Langston Charter Middle School

Report on Financial Statements

For the year ended June 30, 2025

manleygarvin

Independent Auditor's Report

Board of Directors
Langston Charter Middle School
Greenville, South Carolina

Disclaimer of Opinion and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Langston Charter Middle School (a nonprofit organization) (the "School"), as of and for the year ended June 30, 2025, and the related notes to the financial statements. We were not engaged to audit the financial statements of the discretely presented component unit. These financial statements collectively comprise the School's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Discretely Presented Component Unit	Disclaimer
General Fund	Unmodified
Special Revenue - Special Projects	Unmodified
Special Revenue - EIA	Unmodified

Disclaimer of Opinion on the Discretely Presented Component Unit

We do not express an opinion on the financial statements of the discretely presented component unit of the School. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the discretely presented component unit and Unmodified Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit of the School.

Unmodified Opinions on Governmental Activities and Each Major Fund

In our opinion, the 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 School, as of June 30, 2025, 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 Disclaimer of Opinion on the Discretely Presented Component Unit

The financial statements of the Langston Foundation, Inc. (the "Foundation") have not been audited, and we were not engaged to audit the Foundation's financial statements as part of our audit of the School's basic financial statements. The Foundation's financial activities are included in the School's basic financial statements as a discretely presented component unit and represent one hundred percent of the assets, liabilities, net assets, revenues, and expenditures, respectively, of the School's discretely presented component unit.

Basis of Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities and each major fund in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Discretely Presented Component Unit

Our responsibility is to conduct an audit of the School's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Discretely Presented Component Unit section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of the Governmental Activities and Each Major Fund

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 16 to the financial statements, the School implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. The School's implementation of GASB Statement No. 101 significantly changed the reporting of the School's compensated absences. Our opinions are not modified with respect to these matters.

Restatement of prior year financial statements

As part of our audit of the June 30, 2025 financial statements, we also audited the adjustments described in Note 15 that were applied to restate the June 30, 2024 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. Our opinion is not modified with respect to their matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A) and other required supplementary information (RSI), 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 RSI 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 response 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 School'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 accompanying 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 October 29, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 School's internal control over financial reporting and compliance.

Manley Garvin, LLC

Greenwood, South Carolina
October 29, 2025

As management of Langston Charter Middle School (the "School"), we offer readers of the School's audited financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

Financial Highlights:

Overall

- The 2024-2025 45-day average daily membership (ADM) was 457.
- The 2024-2025 135-day ADM was 456.

Government-wide Financial Statements

- The liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows of resources as of June 30, 2025 by ($5,742,633) net position (deficit).
- Governmental activities increased the School's net position by $1,249,566 for the year ended June 30, 2025.
- The School recorded $3,736,899 and $3,185,991 for its share of the unfunded pension obligation and OPEB obligation, respectively, as of June 30, 2025.

Fund Financial Statements

- As of June 30, 2025, the School's governmental funds reported combined ending fund balances of $1,408,896.
- As of June 30, 2025, the unassigned fund balance in the general fund was $1,339,481.

Overview of the Financial Statements:

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

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

The basic financial statements present two distinct financial perspectives of the School using Government-wide Financial Statements and Fund Financial Statements. In addition to the basic financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of the School.

Overview of the Financial Statements, continued:

Basic Financial Statements:

Government-wide Financial Statements - Page 9 and 10

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide the reader with a broad overview of the School's finances, similar in format to the financial statements of a private-sector business. They provide both short and long-term information about the School's financial standing.

The two Government-wide Financial Statements are the Statement of Net Position and the Statement of Activities. Measuring net position is one way to gauge the School's financial condition and the Statement of Activities shows the change in net position during the year. Net position equals assets plus deferred outflows of resources less liabilities and deferred inflows of resources.

The Government-wide Financial Statements include all governmental activities. The governmental activities include the School's instruction and support services. The School does not have any business-type activities.

Fund Financial Statements - Pages 13 and 14

The Fund Financial Statements are more detailed than the Government-wide Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related requirements, such as the School's budget, where and when applicable. All of the funds of the School are governmental funds. The major governmental funds of the School are: 1) General Fund 2) Special Projects Fund and 3) Education Improvement Act Fund.

Notes to the Financial Statements - Pages 15 through 40

The Notes to the Financial Statements offer a more detailed explanation of certain data contained in the Government-wide Financial Statements and Fund Financial Statements.

Supplementary Information:

Supplementary Information shows detailed information about the School's funds. Budgetary comparison information for the School's general fund is included in the Required Supplementary Information.

Government-wide Financial Statement Analysis - Statement of Net Position:

As noted earlier, net position may serve over time as one useful indicator of the School's financial condition. The liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows of resources by ($5,742,633) as of June 30, 2025. The deficit net position of ($5,762,602) is unrestricted.

Government-wide Financial Statement Analysis - Statement of Net Position, continued:

Significant changes on the Statement of Net Position are as follows:

- Current assets increased over the prior year by approximately $614,000 primarily due to increase of approximately $600,000 of cash.
- Noncurrent assets decreased approximately $293,000 primarily due to the right-to-use asset amortization.
- Current liabilities increased over prior year by approximately $57,000 primarily due to timing of payables to the curriculum provider.
- Long-term liabilities increased over prior year primarily by approximately $192,000 due to the right-to-use lease liability.

Note that deferred outflows and inflows related to pensions will fluctuate from year to year depending on the number of employees, the School's contributions to the plan, changes in actuarial assumptions, and the earnings on investments in the South Carolina Retirement System. See Note 10 for further details. Also, note that deferred outflows and inflows related to postemployment benefits other than pensions fluctuate based on similar criteria. See Note 11 for further details.

Langston Charter Middle School's Net Position

	2025	2024
Current assets	$ 1,768,568	$ 1,154,227
Noncurrent assets	2,309,362	2,602,022
Total assets	4,077,930	3,756,249
Deferred outflows of resources	1,604,924	1,360,365
Current liabilities	687,704	631,057
Long-term liabilities	9,108,118	8,915,743
Total liabilities	9,795,822	9,546,800
Deferred inflows of resources	1,629,665	2,417,192
Net position (deficit)		
Net investment in capital assets	19,969	65,678
Unrestricted (deficit)	(5,762,602)	(7,057,877)
Total net position (deficit)	$ (5,742,633)	$ (6,847,378)

Government-wide Financial Statement Analysis - Statement of Activities:

Aspects of the School's financial operations that significantly contributed to the change in net position are as follows:

- The School adopted an annual budget. The School's performance was measured using this budget on a monthly basis, allowing changes to be made in spending as needed to remain within the confines of the budget.

