ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

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ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

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YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Academy for Teaching and Learning
(A Component Unit of Chester County School District)
Chester, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Academy for Teaching and Learning (A Component Unit of Chester County School District), Chester, South Carolina (the "Academy"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards ("Government Auditing Standards")*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, the pension plan schedules, and the other postemployment benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2022 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 12, 2022

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This discussion and analysis of the Academy for Teaching and Learning's ("Academy") financial performance provides an overview of the Academy's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the Academy's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- In the Statement of Net Position, the liabilities and deferred inflows of resources of the Academy exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately $4,662,000. Unrestricted net position was a deficit of approximately $6,871,000 due to the net pension and net other postemployment benefit ("OPEB") plan liabilities.
- The Academy's total net position increased by approximately $677,000 compared to an increase of approximately $74,000 in the prior year. The increase was due to revenues exceeding expenses.
- At June 30, 2022, the Academy's governmental funds reported combined ending fund balances of approximately $1,085,000, of which approximately $1,024,000 is unassigned and available for spending at the Academy's discretion. The remaining approximately $60,000 is restricted for student activities ($24,000) and assigned for employee bonuses ($36,000). In total, this was a decrease of approximately $368,000 from the prior fiscal year fund balances of approximately $1,452,000.
- The Academy's total capital assets increased in fiscal year 2022 by approximately $989,000. The increase is due to capital asset additions of approximately $1,151,000, offset by depreciation expense of approximately $162,000.
- The Academy's total debt decreased by approximately $107,000 during the current fiscal year which was due to regularly scheduled principal payments.
- During fiscal year 2022, the Academy's governmental fund type revenues were approximately $3,936,000 compared to $3,599,000 in the prior year, an increase of approximately $337,000. The revenues are derived from intergovernmental, state, federal, and local sources.
- During fiscal year 2022, the Academy's governmental type expenditures were approximately $4,303,000, compared to approximately $3,084,000 in the prior year, an increase of approximately $1,219,000. The change compared to the prior year is primarily attributable to an increase in capital outlay expenditures related to the construction of a multipurpose facility in fiscal year 2022, with no similar expenditure in fiscal year 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the *Financial Section* (which includes the management's discussion and analysis, budgetary comparison schedule, and the combining and individual fund schedules).

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

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 or outflows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The governmental activities of the Academy include instruction, support services, community services, and intergovernmental and are principally supported by intergovernmental revenues. The government-wide financial statements can be found as listed in the table of contents.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Academy, reporting the Academy'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 Academy, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Academy are governmental funds.

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 fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Academy maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue Fund, and Special Revenue – Education Improvement Act ("EIA") Fund, of which, all are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents.

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 as listed in the table of contents.

Supplementary Information. The combining and individual fund schedules can be found as listed in the table of contents.

The Academy adopts an annual appropriated budget only for its General Fund. A required budgetary comparison schedule has been provided in the financial section for this fund to demonstrate compliance to its budget. This schedule can be found as listed in the table of contents.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Major Features of the Academy's Government-Wide and Fund Financial Statements

		Fund Financial Statements
	Government-Wide Statements	Governmental Funds
Scope	Entire Academy government	The activities of the Academy
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 deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used and liabilities and deferred inflows of resources 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 or services have been received and payment is due during the year or soon thereafter

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Academy's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by approximately $4,662,000 at the close of the most recent fiscal year.

The following table provides a summary of the Academy's net position for fiscal year 2022 compared to fiscal year 2021:

Net Position - Governmental Activities

	June 30, 2022	June 30, 2021
Assets		
Current and Other Assets	$ 1,159,267	$ 1,455,676
Capital Assets	3,334,424	2,345,877
Total Assets	4,493,691	3,801,553
Deferred Outflows of Resources	1,697,809	1,585,712
Liabilities		
Retainage Payable	50,097	-
Due to Primary Government	24,501	3,383
Net Pension Liability	3,918,745	4,818,141
Net Other Postemployment Benefit Plan Liability	4,586,428	4,130,890
Long -Term Obligations	1,150,512	1,257,738
Total Liabilities	9,730,283	10,210,152
Deferred Inflows of Resources	1,123,667	516,890
Net Position		
Net Investment in Capital Assets	2,183,912	1,088,139
Restricted For:		
Special Revenue - Student Activities	24,270	26,952
Unrestricted	(6,870,632)	(6,454,868)
Total Net Position (Deficit)	$ (4,662,450)	$ (5,339,777)

- Total assets increased by approximately $692,000 primarily due to an increase in capital assets of approximately $989,000, partially offset by a decrease in current and other assets of approximately $297,000. Total liabilities decreased by approximately $480,000, primarily due to a decrease in the net pension liability, partially offset by an increase in the net other postemployment benefit plan liability. The changes in deferred outflows and inflows of resources were primarily due to differences between the expected and actual liability/investment experience and changes in the percentage of the Academy's proportionate shares of the net pension liability and the net OPEB liability in the State plans.

