIP”). The School pools money from two funds to facilitate disbursements and maximize investment income. Investments are reported at fair value. The School had no investments at June 30, 2021.

2) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-Wide and Fund Financial Statements.

3) Capital Assets

Capital assets include equipment, furniture, technology, vehicles, and leasehold improvements. 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Furniture and accessories	7
Business machines	7
Copiers	5
Communications equipment	7
Computer hardware	5
Computer software	5
Audio visual equipment	7
Vehicles	5

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

4) Compensated Absences

It is the School's policy to permit employees to accumulate earned but unused medical leave benefits. The medical leave policy of the School provides for the accumulation of up to 90 days earned sick leave with such leave being fully vested when earned. The current portion of the accumulated sick leave pay is not considered to be material; therefore, no expenditure or liability has been reported in the governmental funds. All vacation pay is accrued when incurred in the Government-wide Financial Statements. A liability for these amounts, if material, is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5) 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 assets. 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.

6) 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 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.

7) 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.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

8) 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.

9) 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 are classified as restricted fund balance. Committed fund balance amounts are established by the School's Board through motions passed at the School's Board meetings. The School also has funds committed for a capital project. 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.

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.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

9) Fund Equity, continued

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.

10) Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 position 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.

11) 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.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

11) 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.

12) 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 Charter Committee. 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. The budget amounts in the financial statements are as amended by the administration.

B. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the Support Services expenditure category.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

Custodial credit risk for cash and cash equivalents is the risk that, in the event of a bank failure, the School's deposits might not be recovered. The School does not have a formal deposit policy for credit risk but follows the investment policy statutes of the state of South Carolina. At June 30, 2021, the School's carrying amount of deposits was \$3,161,279 and the bank balance was \$3,185,790, all of which was either covered by Federal Depository Insurance ("FDIC") or collateralized.

The School's cash balances include amounts invested in the State Treasurer's Local Government Investment Pool accounts with a total carrying value and fair market value of \$1,045,282 at June 30, 2021. The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina Treasurer oversees the pool. In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The fair value of the position in the pool is the same as the value of the pool shares. Financial statements for the LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 4,722,415	\$ 426,079	\$ 5,148,494	\$ -
Total capital assets not being depreciated	<u>4,722,415</u>	<u>426,079</u>	<u>5,148,494</u>	<u>-0-</u>
Capital assets being depreciated:				
Buildings and facilities	8,621,085	5,524,560	-	14,145,645
Technology	248,907	9,497	-	258,404
Vehicles	209,306	-	100,343	108,963
Furniture and equipment	239,222	152,404	-	391,626
Total assets being depreciated	<u>9,318,520</u>	<u>5,686,461</u>	<u>100,343</u>	<u>14,904,638</u>
Less accumulated depreciation for:				
Buildings and facilities	1,564,323	656,052	-	2,220,375
Technology	221,857	11,991	-	233,848
Vehicles	80,417	13,857	21,679	72,595
Furniture and equipment	61,639	32,468	-	94,107
Total accumulated depreciation	<u>1,928,236</u>	<u>714,368</u>	<u>21,679</u>	<u>2,620,925</u>
Net capital assets being depreciated	<u>7,390,284</u>	<u>4,972,093</u>	<u>78,664</u>	<u>12,283,713</u>
Governmental activities capital assets, net	<u>\$ 12,112,699</u>	<u>\$ 5,398,172</u>	<u>\$ 5,227,158</u>	<u>\$ 12,283,713</u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

III. DETAILED NOTES ON ALL FUNDS, Continued

B. Capital Assets, continued

Depreciation expense charged to functions/programs was as follows:

Governmental activities:	
Instruction	\$ 20,002
Support Services	<u>694,366</u>
Total depreciation / amortization expense for governmental activities	<u><u>\$ 714,368</u></u>

During the year ended June 30, 2021, the School completed a construction project for an activity center to provide a gymnasium and additional classroom space. The total cost was transferred from construction in progress accounts to the appropriate capital asset accounts.