- State and Federal Revenues are calculated utilizing the 45 and 135-day ADM. The 45-day ADM for 2024-2025 was 457 compared to 466 for 2023-2024. The 135-day ADM for 2024-2025 was 456 compared to 466 for 2023-2024.

- The School had a decrease of approximately $330,000 in instruction and an increase of $132,000 in support services expenditures for fiscal year 2025 compared to fiscal year 2024.

Langston Charter Middle School's Changes in Net Position (Deficit)

	2025	2024
State and federal revenues	$ 4,943,088	$ 4,113,714
Miscellaneous	196,534	79,004
Investment income	1,359	25
Charges for services	10,524	10,885
Total revenues	5,151,505	4,203,628
Instruction	2,541,988	2,758,197
Support services	1,504,772	1,341,870
Total expenditures	4,046,760	4,100,067
Change in net position	1,104,745	103,561
Net position (deficit), beginning of year	(6,847,378)	(6,950,939)
Net position (deficit), end of year	$ (5,742,633)	$ (6,847,378)

Government-wide Financial Statement Analysis - Capital Assets:

Capital Assets - The School's investment in capital assets for its governmental activities as of June 30, 2025, totaled $2,309,362 (net of accumulated depreciation).

Langston Charter Middle School's Capital Assets
(net of accumulated depreciation)

	Balance July 1, 2024	Governmental Activities Additions/ (Deletions)	Balance June 30, 2025
Equipment	$ 17,814	$ 28,577	$ 46,391
Furniture and fixtures	94,460	(47,133)	47,327
Right-to-use leased building	2,489,748	(274,104)	2,215,644
Total	$ 2,602,022	$ (292,660)	$ 2,309,362

Government-wide Financial Statement Analysis - Capital Assets, continued:

Additional information about the School's capital assets can be found in Note 5 of the Basic Financial Statements.

Fund Financial Statements Analysis:

As noted earlier, the School uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related requirements. The major governmental funds of the School are: 1) General Fund 2) Special Projects Fund and 3) Education Improvement Act Fund.

The General Fund is the chief operating fund of the School. As of June 30, 2025, the unassigned fund balance of the General Fund was $1,339,481.

General Fund Budgetary Highlights:

The negative variance in revenue of approximately $644,000 is primarily due to the change in funding formula and the School initially budgeting all state aid to classroom revenue in the General Fund. Additionally, EIA funds are unbudgeted and utilized to cover salary expenditures within the General Fund.

The positive variance in expenses of approximately $219,000 is due to the School budgeting expenditures for its curriculum solely in the General Fund, but allocating expenditures amongst the General Fund and Education Improvement Act Fund.

Economic Factors:

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

- The School continues to market and advertise across the State.
- The School continues to monitor and budget expenses with revenues.
- The School will continue to seek both federal and private grant funds to supplement its Education Finance Act (EFA) funding.

Requests for Information:

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning and of the information found in this report, or requests for additional information, should be directed to the Director, Langston Charter Middle School, 1950 Woodruff Road, Greenville, South Carolina.

Langston Charter Middle School

Statement of Net Position

As of June 30, 2025

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	$ 1,676,032
Due from other governmental units	51,257
Accounts receivable	2,766
Prepaid items	38,513
Total current assets	1,768,568
Noncurrent assets	
Depreciable capital assets, net	2,309,362
Total noncurrent assets	2,309,362
Total assets	4,077,930
Deferred outflows of resources	
Pension	561,124
OPEB	1,043,800
Total deferred outflows of resources	$ 1,604,924
Liabilities	
Current liabilities	
Accounts payable	$ 20,730
Accrued payroll and other liabilities	336,279
Deferred income	2,663
Compensated absences	73,013
Right-to-use lease liability	255,019
Total current liabilities	687,704
Long-term liabilities	
Compensated absences	150,854
Net pension liability	3,736,899
Net OPEB liability	3,185,991
Right-to-use lease liability	2,034,374
Total long-term liabilities	9,108,118
Total liabilities	9,795,822
Deferred inflows of resources	
Pension	290,241
OPEB	1,339,424
Total deferred inflows of resources	1,629,665
Net position (deficit)	
Net investment in capital assets	19,969
Unrestricted (deficit)	(5,762,602)
Total net position (deficit)	$ (5,742,633)

See Notes to Basic Financial Statements

Langston Charter Middle School

Statement of Activities

For the year ended June 30, 2025

Functions/Programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Net (expense) revenue and change in net position: Primary Government: Governmental activities
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	$ 2,541,988	$ 10,524	$ 4,943,088	$ 2,411,624
Support services	1,504,772	-	-	(1,504,772)
Total governmental activities	$ 4,046,760	$ 10,524	$ 4,943,088	906,852
General revenues:				
Investment income				1,359
Miscellaneous				196,534
Total general revenues				197,893
Change in net position				1,104,745
Net position, beginning of year				879,645
Restatement, see notes 15 and 16				(7,727,023)
Net position (deficit), beginning of year, as restated				(6,847,378)
Net position (deficit), end of year				$ (5,742,633)

See Notes to Basic Financial Statements

Langston Charter Middle School

Statement of Net Assets - Langston Foundation, Inc.
As of June 30, 2025
(Unaudited)

Assets	
Current assets	
Cash and cash equivalents	$ 663,640
Lease receivable	2,289,393
Other assets	47,698
Total current assets	3,000,731
Noncurrent assets	
Non-depreciable capital assets	1,035,000
Depreciable capital assets, net	163,704
Total noncurrent assets	1,198,704
Total assets	$ 4,199,435
Liabilities	
Current liabilities	
Current portion of note payable	$ 257,272
Total current liabilities	257,272
Long-term liabilities	
Note payable	1,764,317
Total long-term liabilities	1,764,317
Total liabilities	2,021,589
Net assets (deficit)	
Net investment in capital assets	(822,885)
Unrestricted (deficit)	3,000,731
Total net assets (deficit)	$ 2,177,846