- Total net position of the Academy was approximately ($4,662,000) in fiscal year 2022 and ($5,340,000) in fiscal year 2021. Unrestricted net position (deficit), 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, increased from approximately ($6,455,000) at June 30, 2021 to approximately ($6,871,000) at June 30, 2022. The deficit in net position is due to the Academy's proportionate share of the net pension and net OPEB liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in net position for fiscal year 2022 compared to fiscal year 2021:

Changes in Net Position - Governmental Activities

	June 30, 2022	June 30, 2021
Revenues		
Program Revenues:		
Operating Grants and Contributions	$ 368,216	$ 417,480
Capital Grants and Contributions	500,000	-
General Revenues:		
Investment Earnings	369	548
Intergovernmental	3,067,067	3,181,024
Total Revenues	3,935,652	3,599,052
Program Activities		
Instruction	2,081,140	2,537,165
Support Service	1,117,897	921,679
Interest and Fiscal Charges	59,288	66,509
Total Program Expenses	3,258,325	3,525,353
Changes in Net Position	677,327	73,699
Net Position, Beginning of Year	(5,339,777)	(5,413,476)
Net Position, End of Year	$ (4,662,450)	$ (5,339,777)

Intergovernmental revenues represent unrestricted funds from the Chester County School District ("School District") that are available for general operations. These funds are based on a state-approved formula using the School District's General Fund revenues and weighted pupil units for the prior year. Capital grants and contributions represent funds paid by Chester County on behalf of the Academy for the construction of a multipurpose facility. The governmental activities revenue increase of approximately $337,000 was accompanied by a decrease in program activities expenses of approximately $267,000, which was primarily due to a decrease in instruction services, in large part because of changes in pension and OPEB-related expenses.

FINANCIAL ANALYSIS OF THE ACADEMY'S FUNDS

The Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The analysis of governmental funds serve the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

FINANCIAL ANALYSIS OF THE ACADEMY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

At June 30, 2022, the Academy's governmental funds reported a *combined* fund balance of approximately $1,085,000 as compared to approximately $1,452,000 for the prior fiscal year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2022, the Academy's unassigned fund balance for all governmental funds was approximately $1,024,000, all of which was in the General Fund. The Academy also had a restricted fund balance for student activities of approximately $24,000 in the Special Revenue Fund and assigned fund balance for employee bonuses of $36,000 in the General Fund. The unassigned fund balance in the General Fund represents approximately 26% of the 2022 General Fund expenditures. The unassigned fund balance decrease of approximately $383,000 was due to expenditures exceeding revenues, primarily due to the construction of a multipurpose facility.

The Academy's Special Revenue Funds, generally, are used to account for revenues derived from the State of South Carolina and the Federal government, which are passed through the School District, and student activities. In general, Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor, except for the balances associated with student activities.

General Fund Budgetary Highlights

The Academy'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 only legally adopted budget is for the General Fund. During the course of fiscal year 2022, no amendments were made to the Academy's General Fund budget. Actual revenues of the General Fund were higher than the final budget by approximately $500,000 due to higher than budgeted intergovernmental revenue from Chester County. Actual expenditures of the General Fund were lower than the final budget by approximately $735,000 primarily due to lower than budgeted capital outlay, instruction, and support services expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table shows the capital asset balances for June 30, 2022 and 2021:

Capital Assets - Governmental Activities

	June 30, 2022	June 30, 2021
Capital Assets		
Land	$ 35,000	$ 35,000
Construction in Progress	1,217,141	66,293
Buildings and Improvements	3,520,704	3,520,704
Furniture and Equipment	89,065	89,065
Less: Accum. Depreciation	(1,527,486)	(1,365,185)
Capital Assets, Net	$ 3,334,424	$ 2,345,877

At June 30, 2022, the Academy had approximately $3,334,000 in capital assets. The increase in the Academy's capital assets was approximately $989,000. Major capital asset events during the current fiscal year included:

- Depreciation expense of approximately $162,000.
- Construction in progress additions of approximately $1,151,000 related to a new multipurpose facility.

More detailed information about the Academy's capital assets can be found in Note III in the notes to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt

At June 30, 2022, the Academy had approximately $1,151,000 in a note payable ("Note") – which was a direct borrowing ("DB") - outstanding versus approximately $1,258,000 in the prior year, a decrease of approximately $107,000 due to scheduled principal payments as shown in the table below.

Outstanding Debt - Governmental Activities

	June 30, 2022	June 30, 2021
Note Payable - 2010 - DB	$ 1,150,512	$ 1,257,738
Total	$ 1,150,512	$ 1,257,738

More detailed information about the Academy's long-term obligation is presented in Note III in the notes to the financial statements.

ECONOMIC FACTORS

The Academy is a kindergarten through eighth grade public charter school sponsored by the Chester County School District. The Academy has approximately 35 employees and 350 students enrolled. Employment is distributed among approximately 20 certified educators and 15 support faculty in various educational and non-educational roles.

FISCAL YEAR 2023 BUDGET

Many factors were considered by the Academy's administration during the process of developing the 2023 budget. The Academy has budgeted expenditures for fiscal year 2023 of approximately $3,405,000. The Academy has developed goals and strategies to enable it to provide the best educational programs and services to its students; the fiscal year 2023 budget reflects the goals and strategies. The school monitors academic achievement to note improvement and identify concerns to ensure education provided is driven by the individual needs of its students.

CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Directors at the Academy for Teaching and Learning, 109 Hinton Street, Chester, South Carolina, 29706.