C. Long-Term Debt

Long-term debt consists of the following as of June 30, 2021:

Note payable to South Carolina Jobs-Economic Development Authority, interest payable semi-annually at 2.81% starting April 2017, principal payable annually in installments ranging from \$195,000 to \$369,000 starting April 2018 through 2041. The loan is secured by accounts receivable, inventory, equipment, and general revenues. \$ 5,744,000

Note payable to South Carolina Jobs-Economic Development Authority, interest payable semi-annually at 4.39% starting October 2019, principal payable annually in installments ranging from \$118,000 to \$317,000 starting April 2021 through 2044. The loan is secured by accounts receivable, inventory, equipment, and general revenues. 4,732,000

Total 10,476,000

Less current portion of long-term debt 341,200

Total long-term debt \$ 10,134,800

Maturities of debt outstanding at June 30, 2021, are as follows:

<u>Year Ending June 30</u>	
2022	\$ 341,200
2023	352,600
2024	365,200
2025	377,000
2026	389,000
Thereafter	<u>8,651,000</u>
Total	<u><u>\$ 10,476,000</u></u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

III. DETAILED NOTES ON ALL FUNDS, Continued

C. Long-Term Debt, continued

In 2016, the School borrowed \$6,558,000 from South Carolina Jobs-Economic Development Authority (“the Authority”) evidenced by a loan agreement. The Authority issued \$6,558,000 Economic Development Revenue Bonds in connection with this loan agreement. These tax-exempt bonds pay interest semi-annually at 2.81% and are subject to mandatory redemption. The repayment provisions of the loan agreement are identical to the bond requirements.

In June 2019, the School borrowed \$4,850,000 from South Carolina Jobs-Economic Development Authority evidenced by a loan agreement. The Authority issued \$4,850,000 Economic Development Revenue Bonds in connection with this loan agreement. These tax-exempt bonds pay interest semi-annually at an initial rate of 4.39% and are subject to mandatory redemption. The repayment provisions of the loan agreement are identical to the bond requirements.

In May 2020, the School received a \$489,500 note payable from a bank in connection with the PPP. The School expended the funds in such a manner that it met the requirements for full forgiveness of the loan, and the School applied for and received forgiveness of the loan during the fiscal year ended June 30, 2021. See Note IV. E. for further discussion.

Interest expense paid for the year ended June 30, 2021 was \$448,000.

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable \$	11,295,500	\$ -0-	\$ 819,500	\$ 10,476,000	\$ 341,200

Subsequent to year-end, in August 2021, the School refinanced its notes with the South Carolina Jobs-Economic Development Authority, adjusting the interest rate to an initial rate of 2.51%. The School paid approximately \$500,000 in fees in connection with this transaction.

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 \$1,000,000 per occurrence general liability policy and a \$2,000,000 per occurrence 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 two fiscal years.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

IV. OTHER INFORMATION, Continued

B. 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 (“PEBA Board”), appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the systems and the trust funds. The Retirement System Investment Commission, created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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 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 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 South Carolina 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 service providers.

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.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, 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 at or after the November 2012 general election have the option to participate in the State ORP. 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 service provider for the employee contribution and a portion of the employer contribution (5 percent). 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/current annual salary. A brief summary of benefit terms for each system is as follows:

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 1% or \$500 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 – Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. 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

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IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Funding Policy, continued

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%.

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		
	2021	2020	2019
Employer Contribution Rate: [^]			
Retirement*	15.41%	15.41%	14.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	15.56%	15.56%	14.56%
 Employee Contribution Rate	9.00%	9.00%	9.00%

[^] 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 service provider 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	June 30,	SCRS Contributions		State ORP Contributions	
		Required	% Contributed	Required	% Contributed
2021	\$	275,378	100%	\$	71,430 100%
2020		256,274	100%		63,611 100%
2019		191,483	100%		51,659 100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly "State" funded 1 percent of the SCRS contribution increases for the year ended June 30, 2020. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2020 (measurement date) to the School were approximately \$16,764 for the SCRS.

The School recognized contributions (on-behalf benefits) from the State of approximately \$16,764 for the year ended June 30, 2021. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School's governmental fund financial statements.

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IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Contribution Summary, continued

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

<u>Year Ended</u> <u>June 30,</u>	<u>SCRS Payroll</u>	<u>State</u> <u>ORP Payroll</u>	<u>Total</u> <u>Payroll</u>
2021	\$ 1,769,783	\$ 676,416	\$ 2,446,199
2020	1,647,004	602,373	2,249,377
2019	1,315,128	540,357	1,855,485

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, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2020:

	<u>SCRS</u>
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, 2020 total pension liability are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
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%

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IV. OTHER INFORMATION, Continued

B. 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 20-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 2020 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.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

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IV. OTHER INFORMATION, Continued