See Notes to Basic Financial Statements

Langston Charter Middle School

Statement of Activities - Langston Foundation, Inc.
For the year ended June 30, 2025
(Unaudited)

Revenue and Support		
Contributions	$	114,663
Investment income		93,114
Fundraising		32,946
Rent		324,996
Total revenue and support		565,719
Expenditures		
Program services		207,238
Fundraising		51,811
Management and General		33,966
Total expenses		293,015
Excess (deficiency) of revenues over (under) expenditures		272,704
Net assets (deficit), beginning of year		1,905,142
Net assets (deficit), end of year	$	2,177,846

See Notes to Basic Financial Statements

Langston Charter Middle School

Balance Sheet - Governmental Funds

As of June 30, 2025

	General	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total
Assets				
Cash and cash equivalents	$ 1,676,032	$ -	$ -	$ 1,676,032
Due from other governmental units	51,257	-	-	51,257
Accounts receivable	2,766	-	-	2,766
Due from other funds	-	30,902	2,663	33,565
Prepaid items	38,513	-	-	38,513
Total assets	$ 1,768,568	$ 30,902	$ 2,663	$ 1,802,133
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 20,730	$ -	$ -	$ 20,730
Due to other funds	33,565	-	-	33,565
Accrued payroll and other liabilities	336,279	-	-	336,279
Unearned revenue	-	-	2,663	2,663
Total liabilities	390,574	-	2,663	393,237
Fund balances				
Nonspendable	38,513	-	-	38,513
Unassigned	1,339,481	30,902	-	1,370,383
Total fund balances	1,377,994	30,902	-	1,408,896
Total liabilities and fund balances	$ 1,768,568	$ 30,902	$ 2,663	$ 1,802,133

Total governmental fund balance	$ 1,408,896
Amounts reported for governmental activities are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	2,309,362
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Right-of-use lease liability	(2,289,393)
Compensated absences	(223,867)
Deferred outflows - pension related	561,124
Deferred inflows - pension related	(290,241)
Pension obligation	(3,736,899)
Deferred outflows - OPEB related	1,043,800
Deferred inflows - OPEB related	(1,339,424)
OPEB obligation	(3,185,991)
Net position of governmental activities	$ (5,742,633)

See Notes to Basic Financial Statements

Langston Charter Middle School

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2025

	General Fund	Special Revenue Funds: Special Projects	Special Revenue Funds: Education Improvement Act	Total
Revenues				
Local	$ 166,821	$ 29,713	$ -	$ 196,534
Intergovernmental	4,074,199	-	-	4,074,199
State	484	1	829,030	829,515
Federal	-	51,257	-	51,257
Total revenues	4,241,504	80,971	829,030	5,151,505
Expenditures				
Instruction	2,848,956	51,257	27,770	2,927,983
Support services	1,546,309	28,714	892	1,575,915
Capital outlay	35,985	-	-	35,985
Total expenditures	4,431,250	79,971	28,662	4,539,883
Excess (deficiency) of revenues over (under) expenditures	(189,746)	1,000	800,368	611,622
Other financing sources (uses)				
Transfer in (out)	800,369	(1)	(800,368)	-
Total other financing sources (uses)	800,369	(1)	(800,368)	-
Net change in fund balances	610,623	999	-	611,622
Fund balances, beginning of year	767,371	29,903	-	797,274
Fund balances, end of year	$ 1,377,994	$ 30,902	$ -	$ 1,408,896

Total net change in fund balances - governmental funds	$ 611,622
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in governmental fund as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense.	(18,556)
Right-of-use assets are reported in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their term as amortization expense.	(274,104)
The repayment of the principal of right-of-use liabilities consumes the current financial resources of governmental funds but has no effect on net position. The amount is the reduction in right-to-use liabilities during the year.	246,951
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Changes in pension liabilities and related deferred outflows and inflows of resources	608,838
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(38,224)
Change in compensated absences	(31,782)
Change in net position of governmental activities	$ 1,104,745

See Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

Langston Charter Middle School (the "School") is an independent, not-for-profit 501C (3) corporation located in Greenville, South Carolina. The School is a charter school under legislation enacted on June 18, 1996. The charter school is a not-for-profit corporation forming a school, and the School operates within The Charter Institute at Erskine (the "Institute"). Because the Institute can significantly influence operations and the Institute provides substantial financial support, the School's financial statements are included in those of the Institute as a discretely presented component unit.

A. Reporting entity

The School's financial statements include all funds over which the School is considered to be financially accountable. The School receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters.

The Langston Foundation, Inc. (the "Foundation") is a legally separate, tax-exempt component unit of the School. The Foundation acts primarily as a fundraising-organization to supplement the resources that are available to the School in support of its programs. Although the School does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, are restricted to the activities of the School's by the donors. Additionally, the Foundation owns the school building and leases the right to use the building to the School. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the School, the Foundation is considered a component unit of the School and is discretely presented in the School's financial statements.

B. Basis of presentation

The statements of the School are presented as follows:

Government-wide financial statements - The Statement of Net Position and the Statement of Activities display information about the School as a whole, except fiduciary funds, if any. For the most part, the effect of interfund activity has been removed from these statements. The School's activities are governmental activities generally financed through intergovernmental revenues and other non-exchange transactions. Intergovernmental revenue included on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds includes all state sourced revenue and any federal revenue that flows to the School primarily through the Institute.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund 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.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School, with certain limited exceptions. 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 School.

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of presentation, continued

Fund financial statements - Fund financial statements report detailed information about the School. 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 School has no non-major funds. Fiduciary funds, if any, are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are: a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures and Changes in Fund Balance, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

C. Measurement focus and basis of accounting

<u>Fund accounting:</u>

The accounts of the School are organized and operated on the basis of funds during the fiscal year, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts. The various funds are grouped into the categories governmental, and if necessary, fiduciary.

Governmental funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School's major governmental funds:

General fund - to account for all financial transactions not properly accounted for in another fund. The School uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of school and related fixed charges.