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BASIC FINANCIAL STATEMENTS

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

STATEMENT OF NET POSITION

JUNE 30, 2022

		Governmental Activities
ASSETS		
Cash and Cash Equivalents	$	393,959
Due from Primary Government		765,308
Capital Assets:		
Non-Depreciable		1,252,141
Depreciable, Net		2,082,283
TOTAL ASSETS		**4,493,691**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges		564,648
Deferred Other Postemployment Benefit Plan Charges		1,133,161
TOTAL DEFERRED OUTFLOWS OF RESOURCES		**1,697,809**
LIABILITIES		
Retainage Payable		50,097
Due to Primary Government		24,501
Non-Current Liabilities:		
Net Pension Liability		3,918,745
Net Other Postemployment Benefit Plan Liability		4,586,428
Long-Term Obligation - Due Within One Year		111,389
Long-Term Obligation - Due in More than One Year		1,039,123
TOTAL LIABILITIES		**9,730,283**
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits		717,149
Deferred Other Postemployment Benefit Plan Credits		406,518
TOTAL DEFERRED INFLOWS OF RESOURCES		**1,123,667**
NET POSITION		
Net Investment in Capital Assets		2,183,912
Restricted For:		
Special Revenue - Student Activities		24,270
Unrestricted		(6,870,632)
TOTAL NET POSITION	**$**	**(4,662,450)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
					Primary Government
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 2,081,140	-	155,047	-	$ (1,926,093)
Support Services	1,117,897	-	213,169	500,000	(404,728)
Interest and Other Charges	59,288	-	-	-	(59,288)
TOTAL PRIMARY GOVERNMENT	$ 3,258,325	-	368,216	500,000	(2,390,109)

GENERAL REVENUES	
General Revenues:	
Investment Earnings	369
Intergovernmental Revenue	3,067,067
Total General Revenues	3,067,436
CHANGE IN NET POSITION	**677,327**
NET POSITION, Beginning of Year	(5,339,777)
NET POSITION, End of Year	**$ (4,662,450)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 345,188	48,771	-	$ 393,959
Due From:				
Chester County School District	765,308	-	-	765,308
TOTAL ASSETS	**$ 1,110,496**	**48,771**	**-**	**$ 1,159,267**
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Retainage Payable	50,097	-	-	50,097
Due To:				
Chester County School District	-	24,501	-	24,501
TOTAL LIABILITIES	50,097	24,501	-	74,598
FUND BALANCES:				
Restricted For:				
Student Activities	-	24,270	-	24,270
Assigned For:				
Employee Bonuses	36,000	-	-	36,000
Unassigned	1,024,399	-	-	1,024,399
TOTAL FUND BALANCES	1,060,399	24,270	-	1,084,669
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,110,496**	**48,771**	**-**	**$ 1,159,267**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**1,084,669**
Amounts reported for the governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $4,861,910 and the accumulated depreciation is $1,527,486.		3,334,424
The Academy's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(4,071,246)
The Academy's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(3,859,785)
Long-term obligations are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		(1,150,512)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$**	**(4,662,450)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local Sources:				
Investment Earnings	$ 369	-	-	$ 369
Other Local Sources	-	21,907	-	21,907
State Sources	-	95,432	38,213	133,645
Federal Sources	-	212,664	-	212,664
Intergovernmental Revenue	3,567,067	-	-	3,567,067
TOTAL REVENUE ALL SOURCES	**3,567,436**	**330,003**	**38,213**	**3,935,652**
EXPENDITURES				
Current:				
Instruction	1,791,098	170,704	38,213	2,000,015
Support Services	824,525	161,981	-	986,506
Capital Outlay	1,150,241	-	-	1,150,241
Debt Service:				
Principal Retirement	107,226	-	-	107,226
Interest and Fiscal Charges	59,288	-	-	59,288
TOTAL EXPENDITURES	3,932,378	332,685	38,213	4,303,276
NET CHANGES IN FUND BALANCES	**(364,942)**	(2,682)	-	**(367,624)**
FUND BALANCES, Beginning of Year	1,425,341	26,952	-	1,452,293
FUND BALANCES, End of Year	**$ 1,060,399**	24,270	-	**$ 1,084,669**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**(367,624)**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Repayment of note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		107,226
Changes in the Academy's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the governmental funds but are reported in the Statement of Activities.		151,529
Changes in the Academy's proportionate share of the net OPEB liability, deferred outflows of resources and deferred inflows of resources in the State OPEB plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(202,351)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation. This is the amount by which capital asset additions of $1,150,848 exceeded depreciation expense of $162,301 in the current period.		988,547
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**677,327**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Academy for Teaching and Learning (the “Academy”) is a charter school established under legislation enacted by the South Carolina state legislature on June 18, 1996. Charter schools are considered public schools for the purposes of state law and state constitution. The Academy was established on July 12, 2007 and began operations that same year. The Academy is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over its activities. Because the Academy is fiscally dependent on the School District and because the nature and significance of the relationship between the School District and the Academy is such that exclusion of the Academy would cause the School District’s financial statements to be incomplete, the financial statements of the Academy are included in those of the School District as a discretely presented component unit. The Academy received almost all of its funding in fiscal year 2022 from Chester County School District (the “School District”).