B. 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

At June 30, 2021, the School reported a liability of \$4,708,495 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2020, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2019 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, 2020 measurement date, the School's proportion was 0.018427%, which was an increase of 0.002600% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$698,191 for its proportionate share of the PEBA's pension expense. At June 30, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 54,330	\$ 17,805
Assumption changes	5,769	-
Net difference between projected and actual earnings on pension plan investments	396,777	50,427
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	502,813	4,569
School contributions subsequent to the measurement date	<u>346,808</u>	<u>-</u>
	<u>\$ 1,306,497</u>	<u>\$ 72,801</u>

\$346,808 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to the PEBA will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ 245,301
2023	288,457
2024	264,748
2025	<u>88,382</u>
	<u>\$ 886,888</u>

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IV. OTHER INFORMATION, Continued

B. 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 net pension liability (“NPL”) is calculated separately for each system and represents that particular system’s total pension liability (“TPL”) determined in accordance with GASB No. 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2020, for SCRS are presented below:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$25,551,769,081	50.7%

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.

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:

<u>Asset Class</u>	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
School's proportionate share of the net pension liability	\$ 5,835,602	\$ 4,708,495	\$ 3,767,347

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 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.

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IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts, 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 the 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. B. 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, which became 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 OPEB 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.

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IV. OTHER INFORMATION, Continued

C. 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, 2020, was 6.25%. 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 premium 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 three years were as follows:

	<u>Year Ended June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer Contribution Rate:^	<u>6.25%</u>	<u>6.25%</u>	<u>6.05%</u>

^ 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 three years were as follows:

<u>Year Ended June 30,</u>	<u>Contributions</u>			<u>Eligible Payroll</u>
	<u>Required</u>	<u>% Contributed</u>		
2021	\$ 152,887	100%	\$ 2,446,199	
2020	140,586	100%	2,249,377	
2019	112,257	100%	1,855,485	

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 \$32,543 for the year ended June 30, 2020 (measurement period). The contributions from these non-employer contributing entities are recognized as state revenues and intergovernmental expenditures in the School’s governmental fund financial statements.

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IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Funding Policy, continued

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.

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. The Schedule of the School's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the School's net OPEB liability, funded status of the OPEB Plan, and the School's contributions to the OPEB Plan. 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, 2019. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles.

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IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Actuarial Assumptions, continued

Additional information as of the latest actuarial valuation for SCRHITE:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	2.45% as of June 30, 2020
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 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 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:	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax."

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 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. This information is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.35%	0.07%
Total	<u>100.00%</u>		<u>0.55%</u>
Expected Inflation			<u>2.25%</u>
Total Return			<u>2.80%</u>
Investment Return Assumption			<u>2.75%</u>

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IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

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, 2020 measurement date, as well as the three prior years:

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, 2020	\$ 19,703,745,672	\$ 1,652,299,185	\$ 18,051,446,487	8.39%
June 30, 2019	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
June 30, 2018	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
June 30, 2017	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%

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.

At June 30, 2021, the School reported a liability of \$4,404,914 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2020, and the TOL for the SCRHITF used to calculate the NOL was determined by an actuarial valuation as of June 30, 2019 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, 2020 measurement date, the School’s proportion was 0.024402%, which was an increase of 0.003186% from its proportion measured as of June 30, 2019.

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TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

IV. OTHER INFORMATION, Continued

C. 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

For the year ended June 30, 2021, the School recognized OPEB expense of \$417,925 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 125,985	\$ 100,316
Assumption changes	655,506	175,426
Net difference between projected and actual earnings on OPEB plan investments	-	10,274
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	502,517	7,212
School contributions subsequent to the measurement date	<u>152,887</u>	<u>-</u>
	<u>\$ 1,436,895</u>	<u>\$ 293,228</u>

\$152,887 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to the SCRHITF will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ 144,397
2023	142,149
2024	181,189
2025	193,883
Thereafter	<u>329,162</u>
	<u>\$ 990,780</u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Discount Rate – The discount rate of 2.45% 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 2.45%, 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 (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
School's proportionate share of the SCRHITF net OPEB liability	\$ 5,255,947	\$ 4,404,914	\$ 3,724,875

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	\$ 3,565,355	\$ 4,404,914	\$ 5,507,496

OPEB Plan Fiduciary Net Position – Detailed information regarding the fiduciary net position of the OPEB Plans administered by PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Post-Employment Benefits Trust Funds. This information is publicly available through the Insurance Benefits’ link on the 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.

D. Commitments and Contingencies

The School participates in a number of federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures that may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the School’s management believes such disallowances, if any, would be immaterial.