Special revenue funds - to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The School has two special revenue funds:

1. Special projects fund - a budgeted fund used to account for financial resources provided by federal, state and local projects and grants;
2. The Education Improvement Act (EIA) fund - a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement focus and basis of accounting, continued

Basis of accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds, if any, also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year, or are expected to be collected, soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. On the accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, entitlements, grants, and student fees.

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenues. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as unearned revenues. The School had $2,663 of deferred revenue at June 30, 2025. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year, if any, is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as unearned revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, liabilities and equity

Cash and cash equivalents - The School may have cash presented on the financial statements which includes cash held in local financial institutions and certificates of deposit held in local financial institutions. The School had no cash equivalents at June 30, 2025.

Receivables and payables - During the course of operations, numerous transactions occur between the School and vendors and revenue sources or individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as accounts receivable, due from other governmental units, accounts payable or “due from other funds” or “due to other funds” on the balance sheet. The transactions between funds are eliminated in the governmental activities columns of the Statement of Net Position.

Capital assets - Capital assets result 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. Capital assets are stated at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The costs and accumulated depreciation of property sold or retired are removed from the accounts, and gain or losses, if any, are reflected in revenue or expenditures/expenses for the year. The School maintains a capitalization threshold of $1,000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extends an asset’s life are expensed.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives used in computing depreciation for financial reporting are as follows:

Description	Governmental Activities Estimated Lives
Equipment	5 years
Furniture and fixtures	5 years

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 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. Debt 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.

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, liabilities and equity, continued

Compensated absences - It is the School's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Vacation and sick leave is accumulated, in accordance with GASB Statement No. 101, an estimate for the time to be used during employment has been accrued. A liability for the estimated sick and vacation leave has been accrued in the government-wide financial statements. The maximum sick leave accrual is limited to 35 days. Sick leave and vacation is not paid upon termination or retirement.

Right-to-use lease assets and liabilities – Right-to-use lease liabilities are measured at the present value of expected lease payments over the lease term. An intangible right-to-use asset is recorded to offset the right-to-use liability. The intangible asset is recorded at the inception of the lease agreement in an amount equal to the initial recording of the lease liability plus any payments associated with the contract made to the vendor at the commencement of the lease term and capitalizable implementation costs less any vendor incentives received. The intangible right-to-use lease asset is amortized on a straight-line basis over shorter of the lease term or the useful life of the underlying lease asset. Both the right-to-use asset and liability are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows of resources and deferred inflows of resources - Changes in the net pension and OPEB liabilities not included in pension and OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability and the net OPEB liability are reported as deferred outflows of resources.

Postemployment Benefits Other than Pensions (OPEB) - For purposes of measuring the School's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF"), and additions to/deductions from the SCRHITF fiduciary net position have been determined on the same basis as they are reported by the SCRHITF. For this purpose, the SCRHITF recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund balances and net position - There are five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental funds balance sheet.

For the government-wide financial statements, the School applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements, the School applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, liabilities and equity, continued

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvements of capital assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or external restrictions imposed by creditors, grantors or laws or regulations of other governments.

E. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Note 2. Cash and cash equivalents

The School is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
4. Deposits in certificates of deposit, where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest; and
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina State laws).

At June 30, 2025, the carrying amount of the School's deposits was $1,676,032 and the bank balance was $1,685,076.

Custodial credit risk:

Custodial credit risk is the risk that the School's deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to $250,000 per bank. At times, the School's deposits may exceed FDIC insurance.

Credit risk:

South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The School has no investment policy that would further restrict its choices.

Note 2. Cash and cash equivalents, Continued

Interest rate risk:

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

Concentration of credit risk:

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

Note 3. Due from Other Governmental Units

Intergovernmental receivables at June 30, 2025 consisted of intergovernmental grants and reimbursements. All governmental receivables are considered fully collectible.

Due from federal government	
IDEA	$ 51,257
Total due from federal government	51,257
Total due from other governmental units	$ 51,257

Note 4. Interfund Receivables and Payables

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	Receivable	Payable
General fund	$ -	$ 33,565
Special revenue special projects fund	30,902	
Special revenue EIA fund	2,663	-
Total governmental funds	$ 33,565	$ 33,565

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 5. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2025
Governmental activities				
Equipment	$ 302,618	$ 35,985	$ -	$ 338,603
Furniture and fixtures	530,621	-	-	530,621
Right-to-use leased building	3,015,114	-	-	3,015,114
Total capital assets, being depreciated and amortized, at historical cost	3,848,353	35,985	-	3,884,338
Less accumulated depreciation				
Equipment	(284,804)	(7,408)	-	(292,212)
Furniture and fixtures	(436,161)	(47,133)	-	(483,294)
Right-to-use leased building	(525,366)	(274,104)	-	(799,470)
Total accumulated depreciation and amortization	(1,246,331)	(328,645)	-	(1,574,976)
Governmental activities capital assets, net	$ 2,602,022	$ (292,660)	$ -	$ 2,309,362

Total depreciation and amortization expense was $328,645. $257,249 was charged to instruction and $71,396 was charged to support services.

Note 6. Fund Balances/(Deficits) and Net Position

The fund balances/(deficits) and net position and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balances - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the School's Board of Directors (the "Board"). The Board must take a formal action during one of its meetings to establish, modify, or commit funds under the committed classification.

Fund balances – Assigned - balances meant to be used for a specific purpose but do not meet the criteria as restricted or committed. For the School, the Board or any other governing authority above the Board may assign fund balances by formal action such as Board vote, ordinance or law.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Net investment in capital assets - represents the net cost less accumulated depreciation and outstanding debt attributable to the School's capital assets.

Note 6. Fund Balances/(Deficits) and Net Position, Continued

Governmental fund financial statements, Continued

Restricted - represents net position restricted externally by creditors, grantors, contributors or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the School's net position in government-wide activities.

Note 7. Commitments and Contingencies

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

The School is by law, a public school. The operations of the School are subject to administrative directives, rules and regulations of its federal and state funding services. Such directions and funding levels are subject to change with little notice. If the School's funding levels are significantly impacted by reductions in federal and state funding, it may adversely affect the School's ability to continue to operate.