The Academy obtained its 501 (c)(3) tax-exempt status in 2007. Based on accounting principles generally accepted in the United States of America (“GAAP”), it was determined that the Academy was a governmental entity and should be included as a discretely presented component unit of the School District. The accompanying financial statements present the financial position and results of operations of the Academy only and do not include any financial information for the School District. The Academy does not have any component units. The financial statements of the Academy have been prepared in conformity with GAAP as applied to governmental units. The Government Accounting Standards Boards (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy’s accounting policies are described below.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Academy.

Governmental activities, which normally are supported by Academy and other intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Academy does not report any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Academy.

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.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental funds financial statements are prepared (see further detail below). Governmental funds financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental funds 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 government generally 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. Capital asset acquisitions are reported as capital outlay expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

All other revenue items are considered to be measurable and available only when cash has been received by the Academy. When both restricted and unrestricted resources are available for use, it is the Academy’s practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the Academy are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The following major funds and fund types are used by the Academy.

Governmental fund types are those through which most governmental functions of the Academy are financed. The Academy's expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the Academy's governmental funds:

The ***General Fund, a major fund*** and a budgeted fund**,** is the general operating fund of the Academy and accounts for all revenues and expenditures of the Academy except those required to be accounted for in another fund. All general revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Academy has the following major Special Revenue Funds:

i) The ***Special Revenue Fund, a major fund*** and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for specific educational programs.

ii) The ***Special Revenue – Education Improvement Act (EIA) Fund, a major fund*** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by EIA.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash and Cash Equivalents

The Academy considers all highly liquid investments (including restricted assets) with original maturities of three months or less from the date purchased to be cash equivalents. Securities with an initial maturity of more than three months (from the date of purchase) are reported as investments. The Academy had approximately $49,000 of restricted cash as of June 30, 2022.

2. Capital Assets

General capital assets are those assets generally resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the Academy) at the date of donation. The Academy maintains a capitalization threshold of $5,000 for furniture and equipment, vehicles, land improvements and buildings and improvements. However, all land will be capitalized regardless of cost. The Academy's infrastructure assets are immaterial and have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	20
Buildings	40
Building Improvements	20
Fixtures/Furniture	7
Vehicles	10
Machinery & Equipment	5 to 12

3. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Academy currently has two types of deferred outflows of resources: (1) The Academy reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The Academy reports *deferred OPEB charges* in in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Academy currently has two types of deferred inflows of resources: (1) The Academy also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (2) The Academy reports *deferred OPEB credits* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

5. Fund Balance

In accordance with GAAP, the Academy classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the Board of Trustees, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5. Fund Balance (Continued)

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of 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, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Academy generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the Academy generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

6. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is classified as net investment in capital assets, restricted, or unrestricted. 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 their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

7. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Academy recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the Academy's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Academy's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities 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 plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. Accounting Estimates

The preparation of the financial statements in conformity with GAAP 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.

9. Comparative Data

Comparative data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices – The General Fund budget is presented as required supplementary information. The budget is presented on the modified accrual basis of accounting which is consistent with GAAP. The Academy's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the Board in a supplementary action. The legal level of control is at the fund level. During the year, the Board did not revise the budget. The administration has discretionary authority to make transfers between appropriation accounts. Any revisions to the revised budget amounts in the financial statements are as amended by the administration. All annual appropriations lapse at fiscal year-end.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Academy’s deposits might not be recovered. The Academy does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2022, none of the Academy’s bank balances of approximately $394,000 (book balance of approximately $394,000) were exposed to custodial credit risk. The Academy had no investments at June 30, 2022.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Capital Assets

Capital asset activity for the Academy for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Non-Depreciable:				
Land	$ 35,000	-	-	$ 35,000
Construction in Progress	66,293	1,150,848	-	1,217,141
Total Capital Assets, Non-Depreciable	101,293	1,150,848	-	1,252,141
Capital Assets, Depreciable:				
Buildings and Improvements	3,520,704	-	-	3,520,704
Furniture and Equipment	89,065	-	-	89,065
Total Capital Assets, Depreciable:	3,609,769	-	-	3,609,769
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,324,353	154,879	-	1,479,232
Furniture and Equipment	40,832	7,422	-	48,254
Total Accumulated Depreciation	1,365,185	162,301	-	1,527,486
Total Capital Assets, Depreciable	2,244,584	(162,301)	-	2,082,283
Total Capital Assets, Net	$ 2,345,877	988,547	-	$ 3,334,424

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activites:	
Supporting Services	$ 162,301
Total Depreciation Expense - Governmental Activities	$ 162,301

Construction Commitments

The Academy had approximately $131,000 in outstanding construction commitments as of June 30, 2022, relating to the completion of a multipurpose facility.

C. Long-Term Obligations

In December 2010, the Academy secured a loan (direct borrowing (“DB”)) from a local bank in the amount of $2,100,000 for the purpose of purchasing the School District office building at 109 Hinton Street. In accordance with the terms of the loan, the Academy must make monthly payments of $13,863 (principal and interest) beginning on January 29, 2011 through December 29, 2030. At June 30, 2022, the variable interest rate was 5.0%.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Long-Term Obligations (Continued)

The following is a summary of changes in Academy long-term obligations for the year ended June 30, 2022:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note Payable - 2010 - DB	$ 1,257,738	-	107,226	1,150,512	$ 111,389
Total	$ 1,257,738	-	107,226	1,150,512	$ 111,389

The Academy annual debt service requirements to maturity for the above note payable were as follows:

Year Ending June 30	Note Payable - DB Principal	Note Payable - DB Interest	Total
2023	$ 111,389	54,966	$ 166,355
2024	116,952	49,402	166,355
2025	123,071	43,284	166,355
2026	129,368	36,987	166,355
2027	135,986	30,368	166,355
2028-2031	533,746	49,192	582,938
Totals	$ 1,150,512	264,199	$ 1,414,711

IV. OTHER INFORMATION

A. Retirement Plans

The Academy participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' ("Systems") five defined benefit pension plans. 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 assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), 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.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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.