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021

IV. OTHER INFORMATION, Continued

E. Other

In December 2019, an outbreak of novel coronavirus (“COVID-19”) originated in China and spread to other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. declared a state of emergency, and limited most aspects of business, education, travel, and personal physical interactions. Beginning in March 2020, the School was forced to move to remote educational offerings and cancel certain other programs. These necessary actions did cause school-related revenue to decrease and additional expenses to be incurred. Management of the School took prompt action to postpone certain initiatives and reduce operating expenses so as to maintain its financial stability.

In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) which, among other provisions, introduced additional aid to effected organizations through the PPP. This program allowed eligible entities to borrow up to 2.5 times the average monthly eligible payroll costs of the previous year. These funds must be used solely for specified purposes, which include payroll expenses, rent, interest payments, and utilities. To the extent the borrower meets certain requirements, all or some portion of the loan may be forgiven.

The School determined its eligibility for the PPP and borrowed \$489,500 under this program in May 2020. It anticipated that it would be able to expend the loan proceeds and maintain employment levels in such a manner that it would meet the requirements for full forgiveness of the loan. During the year ended June 30, 2021, the School met the conditions for full forgiveness of the PPP loan, applied for, and was granted such forgiveness. This forgiveness is included as a non-recurring item – contribution from PPP loan forgiveness of \$489,500 in the Statement of Activities.

Follow-up legislation to the CARES Act provides funding to state schools and other entities for COVID-19 related expenditures. The School determined its eligibility for funding under various programs, applied for, and received additional funding through several programs. This funding did serve to mitigate the financial impact of expenditures the School had made or will be making.

With the substantial improvements in experience with COVID-19 regionally and nationally, the School has resumed normal school operations in the fall of 2021. However, there remains some uncertainty. Future significant impacts could include continued possible adjustments to the School’s operations and calendar and could include disruptions or restrictions on employees’ ability to work. Changes in the operating environment may also increase operating costs. Management of the School is carefully monitoring this situation and has budgeted so as to enable the School to maintain its financial stability.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2021**

IV. OTHER INFORMATION, Continued

F. Adoption of New Standard

As of July 1, 2020, the School implemented GASB Statement No. 84, *Fiduciary Activities*. Certain activity funds previously accounted for activities in the General Fund that are now reported in the Special Revenue Fund.

The School restated the fund balance of the funds as indicated below to appropriately reflect the July 1, 2020, balances, as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Net position at July 1, 2020, as previously reported	\$ 3,799,325	\$ -
Reclassification of student activity funds as Special Revenue Funds	<u>(147,724)</u>	<u>147,724</u>
Net position at July 1, 2020, as restated	<u>\$ 3,651,601</u>	<u>\$ 147,724</u>

G. Subsequent Events

In preparing these financial statements, Greer Middle College Charter High School has evaluated events and transactions for potential recognition or disclosure through October 29, 2021, 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, 2021.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA**
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2021

<u>Year</u>	<u>School's proportion of the net pension liability</u>	<u>School's proportionate share of the net pension liability</u>	<u>School's covered- employee payroll</u>	<u>School's proportionate share of the net pension liability as a percentage of the covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.018427%	\$ 4,708,495	\$ 2,249,377	209.32%	50.70%
2020	0.015827%	\$ 3,613,895	\$ 1,855,485	194.77%	54.40%
2019	0.015189%	\$ 3,403,270	\$ 1,764,009	192.93%	54.10%
2018	0.015266%	\$ 3,436,622	\$ 1,731,989	198.42%	53.30%
2017	0.015368%	\$ 3,282,582	\$ 1,643,457	199.74%	52.90%
2016	0.015195%	\$ 2,881,805	\$ 1,607,460	179.28%	57.00%
2015	0.015383%	\$ 2,648,443	\$ 1,622,886	163.19%	59.90%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of School Contributions - Pension Plan
June 30, 2021

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	School's covered- employee payroll	Contributions as percentage of covered- employee payroll
2021	\$ 346,808	\$ 346,808	\$ -0-	\$ 2,446,199	14.18%
2020	\$ 319,885	\$ 319,885	\$ -0-	\$ 2,249,377	14.22%
2019	\$ 243,142	\$ 243,142	\$ -0-	\$ 1,855,485	13.10%
2018	\$ 213,429	\$ 213,429	\$ -0-	\$ 1,764,009	12.10%
2017	\$ 178,063	\$ 178,063	\$ -0-	\$ 1,731,989	10.28%
2016	\$ 164,593	\$ 164,593	\$ -0-	\$ 1,643,457	10.02%
2015	\$ 155,295	\$ 155,295	\$ -0-	\$ 1,607,460	9.66%