Note 8. Risks and Uncertainties

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. The School pays premiums to a private insurance carrier for all forms of coverage. The insurance carrier promises to pay to, or on behalf of, the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

Note 9. Pension Plans

Description of the entity:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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' five defined benefit pension plans. PEBA has an 11-member Board of Directors, 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.

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 generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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

Plan descriptions:

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

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

Note 9. Pension Plans, Continued

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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP - As an alternative to membership in SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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 the 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.

Note 9. Pension Plans, Continued

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 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. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS until reaching 18.56 percent. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plans are at least 85 percent funded.

Required **employee** contribution rates[1] are as follows:

	Fiscal Year 2025[1]	Fiscal Year 2024[1]
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%

Required **employer** contribution rates[1] are as follows:

	Fiscal Year 2025[1]	Fiscal Year 2024[1]
SCRS		
Employer Class Two	18.41%	18.41%
Employer Class Three	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution[2]	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%

[1] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
[2] Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Note 9. Pension Plans, Continued

Non-employer contributions:

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly provided funding in fiscal years 2018, 2019, 2020, 2021, 2022and 2023 for credit towards employer contributions for most employers participating in SCRS. For the year ended June 30, 2024 measurement period, PEBA provided non-employer contributions to the School in the amount of $16,319 which is shown as a reduction of net pension liability and other grant revenue in the year ended June 30, 2025 financial statements, which are presented on the economic resources measurement focus and accrual basis of accounting.

Pension expense:

For the year ended June 30, 2025, the School recognized pension expense of $279,565 for the SCRS plan at the measurement date of June 30, 2024.

Actuarial assumptions and methods:

Actuarial valuations of the ongoing 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. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS
Actuarial cost method	Entry age normal
Investment rate of return[1]	7.0%
Projected salary increases	3.0% to 11.0% (varies by service)[1]
Benefit adjustments	lesser of 1% or $500 annually

[1] *Includes inflation at 2.25%*

Note 10. Pension Plans, Continued

Actuarial assumptions and methods, continued:

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), was 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.

Assumptions used in the determination of the June 30, 2024 TPL are as follows.

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%

Net pension liability:

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$61,369,806,968	$37,919,492,371	$23,450,314,597	61.8%

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 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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2025, the School reported a liability of $3,736,899 for its proportionate share of the SCRS NPL for the measurement date of June 30, 2024. The School's proportionate share of the NPL was based on a projection of the School's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

Note 10. Pension Plans, Continued

Net pension liability, continued:

At June 30, 2025, the School's proportionate share of the SCRS plan at the measurement date of June 30, 2024 was 0.015935%.

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 122,808	$ 4,638
Changes of assumptions	65,881	-
Net difference between projected and actual earnings on pension plan investments	-	143,984
Changes in proportion and differences between School contributions and proportionate share of contributions	355	141,619
School contributions subsequent to the measurement date	372,080	-
Total	$ 561,124	$ 290,241

The $372,080 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date for the SCRS plan, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS plan:

2026	$ (142,220)
2027	82,986
2028	(4,152)
2029	(37,811)
	$ (101,197)

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 rates 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.

Note 10. Pension Plans, Continued

Long-term expected rate of return, continued:

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 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 table on the following page. For actuarial purposes, the 7 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.

Allocation/Exposure	Policy target	Expected arithmetic real rate of return	Long-term expected portfolio real rate of return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity[1]	9.0%	9.60%	0.86%
Private Debt[1]	7.0%	6.90%	0.48%
Real Assets:	**12.0%**		
Real Estate[1]	9.0%	4.30%	0.39%
Infrastructure[1]	3.0%	7.30%	0.22%
Total expected return[2]	100.0%		5.49%
Inflation for actuarial purposes			2.25%
			7.74%

[1]RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.
[2]Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount rate:

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity analysis:

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Note 10. Pension Plans, Continued

Sensitivity analysis, continued:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	$ 4,842,599	$ 3,736,899	$ 2,718,637

Additional financial and actuarial information:

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

Note 11. Postemployment Benefits Other Than Pensions (OPEB)

General information:

The School also participates in the State of South Carolina's employee insurance programs. As previously discussed, PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is considered a division of the State of South Carolina primary government (the "State"), and therefore, the financial information of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) is also included in the ACFR of the State.

Plan description:

The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans.

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

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

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

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.

Contributions and funding policy:

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA - Insurance Benefits.

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, 2024 was 6.35 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 the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions 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. The SCRHITF is also funded through investment income.

For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2024 totaled $732,799,781. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of $2,577,195.

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

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

Contributions and funding policy, continued:

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trust, and additions to and deductions from the OPEB Trust fiduciary net position have been determined on the same basis as they were reported by the OPEB Trust. 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.

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

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.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the type 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.

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions and methods, continued:

Additional information as of the latest actuarial valuation for SCRHITF:

SCRHITF:	
Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry – Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality
Health Care Trend Rate:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-funded Premiums
Notes:	The discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024

The actuarial valuations were performed as of June 30, 2023. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2024.

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions and methods, continued:

The following table represents the components of the net OPEB liability as of June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2024	$ 17,894,389,610	$ 1,772,587,512	$ 16,121,802,098	9.91%
June 30, 2023	$ 14,749,639,155	$ 1,658,152,923	$ 13,091,486,232	11.24%
June 30, 2022	$ 16,835,502,593	$ 1,623,661,403	$ 15,211,841,190	9.64%
June 30, 2021	$ 22,506,597,989	$ 1,683,416,992	$ 20,823,180,997	7.48%
June 30, 2020	$ 19,703,745,672	$ 1,652,299,185	$ 18,051,446,487	8.39%
June 30, 2019	$ 16,516,264,617	$ 1,394,740,049	$ 15,121,524,568	8.44%
June 30, 2018	$ 15,387,115,010	$ 1,216,530,062	$ 14,170,584,948	7.91%
June 30, 2017	$ 14,659,610,970	$ 1,114,774,760	$ 13,544,836,210	7.60%

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

Single discount rate:

The Single Discount Rate of 3.97% was used to measure the total OPEB liability 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 plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

Long-term expected rate of return:

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

Long-term expected rate of return, continued:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			**2.75%**

Sensitivity analysis:

The following tables present the School's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.97%, as well as what the School's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher. In addition, regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the School's net OPEB liability, calculated using the assumed trend rates as well as what the School's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher.