The PEBA issues an Annual Comprehensive Financial Report (formerly known as the Comprehensive Annual Financial Report) containing financial statements and required supplementary information for the System' Pension Trust Funds. The Annual Comprehensive Financial Report 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. The 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 Annual Comprehensive Financial Report of the state.

Plan Description

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

The State Optional Retirement Program ("State ORP") is a defined contribution plan that is offered as an alternative to the SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts, and individuals first elected to the S.C. 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. The PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

Plan Membership

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership (Continued)

- State ORP – As an alternative to membership in the SCRS, newly hired state, public school, and higher education employees and individuals first elected to the S.C. 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 the SCRS. A direct remittance is required from the employers 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 the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the 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 presented below.

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions

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 ("Plan") 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 percent for SCRS and 9.75 percent for PORS. 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 rate 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 rate 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 rate until the funded ratio is at least 85 percent. 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 percent, then the PEBA Board, effective on the following July 1, may decrease the then current contribution rate upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rate is decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rate until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

As noted earlier, both employees and the Academy are required to contribute to the Plan at rates established and as amended by the PEBA. The Academy's contributions are actuarially determined but are communicated to and paid by the Academy as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past year are as follows:

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

	SCRS and State ORP Rates 2022
Employer Contribution Rate: ^	
Retirement*	16.41%
Incidental Death Benefit	0.15%
Accidental Death Contributions	0.00%
	16.56%
Employee Contribution Rate ^	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 vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The actual and required contributions to the SCRS and ORP were approximately $274,000 and $9,000, respectively, for the year ended June 30, 2022.

Actuarial Assumptions and Methods

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.

The June 30, 2021 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2020. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021, the PEBA Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021 (measurement date) for the SCRS.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

	SCRS
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.0% to 11.0% (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 2020 Public Retirees of South Carolina Mortality table (“2020 PRSC”), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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 returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	6.87%	3.16%
Bonds	**26.0%**	0.27%	0.07%
Private Equity	**9.0%**	9.68%	0.87%
Private Debt	**7.0%**	5.47%	0.39%
Real Assets	**12.0%**		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Real Rate of Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2021 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 55,131,579,363	33,490,305,970	$ 21,641,273,393	60.7%

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 requirements 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 Plan's funding requirements.

At June 30, 2022, the Academy reported liabilities of approximately $3,919,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2021, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The Academy's proportion of the NPL were based on a projection of the Academy's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the Academy's SCRS proportion was 0.018108 percent, which was a decrease of 0.000749 from its proportion measured as of June 30, 2020.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

For the year ended June 30, 2022, the Academy recognized pension expense of approximately $198,000 for the SCRS. At June 30, 2022, the Academy reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	$ 66,751	$ 5,289
Change in Assumptions	214,499	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	569,249
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	142,611
Employer Contributions Subsequent to the Measurement Date	283,398	-
Total SCRS	$ 564,648	$ 717,149

Approximately $283,000 that was reported as deferred outflows of resources related to the Academy's contributions subsequent to the measurement date to the SCRS will be recognized as a reduction of the NPL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2023	$ (97,372)
2024	(47,540)
2025	(77,981)
2026	(213,006)
Total	$ (435,899)

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Sensitivity Analysis

The following table presents the sensitivity of the Academy's proportionate share of the NPL of the Plan to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability of the SCRS	$ 5,133,068	3,918,745	$ 2,909,391

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plan administered by the PEBA is available in the separately issued Annual Comprehensive Financial Report containing financial statements and required supplementary information for the SCRS and PORS. The Annual Comprehensive Financial Report 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.

B. Other Postemployment Benefit Plans

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment 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.A for more details on the PEBA and the SFAA.

For purposes of measuring the net OPEB liability ("NOL"), 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.

The 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 the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The 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 Annual Comprehensive Financial Report (formerly known as the Comprehensive Annual Financial Report) of the state.

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Descriptions

The Other Postemployment Benefits Trust Funds ("OPEB Trusts" or "OPEB Plans"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), were established by the State of South Carolina as Act 195, which became effective on 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 PEBA Board 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 postemployment 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 NOL and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the Academy, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

Plan Contributions and Funding Policies

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 nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions may consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Plan Contributions and Funding Policies (Continued)

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, 2021 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2022 was 6.25% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately $108,000 for the year ended June 30, 2022.

Actuarial Assumptions and Methods

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 Academy's Proportionate Share of the Net OPEB Liability and the Schedule of the Academy's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the Academy's NOL, funded status of the OPEB Plan, and the Academy'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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2020 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB Plan's fiscal year ended June 30, 2021 using generally accepted actuarial principles.