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2021**

<u>SCRHITF</u>	<u>School's proportion of the net OPEB liability</u>	<u>School's proportionate share of the net OPEB liability</u>	<u>School's covered- employee payroll</u>	<u>School's proportionate share of the net OPEB liability as a percentage of the covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
Year					
2021	0.024402%	\$ 4,404,914	\$ 2,249,377	195.83%	8.39%
2020	0.021216%	\$ 3,208,183	\$ 1,855,485	172.90%	8.44%
2019	0.020455%	\$ 2,898,593	\$ 1,764,009	164.32%	7.91%
2018	0.020539%	\$ 2,781,974	\$ 1,731,989	160.62%	7.60%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of School Contributions - OPEB Plan
June 30, 2021

<u>SCRHITF</u>			Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	School's covered- employee payroll	Contributions as percentage of covered-employee payroll
<u>Year</u>	<u>Contractually required contributions</u>		<u>Contributions in relation to the contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>School's covered- employee payroll</u>	<u>Contributions as percentage of covered-employee payroll</u>
2021	\$ 152,887	\$	152,887	\$ -0-	\$ 2,446,199	6.25%
2020	\$ 140,586	\$	140,586	\$ -0-	\$ 2,249,377	6.25%
2019	\$ 112,257	\$	112,257	\$ -0-	\$ 1,855,485	6.05%
2018	\$ 97,020	\$	97,020	\$ -0-	\$ 1,764,009	5.50%

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	\$ -	\$ 3,840	\$ 3,840
1900 Other revenue from local sources			
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	<u>9,996</u>	<u>77,759</u>	<u>67,763</u>
Total local sources	<u>9,996</u>	<u>81,599</u>	<u>71,603</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3180 Fringe benefits employer contrib (no carryover)	504,000	535,733	31,733
3181 Retiree insurance (no carryover provision)	66,996	79,444	12,448
3186 State aid to classrooms - teacher salary increase	62,004	77,905	15,901
3189 Teacher step increase	-	17,151	17,151
3300 State Aid to classrooms - Education Finance Act (EFA)			
3314 High school	451,190	524,706	73,516
3320 Part-time programs			
3323 Learning disabilities	114,330	132,959	18,629
3324 Hearing handicapped	4,066	4,729	663
3327 Pre-career and career technology	693,440	806,427	112,987
3330 Miscellaneous EFA programs			
3331 Autism	51,484	59,873	8,389
3332 High achieving students	42,914	49,906	6,992
3334 Limited english proficiency	1,284	1,493	209
3350 Residential Treatment Facilities (RTF)			
3351 Academic assistance	13,092	15,225	2,133
3352 Pupils in poverty	33,641	39,122	5,481
3353 Dual credit enrollment	58,163	67,640	9,477
3392 NBC excess EFA formula	4,396	5,112	716

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Favorable (Unfavorable)
3900 Other state revenue			
3993 PEBA on-behalf	\$ 16,764	\$ 16,764	\$ -
Total state sources	2,117,764	2,434,189	316,425
Total revenues all sources	2,127,760	2,515,788	388,028
 EXPENDITURES			
100 Instruction			
110 General instruction			
114 High school programs			
100 Salaries	1,342,992	1,523,074	(180,082)
200 Employee benefits	637,992	664,614	(26,622)
300 Purchased services	343,004	378,239	(35,235)
400 Supplies and materials	43,008	60,456	(17,448)
500 Capital outlay	4,000	18,161	(14,161)
120 Exceptional programs			
127 Learning disabilities			
100 Salaries	34,000	30,982	3,018
200 Employee benefits	21,000	19,461	1,539
300 Purchased services	35,000	35,415	(415)
Total instruction	2,460,996	2,730,402	(269,406)
200 Support services			
210 Pupil services			
212 Guidance services			
100 Salaries	72,996	109,751	(36,755)
200 Employee benefits	50,004	54,744	(4,740)
220 Instructional staff services			
221 Improvement of instruction curriculum development			
300 Purchased services	1,000	(100)	1,100