	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
SCRHITF Net OPEB Liability	$ 3,782,013	$ 3,185,991	$ 2,708,882

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	$ 2,619,878	$ 3,185,991	$ 3,920,269

Note 11. Postemployment Benefits Other Than Pensions (OPEB), Continued

Deferred outflows of resources and deferred inflows of resources related to OPEB:

At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SCRHITF	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 165,616	$ 471,548
Changes of assumptions	682,359	654,184
Net difference between projected and actual earnings on OPEB plan investments	15,540	-
Changes in proportion and differences between School contributions and proportionate share of contributions	52,984	213,692
School contributions subsequent to the measurement date	127,301	-
Total	$ 1,043,800	$ 1,339,424

The $127,301 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date for the SCRHITF plan which will be recognized as a reduction of the collective net OPEB liability for the School's year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the School's OPEB expense as follows:

	SCRHITF
2026	$ (43,260)
2027	(65,406)
2028	(147,850)
2029	(209,784)
2030	(18,655)
Thereafter	62,030
	$ (422,925)

Additional financial and actuarial information:

Information contained in these Notes to the Schedules of OPEB Amounts by Employer (the Schedules) were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2024, and the accounting and financial reporting actuarial valuations as of June 30, 2024. Additional financial information is supporting the preparation of the Schedules is available in the OPEB Trust Funds audited financial statements.

Note 12. Right-to-Use Lease Liabilities

The School has entered into an agreement to lease a building from Langston Foundation, Inc. The lease agreements qualify as other than short-term leases under GASB 87. The lease expires in June 2033. In accordance with GASB Statement No. 87, the School records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using an estimated incremental borrowing rate. The School does not have any leases featuring payments tied to an index or market rate. The School also does not have any leases subject to a residual value guarantee. Future commitments for leases as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 255,019	$ 69,977	$ 324,996
2027	263,354	61,642	324,996
2028	271,961	53,035	324,996
2029	280,846	44,150	324,996
2030	290,024	34,972	324,996
2031-2033	928,189	49,352	977,541
	$ 2,289,393	$ 313,128	$ 2,602,521

Note 13. Compensated absences

During the year ended June 30, 2025, the following changes occurring in compensated absences:

Beginning of year	$ 192,085
Net change during the year	31,782
End of the year	$ 223,867
Current portion	$ 73,013

Note 14. Component Unit

The Langston Foundation, Inc. (the "Foundation") was formed to support and supplement the mission of the School. The Foundation is a not-for-profit 501C(3) corporation governed by a separate board of directors. The School received $118,505 of donations from the Foundation for the fiscal year ended June 30, 2025.

The financial statements of the component unit were not audited and an audit was not engaged for this unit as part of the School's basic financial statements. The Foundation's financial activities are included as a discretely presented component unit and represent 100% of the Foundation's assets, net position, expenses, and revenues.

Note 14. Component Unit, Continued

At June 30, 2025 the Foundation's capital assets are as follows:

	Balance July 1, 2024	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2025
Governmental activities				
Land	$ 1,035,000	$ -	$ -	$ 1,035,000
Furniture and fixtures	748,887	32,928	-	781,815
Total capital assets, being depreciated at historical cost	1,783,887	32,928	-	1,816,815
Less accumulated depreciation				
Furniture and fixtures	(573,474)	(44,637)	-	(618,111)
Total accumulated depreciation	(573,474)	(44,637)	-	(618,111)
Capital assets, net	$ 1,210,413	$ (11,709)	$ -	$ 1,198,704

At June 30, 2025 the Foundation's long term debt is as follows:

In July 2013, the School became co-borrower with the Foundation on the refinancing of the Foundation's mortgage with the issuance of a SC-JEDA (Jobs Economic Development Authority) bond payable in the amount of $5,200,000. Under terms of the lease agreement, the Foundation is responsible for payments on the bond and any other costs associated with the bond. The note carries an interest rate based on a 20 year amortization and requires monthly payments of fixed principal plus interest. The interest rate at June 30, 2025 is 2.31%. The balance due on the note payable is $2,021,589 at June 30, 2025. The School facility, owned by the Foundation, serves as collateral. The School leases the right to use the school. This lease is described in note 12.

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 257,272	$ 44,850	$ 302,122
2027	257,272	38,825	296,097
2028	257,272	32,886	290,158
2029	257,272	26,774	284,046
2030	257,272	20,748	278,020
2031-2033	735,229	26,748	761,977
	$ 2,021,589	$ 190,831	$ 2,212,420

Note 15. Restatement of Net Position – Due to Correction of Errors

The School's beginning net position as of July 1, 2024, was restated to reflect the correction of errors and the implementation of required GASB accounting standards that had not been applied in prior years. Specifically, management recorded the net pension liability and related deferred inflows and outflows pursuant to GASB Statement No. 68, the net OPEB liability and related deferred inflows and outflows pursuant to GASB Statement No. 75, and the right-to-use asset and lease liability pursuant to GASB Statement No. 87. Additionally, the school incorrectly booked pupil activity funds as deferred revenue.

The effect of these restatements was as follows:

Description	Net Position
Net position, beginning of year (as previously reported)	$ 879,645
Recognition of net pension liability and related deferrals	(3,443,391)
Recognition of net OPEB liability and related deferrals	(4,074,854)
Recognition of right-to-use lease asset and lease liability	(46,596)
Recognition of pupil activity funds	29,903
Restated net position	$ (6,655,293)

Note 16. Restatement of Net Position - Change in Accounting Principle

The adoption of GASB Statement No. 101 was applied retrospectively, requiring a restatement of beginning net position, as follows:

	Governmental activities
Beginning net position, as previously restated (see note 15)	$ (6,655,293)
Restatement due to implementation of GASB No. 101	(192,085)
Beginning net position, as restated	$ (6,847,378)

Note 17. Subsequent Events

Subsequent events have been evaluated through the date of the independent auditor's report, which is the date the financial statements were available to be used.