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	1.92% as of June 30, 2021
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Also, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

Long-Term Expected Rate of Return

The long-term expected rate of returns 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:

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.60%	0.48%
Cash equivalents	20.0%	0.35%	0.07%
Total	100.0%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

Single Discount Rate

The Single Discount Rate of 1.92% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF'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, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2021 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	$ 22,506,597,989	1,683,416,992	$ 20,823,180,997	7.48%

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

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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

At June 30, 2022, the Academy reported a liability of approximately $4,586,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2021, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2020 that was projected forward to the measurement date. The Academy's proportion of the NOL was based on a projection of the Academy'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, 2021 measurement date, the Academy's proportion was 0.022000 percent, which was a decrease of 0.000900 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Academy recognized OPEB expense of approximately $353,000 for the SCRHITF. At June 30, 2022, the Academy reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 92,815	$ 117,557
Change in Assumptions	932,443	110,435
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	1,240
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	177,286
Employer Contributions Subsequent to the Measurement Date	107,903	-
Total	$ 1,133,161	$ 406,518

Approximately $108,000 that was reported as deferred outflows of resources related to the Academy'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, 2023. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2023	$ 87,692
2024	85,662
2025	120,901
2026	134,062
2027	130,072
2028	60,351
Total	$ 618,740

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Sensitivity Analysis

The following table presents the sensitivity of the Academy's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 1.92%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (0.92%) or 1% point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB Liability	$ 5,594,481	4,586,428	$ 3,890,675

The following table presents the sensitivity of the Academy's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 3.00%) or 1% point higher (7.00% decreasing to 5.00%) than the current rate:

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	$ 3,723,949	4,586,428	$ 5,864,736

OPEB Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the OPEB Plans administered by the 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 the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

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REQUIRED SUPPLEMENTARY INFORMATION

ACADEMY FOR TEACHING AND LEARNING **Schedule A-1**
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

REQUIRED SUPPLEMENTAY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL GENERAL FUND

YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources:				
Investment Earnings	$ -	-	369	$ 369
Intergovernmental Revenue	3,067,067	3,067,067	3,567,067	500,000
TOTAL REVENUE ALL SOURCES	**3,067,067**	**3,067,067**	**3,567,436**	**500,369**
EXPENDITURES				
Current:				
Instruction	1,890,225	1,890,225	1,791,098	99,127
Support Services	996,842	996,842	824,525	172,317
Capital Outlay	1,600,000	1,600,000	1,150,241	449,759
Debt Service:				
Principal Retirement	90,000	90,000	107,226	(17,226)
Interest and Fiscal Charges	90,000	90,000	59,288	30,712
TOTAL EXPENDITURES	4,667,067	4,667,067	3,932,378	734,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(1,600,000)**	**(1,600,000)**	**(364,942)**	**1,235,058**
FUND BALANCE, Beginning of Year	1,425,341	1,425,341	1,425,341	-
FUND BALANCE, End of Year	**$ (174,659)**	**(174,659)**	**1,060,399**	**$ 1,235,058**

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The Academy's original and revised budget reflected the use of appropriated fund balance of $1,600,000. The Academy budgeted for the construction of a multipurpose facility for $1,600,000 but did not budget for the intergovernmental revenue from Chester County of $500,000 that was distributed to them as part of the Chester County Capital Project Sales and Use Tax.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Academy's Proportion of the Net Pension Liability	0.018108%	0.018856%	0.018494%	0.013252%	0.012978%	0.012913%	0.013341%	0.013168%	0.013168%
Academy's Proportionate Share of the Net Pension Liability	$ 3,918,745	4,818,141	4,223,010	2,969,272	2,921,602	2,758,116	2,530,229	2,267,150	$ 2,361,929
Academy's Covered Payroll	$ 1,703,896	1,685,230	1,611,868	1,370,815	1,306,818	1,250,300	1,249,502	1,195,514	$ 1,178,828
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	229.99%	285.90%	261.99%	216.61%	223.57%	220.60%	202.50%	189.64%	200.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The Academy implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 283,398	306,817	298,409	234,688	185,883	151,068	138,283	136,196	$ 126,725
Contributions in Relation to the Contractually Required Contribution:	283,398	306,817	298,409	234,688	185,883	151,068	138,283	136,196	126,725
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	$ -
Academy's Covered Payroll	$ 1,726,447	1,703,896	1,685,230	1,611,868	1,370,815	1,306,818	1,250,300	1,249,502	$ 1,195,514
Contributions as a Percentage of Covered Payroll:	16.42%	18.01%	17.71%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%

Notes to Schedule:

The Academy implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Academy's Proportion of the Net OPEB Liability	0.022000%	0.022900%	0.022500%	0.016000%	0.015600%	0.015600%
Academy's Proportionate Share of the Net OPEB Liability	$ 4,586,428	4,130,890	3,401,487	2,273,594	2,117,153	$ 2,261,549
Academy's Covered Payroll	$ 1,703,896	1,685,230	1,611,868	1,337,711	1,318,114	$ 1,250,300
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	269.2%	245.1%	211.0%	170.0%	160.6%	180.9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.5%	8.4%	8.4%	7.9%	7.6%	6.6%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).
The Academy adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.