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
230 General administrative services			
231 Board of education			
300 Purchased services	\$ 996	\$ 94	\$ 902
318 Audit services	8,004	7,000	1,004
400 Supplies and materials	12,000	11,268	732
233 School administration			
100 Salaries	525,000	610,573	(85,573)
200 Employee benefits	191,004	207,773	(16,769)
300 Purchased services	105,340	122,309	(16,969)
400 Supplies and materials	8,000	1,309	6,691
600 Other objects	9,000	6,864	2,136
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	45,996	98,074	(52,078)
600 Other objects	20,000	17,101	2,899
254 Operation and maintenance of plant			
100 Salaries	45,000	73,686	(28,686)
200 Employee benefits	6,996	20,552	(13,556)
300 Purchased services	67,992	62,979	5,013
321 Public utility services (excludes gas, oil, elec.)	63,996	79,148	(15,152)
400 Supplies and materials	6,996	-	6,996
500 Capital outlay			
520 Construction services	5,004	961,946	(956,942)
260 Central support services			
264 Staff services			
300 Purchased services	-	968	(968)
270 Support services - pupil activity			
271 Pupil service activities			
100 Salaries	18,000	18,400	(400)
200 Employee benefits	2,000	1,332	668
400 Supplies and materials	34,000	11,967	22,033
Total support services	<u>1,299,324</u>	<u>2,477,738</u>	<u>(1,178,414)</u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Favorable (Unfavorable)
300 Community services			
330 Civic services			
100 Salaries	\$ 60,996	\$ 50,591	\$ 10,405
200 Employee benefits	23,004	23,102	(98)
300 Purchased services	6,400	1,792	4,608
400 Supplies and materials	-	270	(270)
	90,400	75,755	14,645
Total community services			
500 Debt services			
610 Redemption of principal	240,000	330,000	(90,000)
620 Interest	207,996	448,000	(240,004)
	447,996	778,000	(330,004)
Total debt services			
Total expenditures	4,298,716	6,061,895	(1,763,179)
 OTHER FINANCING SOURCES (USES)			
Interfund transfers from (to) other funds			
5230 Transfer from Special Revenue EIA Fund	\$ 2,345,000	\$ 2,454,986	\$ 109,986
5300 Sale of fixed assets	-	100,000	100,000
	2,345,000	2,554,986	209,986
Total other financing sources (uses)			
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ 174,044	(991,121)	\$ (1,165,165)
FUND BALANCE, July 1, 2020		3,799,325	
Restatement		(147,724)	
FUND BALANCE, July 1, 2020, as restated		3,651,601	
FUND BALANCE, June 30, 2021		\$ 2,660,480	

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2021**

	<u>Title I (201/202)</u>	<u>IDEA (203/204)</u>	<u>Preschool Handicapped (205/206)</u>	<u>CATE (207/208)</u>	<u>Adult Education (243)</u>	<u>Other Designated Restricted State Grants* (900s)</u>	<u>Other Special Revenue Programs* (200s/800s)</u>	<u>Student Activity Funds (700's)</u>	<u>Total</u>
REVENUES									
1000 Revenue from local sources									
1700 Pupil activities									
1710 Admissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,726	\$ 23,726
1720 Bookstore sales	-	-	-	-	-	-	-	6,025	6,025
1730 Pupil organization membership dues and fees	-	-	-	-	-	-	-	30,918	30,918
1790 Other pupil activity income	-	-	-	-	-	-	-	269,053	269,053
Total local sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,722</u>	<u>329,722</u>
3000 Revenue from state sources									
3100 Restricted state funding									
3110 Occupational education									
3118 EEDA career specialists	-	-	-	-	-	47,153	-	-	47,153
3187 Teacher supplies (no carryover)	-	-	-	-	-	6,875	-	-	6,875
3900 Other state revenue									
3995 CRF per pupil funding	-	-	-	-	-	60,334	-	-	60,334
3999 Revenue from other state sources	-	-	-	-	-	32,543	-	-	32,543
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,905</u>	<u>-</u>	<u>-</u>	<u>146,905</u>
4000 Revenue from federal sources									
4300 Elementary and Secondary Educ Act of 1965 (ESEA)									
4351 Supporting effective instruction	-	-	-	-	-	-	21,547	-	21,547
4500 Programs for children with disabilities									
4510 Individ with Disabilities Educ Act (IDEA)	-	36,499	-	-	-	-	-	-	36,499
4900 Other federal sources									
4975 ESSER I (CARES Act)	-	-	-	-	-	-	64,165	-	64,165
Total federal sources	<u>-</u>	<u>36,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,712</u>	<u>-</u>	<u>122,211</u>
Total revenue all sources	<u>-</u>	<u>36,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,905</u>	<u>85,712</u>	<u>329,722</u>	<u>598,838</u>