Langston Charter Middle School

Schedule of the School's Proportionate Share of the Net Pension Liability

For the years ended June 30,

	SCRS									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
School's proportion of the net pension liability	0.015935%	0.015932%	0.017111%	0.017449%	0.017181%	0.016944%	0.016893%	0.01645%	0.01629%	0.01581%
School's proportionate share of the net pension liability	$ 3,736,899	$ 3,852,023	$ 4,148,147	$ 3,776,140	$ 4,390,071	$ 3,868,927	$ 3,785,219	$ 3,703,160	$ 3,479,093	$ 2,998,822
School's covered payroll during the measurement period	$ 2,101,875	$ 1,921,435	$ 1,939,010	$ 1,867,545	$ 1,811,902	$ 1,677,115	$ 1,630,251	$ 1,659,732	$ 1,577,324	$ 1,388,661
School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	177.79%	200.48%	213.93%	202.20%	242.29%	230.69%	232.19%	223.12%	220.57%	215.95%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.30%	52.91%	57.00%

This schedule is presented to illustrate the requirement to show information for 10 years.

Langston Charter Middle School

Schedule of the School's Contributions - Pension

For the years ended June 30,

	SCRS									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually required contribution	$ 372,080	$ 390,108	$ 337,404	$ 321,100	$ 290,590	$ 281,932	$ 244,188	$ 221,062	$ 191,865	$ 174,452
Contributions in relation to the contractually required contribution	372,080	390,108	337,404	321,100	290,590	281,932	244,188	221,062	191,865	174,452
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 2,004,742	$ 2,101,875	$ 1,921,435	$ 1,939,010	$ 1,867,545	$ 1,811,902	$ 1,677,115	$ 1,630,251	$ 1,659,732	$ 1,577,324
Contributions as a percentage of covered-employee payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%

This schedule is presented to illustrate the requirement to show information for 10 years.

Langston Charter Middle School

Schedule of the School's Proportionate Share of the Net OPEB Liability

For the years ended June 30,

	SCRHITF								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
School's proportion of the net OPEB liability	0.019762%	0.019932%	0.021312%	0.021486%	0.021051%	0.020665%	0.020510%	0.019914%	0.016850%
School's proportionate share of the net OPEB liability	$ 3,185,991	$ 2,609,395	$ 3,241,948	$ 4,474,069	$ 3,800,010	$ 3,124,863	$ 2,906,387	$ 2,697,319	$ 2,881,283
School's covered payroll during the measurement period	$ 2,101,875	$ 1,921,435	$ 1,939,010	$ 1,867,545	$ 1,811,902	$ 1,677,115	$ 1,630,251	$ 1,659,732	$ 1,577,324
School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	151.57852%	135.80449%	167.19604%	239.56954%	209.72492%	186.32372%	178.27850%	162.51533%	182.66906%
Plan fiduciary net position as a percentage of the total OPEB liability	9.91%	11.24%	9.64%	7.48%	8.39%	8.44%	7.90%	7.60%	6.60%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School will present information for those years for which information is available.

Langston Charter Middle School

Schedule of the School's Contributions - OPEB

For the years ended June 30,

	SCRHITF								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 127,301	$ 133,469	$ 120,090	$ 121,188	$ 116,722	$ 113,244	$ 101,465	$ 93,739	$ 87,136
Contributions in relation to the contractually required contribution	127,301	133,469	120,090	121,188	116,722	113,244	101,465	93,739	87,136
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 2,004,742	$ 2,101,875	$ 1,921,435	$ 1,939,010	$ 1,867,545	$ 1,811,902	$ 1,677,115	$ 1,630,251	$ 1,659,732
Contributions as a percentage of covered-employee payroll	6.35%	6.35%	6.25%	6.25%	6.25%	6.25%	6.05%	5.75%	5.25%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School will present information for those years for which information is available.

Langston Charter Middle School

Budgetary Comparison Schedule - General Fund

For the year ended June 30, 2025

	Original And Final Budget	Actual	Variance from Final Budget
Revenues			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	$ -	$ 1,359	$ 1,359
1700 Pupil activities			
1740 Student fees	-	8,536	8,536
1790 Other purpil activity income	-	1,988	1,988
1900 Other revenue from local sources			
1920 Contributions and donations from private sources	-	122,443	122,443
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	-	32,495	32,495
Total revenue from local sources	-	166,821	166,821
2000 Intergovernmental revenue			
2100 Payments from other governmental units	4,885,707	4,074,199	(811,508)
Total intergovernmental revenues	4,885,707	4,074,199	(811,508)
3000 Revenue from state sources			
3200 Unrestricted state grants			
3290 Miscellaeneous unrestricted state grants			
3299 Other unrestricted state grants	-	484	484
Total revenue from state sources	-	484	484
Total revenue all sources	4,885,707	4,241,504	(644,203)
Expenditures			
100 Instruction			
110 General instruction			
113 Elementary programs			
100 Salaries	2,031,425	1,837,077	(194,348)
200 Employee benefits	864,365	872,344	7,979
300 Purchased services	34,220	59,252	25,032
400 Supplies and materials	27,140	14,314	(12,826)
500 Capital outlay	-	35,985	35,985
600 Other objects	41,300	29,984	(11,316)
	2,998,450	2,848,956	(149,494)
Total instruction	2,998,450	2,848,956	(149,494)
200 Support services			
213 Health services			
300 Purchased services	7,000	2,100	(4,900)
400 Supplies and materials	-	413	413
	7,000	2,513	(4,487)
220 Instructional staff services			
221 Improvement of instruction curriculum development			
300 Purchased services	27,500	19,804	(7,696)
400 Supplies and materials	-	29	29
500 Capital outlay	-	488	488
	27,500	20,321	(7,179)
230 General administrative services			
231 Board of education			
300 Purchased services	4,000	86,807	82,807
318 Audit services	-	8,500	8,500
600 Other objects	25,000	14,582	(10,418)
	29,000	109,889	80,889