	2022	2021	2020	2019	2018	2017
The discount rates used by year were as follows:	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually Required Contribution	$ 107,903	106,494	105,327	97,518	73,574	$ 70,255
Contributions in Relation to the Contractually Required Contribution	107,903	106,494	105,327	97,518	73,574	70,255
Contribution Deficiency (Excess)	$ -	-	-	-	-	$ -
Academy's Covered Payroll	$ 1,726,447	1,703,896	1,685,230	1,611,868	1,337,711	$ 1,318,114
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

The Academy adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.

SUPPLEMENTARY INFORMATION

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

Schedule A-2

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	$ -	369	$ 369
Total Revenue from Local Sources	-	369	369
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	3,067,067	3,567,067	500,000
Total Intergovernmental Revenues	3,067,067	3,567,067	500,000
TOTAL REVENUE ALL SOURCES	**3,067,067**	**3,567,436**	**500,369**
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	97,076	139,862	(42,786)
200 Employee Benefits	59,240	76,237	(16,997)
300 Purchased Services	5,000	2,483	2,517
400 Supplies and Materials	11,000	8,070	2,930
112 Primary Programs:			
100 Salaries	373,838	387,637	(13,799)
200 Employee Benefits	164,278	165,673	(1,395)
300 Purchased Services	9,000	333	8,667
400 Supplies and Materials	16,300	7,212	9,088
113 Elementary Programs:			
100 Salaries	759,518	685,616	73,902
200 Employee Benefits	330,475	288,093	42,382
300 Purchased Services	18,000	13,631	4,369
400 Supplies and Materials	46,500	16,251	30,249
Total Instruction	1,890,225	1,791,098	99,127
200 Support Services:			
210 Pupil Services:			
213 Health Services:			
100 Salaries	31,259	31,259	-
200 Employee Benefits	13,897	13,516	381
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	-	34,604	(34,604)
200 Employee Benefits	-	8,235	(8,235)
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	$ 14,500	13,229	$ 1,271

(Continued)

ACADEMY FOR TEACHING AND LEARNING **Schedule A-2**
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	REVISED BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	$ -	12,000	$ (12,000)
200 Employee Benefits	-	886	(886)
233 School Administration:			
100 Salaries	263,882	318,029	(54,147)
200 Employee Benefits	120,562	132,415	(11,853)
300 Purchased Services	105,365	125,444	(20,079)
400 Supplies and Materials	234,377	8,491	225,886
600 Other Objects	3,500	351	3,149
250 Finance and Operations Services:			
253 Facilities Acquisition and Construction:			
300 Purchased Services	-	606	(606)
500 Capital Outlay:			
520 Construction Services	1,600,000	1,150,241	449,759
254 Operation and Maintenance of Plant:			
300 Purchased Services (Excludes Energy Costs)	130,500	55,166	75,334
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	10,000	10,861	(861)
400 Supplies and Materials (Include Energy Costs)	-	21	(21)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	32,000	28,241	3,759
258 Security:			
300 Purchased Services	37,000	31,171	5,829
Total Support Services	2,596,842	1,974,766	622,076
500 Debt Services:			
610 Redemption of Principal	90,000	107,226	(17,226)
620 Interest	90,000	59,288	30,712
Total Debt Service	180,000	166,514	13,486
TOTAL EXPENDITURES	**4,667,067**	**3,932,378**	**734,689**
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	**(1,600,000)**	**(364,942)**	**1,235,058**
FUND BALANCE, Beginning of Year	1,425,341	1,425,341	-
FUND BALANCE, End of Year	**$ (174,659)**	**1,060,399**	**$ 1,235,058**

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	IDEA (CA Projects) (203/204	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700's)	Totals
REVENUES					
1000 Revenue from Local Sources:					
1700 Pupil Activities					
1740 Student Fees	$ -	-	-	21,907	$ 21,907
Total Revenue from Local Sources	-	-	-	21,907	21,907
3000 Revenue from State Sources:					
3100 Restricted State Funding:					
3130 Special Programs:					
3135 Reading Coaches	-	52,961	-	-	52,961
3136 Student Health and Fitness - Nurses	-	42,471	-	-	42,471
Total Revenue from State Sources	-	95,432	-	-	95,432
4000 Revenue from Federal Sources:					
4300 Elementary and Secondary Education Act of 1965 (ESEA):					
4310 Title I, Basic State Grant Programs (Carryover Provision)	-	-	45,152	-	45,152
4500 Programs for Children with Disabilities:					
4510 Individuals with Disabilities Education Act (IDEA)	116,834	-	-	-	116,834
4900 Other Federal Sources:					
4974 ESSER III	-	-	20,322	-	20,322
4977 ESSER II		-	30,356	-	30,356
Total Revenue from Federal Sources	116,834	-	95,830	-	212,664
TOTAL REVENUE ALL SOURCES	**116,834**	**95,432**	**95,830**	**21,907**	**330,003**
EXPENDITURES					
100 Instruction:					
110 General Instruction:					
112 Primary Programs:					
400 Supplies and Materials	-	-	53,870	-	53,870
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	34,178	-	-	-	34,178
127 Learning Disabilities:					
100 Salaries	59,590	-	-	-	59,590
200 Employee Benefits	23,066	-	-	-	23,066
Total Instruction	116,834	-	53,870	-	170,704
200 Support Services:					
210 Pupil Services:					
213 Health Services:					
100 Salaries	-	26,627	-	-	26,627
200 Employee Benefits	-	15,844	-	-	15,844
220 Instructional Staff Services:					
221 Improvement of Instruction - Curriculum Development:					
100 Salaries	-	35,048	-	-	35,048
200 Employee Benefits	-	17,913	-	-	17,913
222 Library and Media:					
400 Supplies and Materials	-	-	11,604	-	11,604
254 Operation and Maintenance of Plant:					
300 Purchased Services	-	-	30,356	-	30,356
270 Support Services - Pupil Activity:					
271 Pupil Services Activities:					
660 Pupil Activity	-	-	-	24,589	24,589
Total Support Services	-	95,432	41,960	24,589	161,981
TOTAL EXPENDITURES	**116,834**	**95,432**	**95,830**	**24,589**	**332,685**
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	**-**	**-**	**-**	**(2,682)**	**(2,682)**
FUND BALANCE, Beginning of Year	-	-	-	26,952	26,952
FUND BALANCE, End of Year	**$ -**	**-**	**-**	**24,270**	**$ 24,270**