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

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2021**

	<u>Title I (201/202)</u>	<u>IDEA (203/204)</u>	<u>Preschool Handicapped (205/206)</u>	<u>CATE (207/208)</u>	<u>Adult Education (243)</u>	<u>Other Designated Restricted State Grants* (900s)</u>	<u>Other Special Revenue Programs* (200s/800s)</u>	<u>Student Activity Funds (700's)</u>	<u>Total</u>
EXPENDITURES									
100 Instruction									
110 General instruction									
114 High school programs									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,350	\$ -	\$ 4,350
300 Purchased services	-	-	-	-	-	-	52,090	-	52,090
400 Supplies and materials	-	-	-	-	-	29,624	-	-	29,624
500 Capital outlay	-	-	-	-	-	26,255	-	-	26,255
120 Exceptional programs									
127 Learning disabilities									
100 Salaries	-	36,499	-	-	-	-	-	-	36,499
Total instruction	-	36,499	-	-	-	55,879	56,440	-	148,818
200 Support services									
210 Pupil services									
212 Guidance services									
100 Salaries	-	-	-	-	-	47,153	-	-	47,153
213 Health services									
300 Purchased services	-	-	-	-	-	-	7,000	-	7,000
220 Instructional staff services									
221 Improvement of instr curriculum develop									
300 Purchased services	-	-	-	-	-	-	542	-	542
400 Supplies and materials	-	-	-	-	-	-	632	-	632
224 Improvement of instruction inserv and staff training									
300 Purchased services	-	-	-	-	-	-	398	-	398
400 Supplies and materials	-	-	-	-	-	-	918	-	918
230 General administrative services									
233 School administration									
300 Purchased services	-	-	-	-	-	10,089	-	-	10,089
400 Supplies and materials	-	-	50-	-	-	-	142	-	142

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2021**

	<u>Title I (201/202)</u>	<u>IDEA (203/204)</u>	<u>Preschool Handicapped (205/206)</u>	<u>CATE (207/208)</u>	<u>Adult Education (243)</u>	<u>Other Designated Restricted State Grants (900s)</u>	<u>Other Special Revenue Programs (200s/800s)</u>	<u>Student Activity Funds (700's)</u>	<u>Total</u>
250 Finance and operations services									
254 Operation and maintenance of plant									
300 Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241	\$ -	\$ -	\$ 1,241
400 Supplies and materials	-	-	-	-	-	-	5,075	-	5,075
260 Central support services									
264 Staff services									
100 Salaries	-	-	-	-	-	-	14,565	-	14,565
270 Support services - pupil activity									
271 Pupil service activities									
660 Pupil activity	-	-	-	-	-	-	-	277,399	277,399
Total support services	-	-	-	-	-	58,483	29,272	277,399	365,154
OTHER FINANCING SOURCES (USES)									
400 Other charges									
410 Intergovernmental expenditures									
419 Payments to PEBA nonemployer contrib									
720 Transits	-	-	-	-	-	32,543	-	-	32,543
Total intergovernmental expenditures	-	-	-	-	-	32,543	-	-	32,543
Total expenditures	-	36,499	-	-	-	146,905	85,712	277,399	546,515
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	52,323	52,323
FUND BALANCE, July 1, 2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restatement	-	-	-	-	-	-	-	147,724	147,724
FUND BALANCE, July 1, 2020, as restated	-0-	-0-	-0-	-0-	-0-	-0-	-0-	147,724	147,724
FUND BALANCE, June 30, 2021	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 200,047	\$ 200,047

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Special Revenue Fund - Schedule of Program Classifications
For Year Ended June 30, 2021**

<u>LEA Subfund Code</u>	<u>Program</u>	<u>Revenue</u>	<u>Revenue Code</u>
<u>OTHER RESTRICTED STATE GRANTS</u>			
928	EEDA career specialists	\$ 47,153	3118
917	Teacher supplies (no carryover)	6,875	3187
217	CRF per pupil funding	60,334	3995
994	PEBA nonemployer contributions	<u>32,543</u>	3994
		<u>\$ 146,905</u>	
<u>OTHER SPECIAL REVENUE PROGRAMS</u>			
267	Supporting effective instruction	\$ 21,547	4351
220	ESSER I (CARES Act)	<u>64,165</u>	4975
		<u>\$ 85,712</u>	

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Special Revenue Fund
Summary Schedule for Designated State Restricted Grants
For Year Ended June 30, 2021**

<u>Subfund</u>	<u>Revenue Code</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Special Revenue</u>		<u>Special Revenue Fund Unearned</u>
					<u>Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	
928	3118	EEDA career specialists	\$ 47,153	\$ 47,153	\$ -	\$ -	\$ -
917	3187	Teacher supplies (no carryover)	6,875	6,875	-	-	-
217	3995	CRF per pupil funding	60,334	60,334	-	-	-
994	3994	PEBA nonemployer contributions	32,543	32,543	-	-	-
			<u>\$ 146,905</u>	<u>\$ 146,905</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2021**

REVENUES

3000 Revenue from state sources		
3500 Education improvement act		
3519 Grade 10 assessments	\$	6,638
3529 Career and Technology Education		50,860
3532 National Board sal supplemnt (no carryover)		6,473
3538 Students at risk of school failure		13,200
3550 Teacher salary increase (no carryover)		86,860
3555 Teacher salary fringe (no carryover)		21,135
3577 Teacher supplies (no carryover provision)		2,200
3583 Charter school payments		2,454,986
3595 EEDA - supplies and materials		739
3597 Aid to districts		<u>14,605</u>
Total state sources		<u>2,657,696</u>
Total revenues all sources		<u>2,657,696</u>

EXPENDITURES

100 Instruction		
110 General instruction		
114 High school programs		
100 Salaries		120,015
200 Employee benefits		22,258
300 Purchased services		6,638
400 Supplies and materials		26,598
500 Capital outlay		<u>22,499</u>
Total instruction		<u>198,008</u>
200 Support services		
210 Pupil services		
212 Guidance services		
400 Supplies and materials		739
220 Instructional staff services		
221 Improvement of instruction curriculum development		
500 Capital outlay		916

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2021**

250 Finance and operations services	
254 Operation and maintenance of plant	
400 Supplies and materials	\$ <u>3,047</u>
Total support services	<u>4,702</u>
Total expenditures	<u>202,710</u>
 OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
420-710 Transfer to General Fund (excludes indirect costs)	<u>(2,454,986)</u>
Total other financing sources (uses)	<u>(2,454,986)</u>
 EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	 <u>-0-</u>
 FUND BALANCE, July 1, 2020	 <u>-0-</u>
 FUND BALANCE, June 30, 2021	 \$ <u><u>-0-</u></u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Education Improvement Act
Summary Schedule by Program
For Year Ended June 30, 2021**

<u>PROGRAM</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Interfund Transfers In(Out)</u>	<u>Other Fund Transfers In(Out)</u>	<u>EIA Fund Unearned</u>
3500 Education Improvement Act					
3519 Grade 10 assessments	\$ 6,638	\$ 6,638	\$ -	\$ -	\$ -
3529 Career and Technology Education	50,860	50,860	-	-	-
3532 National board salary supplement	6,473	6,473	-	-	-
3538 Students at risk of school failure	13,200	13,200	-	-	-
3550 Teacher salary increase	86,860	-	-	-	-
3555 Teacher salary fringe	21,135	-	-	-	-
3577 Teacher supplies (no carryover provision)	2,200	2,200	-	-	-
3583 Charter school funding	2,454,986	-	-	(2,454,986)	-
3595 EEDA - supplies and materials	739	739	-	-	-
3597 Aid to districts	14,605	14,605	-	-	-
TOTALS	<u>\$ 2,657,696</u>	<u>\$ 94,715</u>	<u>\$ -0-</u>	<u>\$ (2,454,986)</u>	<u>\$ -0-</u>

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of Due to State Department of Education/Federal Government**

<u>Program</u>	<u>Project Number</u>	<u>Revenue & Subfund Codes</u>	<u>Description</u>	<u>Amount Due to State Department of Education/ Federal Government</u>	<u>Status of Amounts Due to Grantors</u>
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None.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of Findings and Responses
For Fiscal Year Ended June 30, 2020**

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
- Deficiency(ies) identified? _____ yes X no

Noncompliance material to financial statements noted?

_____ yes X no

Section II - Financial Statement Findings

None.

**GREER MIDDLE COLLEGE CHARTER HIGH SCHOOL
TAYLORS, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2021**

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
Greer Middle College Charter High School
Taylors, South Carolina

We have audited the financial statements of Greer Middle College Charter High School as of and for the year ended June 30, 2021, and have issued our report thereon dated October 29, 2021. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 29, 2021