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2022

OTHER RESTRICTED STATE GRANTS

935	Reading Coaches
936	Student Health and Fitness - Nurses

OTHER SPECIAL REVENUE PROGRAMS

218	ESSER III
225	ESSER II
237	Title I - School Improvement

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

Schedule B-3

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2022

					Special Revenue		Special
Subfund	Revenue	Programs	Revenues	Expenditures	Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	Revenue Fund Unearned
935	3135	Reading Coaches	$ 52,961	52,961	-	-	$ -
936	3136	Student Health and Fitness - Nurses	42,471	42,471	-	-	-
		Totals	**$ 95,432**	**95,432**	**-**	**-**	**$ -**

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

Schedule B-4

EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

YEAR ENDED JUNE 30, 2022

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3532 National Board Salary Supplement (No Carryover Provision)	$ 29,231
3538 Students at Risk of School Failure	1,832
3577 Teacher Supplies (No Carryover Provision)	7,150
Total Revenue from State Sources	38,213
TOTAL REVENUE ALL SOURCES	**38,213**
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	641
200 Employee Benefits	756
112 Primary Programs:	
100 Salaries	7,623
200 Employee Benefits	1,718
400 Supplies and Materials	7,150
113 Elementary Programs:	
100 Salaries	15,000
200 Employee Benefits	4,490
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	641
200 Employee Benefits	194
Total Instruction	38,213
TOTAL EXPENDITURES	**38,213**
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	**$ -**

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2022

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3532 National Board Salary Supplement (No Carryover Provision)	$ 29,231	29,231	-	-	$ -
3538 Students at Risk of School Failure	1,832	1,832	-	-	-
3577 Teacher Supplies (No Carryover Provision)	7,150	7,150	-	-	-
Totals	**$ 38,213**	**38,213**	**-**	**-**	**$ -**

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

Schedule B-6

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2022

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
NONE					

ACADEMY FOR TEACHING AND LEARNING **Schedule G-1**
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2022

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
N/A	Charter School Building	Elementary/Middle	School and Central	$ 4,303,276
	TOTAL EXPENDITURES FOR ALL FUNDS			$ 4,303,276

The above expenditures are reconciled to the Academy's financial statements as follows:

Fund	Amount
General Fund	$ 3,932,378
Special Revenue Fund	332,685
Special Revenue - EIA Fund	38,213
TOTAL EXPENDITURES FOR ALL FUNDS	$ 4,303,276

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Academy for Teaching and Learning
(A Component Unit of Chester County School District)
Chester, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Academy for Teaching and Learning (A Component Unit of Chester County School District), South Carolina (the "Academy"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated November 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Academy's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Academy's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Academy's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 12, 2022

ACADEMY FOR TEACHING AND LEARNING
CHESTER, SOUTH CAROLINA
(A Component Unit of Chester County School District)

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2022

2022-001: MATERIAL WEAKNESS IN RECORDING CONSTRUCTION RELATED NON-CASH TRANSACTIONS AND CONSTRUCTION RETAINAGE

Condition: During the current year audit, it was discovered that the Academy had failed to record a non-cash transaction of $500,000 from Chester County related to the construction of a multipurpose facility as part of the Chester County one-percent capital project sales and use tax allocation. This resulted in revenue, expenditures, and capital assets initially being materially misstated at June 30, 2022. Additionally, the Academy had failed to record construction retainage payable of approximately $50,000 related to the construction of the multipurpose facility. This resulted in expenditures, liabilities, and capital assets initially being materially misstated at June 30, 2022. Chester County School District ("School District") provides the accounting services for the Academy. These items were appropriately recorded after discussion with the Academy and School District.

Criteria: The Academy and School District should have appropriate internal controls in place to ensure that all non-cash transactions and construction retainage payables have been properly accounted for and included in the general ledger and audited financial statements.

Context, Cause, and Effect: The Academy and School District were not fully aware of the governmental accounting requirements to record this non-cash transaction and construction retainage payable.

Recommendation: We recommend that the Academy and School District implement appropriate internal controls to address non-cash transactions and construction retainage payables to ensure proper accounting and financial reporting.

Response: The Academy agrees with the audit recommendation and will ensure that all non-cash transactions with external funding sources and retainage payables on outstanding construction projects are recorded in the general ledger.