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

	Original And Final Budget	Actual	Variance from Final Budget
Expenditures, continued			
200 Support services, continued			
230 General administrative services, continued			
233 School administration			
100 Salaries	552,062	528,677	(23,385)
200 Employee benefits	294,793	269,584	(25,209)
300 Purchased services	112,250	96,653	(15,597)
400 Supplies and materials	-	1,636	1,636
600 Other objects	20,000	15,004	(4,996)
	979,105	911,554	(67,551)
254 Operation and maintenance of plant			
300 Purchased services	149,750	140,818	(8,932)
470 Energy	65,000	70,236	5,236
600 Other objects	385,000	324,996	(60,004)
	599,750	536,050	(63,700)
258 Security			
300 Purchased services	9,000	1,843	(7,157)
400 Supplies and materials	-	124	124
	9,000	1,967	(7,033)
Total support services	1,651,355	1,582,294	(69,061)
Total expenditures	4,649,805	4,431,250	(218,555)
Other financing sources			
5230 Transfer from Special Revenue EIA Fund	-	800,369	(800,369)
Total other financing sources	-	800,369	(800,369)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	$ 235,902	610,623	$ (374,721)
Fund balance, beginning of year		767,371	
Fund balance, end of year		$ 1,377,994	

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

Langston Charter Middle School

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Funds

For the year ended June 30, 2025

	IDEA (203/204)	Other Designated Restricted State Grants (900's)	Student Activity Funds 700s	Total
Revenues				
1000 Revenue from Local Sources				
1700 Pupil activities				
1790 Other Pupil Activity Income	$ -	$ -	$ 29,713	$ 29,713
Total revenue from local sources	-	-	29,713	29,713
3000 Revenue from state sources				
3100 Restricted state funding				
3190 Miscellaneous restricted state grants				
3193 Education license templates	-	1	-	1
Total revenue from state sources	-	1	-	1
4000 Revenue from federal sources				
4500 Programs for children with disabilities				
4510 Individuals with Disabilities Education Act (IDEA)	51,257	-	-	51,257
Total revenue from federal sources	51,257	-	-	51,257
Total revenue all sources	51,257	1	29,713	80,971
Expenditures				
100 Instruction				
120 Exceptional programs				
127 Learning disabilities				
100 Salaries	51,257	-	-	51,257
	51,257	-	-	51,257
Total instruction	51,257	-	-	51,257
200 Support services				
270 Support services - pupil activity				
271 Pupil service activities				
600 Other objects	-	-	28,714	28,714
	-	-	28,714	28,714
Total support services	-	-	28,714	28,714
Total expenditures	51,257	-	28,714	79,971
Other financing uses				
Transfer to general fund	-	(1)	-	(1)
Excess (deficiency) of revenues and other financing uses over (under) expenditures	-	-	999	999
Fund balance, beginning of year	-	-	29,903	29,903
Fund balance, end of year	$ -	$ -	$ 30,902	$ 30,902

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

Langston Charter Middle School

Schedule of Revenues, Expenditures and Changes in Fund Balance - Education Improvement Act
For the year ended June 30, 2025

Revenues					
3000	Revenue from state sources				
	3500	Education Improvement Act (EIA)			
		3503	State aid to classrooms	$	800,368
		3532	National board certification		16,570
		3577	Teacher supplies		11,200
		3595	EEDA - supplies and materials		892
			Total revenue from state sources		829,030
			Total revenues		829,030
Expenditures					
100	Instruction				
	110	General instruction			
		113	Elementary programs		
		110	Salaries		16,570
		400	Supplies and materials		11,200
					27,770
			Total instruction		27,770
200	Support services				
	210	Pupil services			
		211	Attendance and social work services		
		100	Salaries		
		200	Employee benefits		892
					892
			Total support services		892
			Total expenditures		28,662
Other financing uses					
	420-710	Transfer to General Fund			(800,368)
			Total other financing uses		(800,368)
	Excess (deficience) of revenues and other financing uses over (under) expenditures				-
Fund balance, beginning of year					-
Fund balance, end of year				$	-

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

Langston Charter Middle School

Summary Schedule for Designated State Restricted Grants - Special Projects Fund

For the year ended June 30, 2025

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/ (Out)	Unearned Revenue
919	3187	Education license plates	$ 1	$ -	$ (1)	$ -
		Total	$ 1	$ -	$ (1)	$ -

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

Langston Charter Middle School

Summary Schedule by Program - Education Improvement Act

For the year ended June 30, 2025

		Revenues	Expenditures	Transfers In/Out	Unearned Revenue
3500	Education Improvement Act (EIA)				
3503	State aid to classrooms	$ 800,368	$ -	$ (800,368)	$ -
3526	Reimbursements of science kits	-	-	-	2,663
3532	National board certification	16,570	16,570	-	-
3577	Teacher supplies	11,200	11,200	-	-
3595	EEDA - supplies and materials	892	892	-	-
	Total	$ 829,030	$ 28,662	$ (800,368)	$ 2,663

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

Langston Charter Middle School

Detailed Schedule of Due to State Department of Education / Federal Government

As of June 30, 2025

Program	Grant or Project number	Revenue Code	Description	Amount Due	Status of Amount Due
No funds are due to the state/federal government.					

Intergovernmental revenue is presented by category in the schedule herein, in accordance with State Department of Education requirements

manleygarvin

Independent Auditor's 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*

Board of Directors
Langston Charter Middle School
Greenville, 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 Langston Charter Middle School (the "School") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 29, 2025. The financial statements of the Langston Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, and 2025-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-004 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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.*

Langston Middle School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The School'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 school's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the school's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manley Garvin, LLC

Greenwood, South Carolina
October 29, 2025

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness identified?	X	yes		no
• Significant deficiency identified?	X	yes		none reported
Noncompliance material to financial statements noted?		yes	X	no

B. FINANCIAL STATEMENT FINDINGS

Material Weakness
2025-001 – ***Omission of Required Liabilities and Assets***

Condition and criteria: During the audit of the School's financial statements, it was discovered that management had not previously recorded the net pension liability, net other post-employment benefits (OPEB) liability, related deferred inflows and deferred outflows of resources, or the right-to-use lease asset and right-to-use lease liability associated with the building lease with the Langston Foundation. The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 87, *Leases,* require the recognition of these liabilities, assets, and related deferred inflows/outflows in the statement of net position.

Effect: The beginning net position was materially misstated. A restatement was proposed and recorded to properly recognize these balances in the financial statements. This resulted in a decrease to beginning net position and the recognition of significant long-term liabilities, related assets, and related deferred inflows/outflows.

Cause: The omission occurred because the School did not have adequate processes or controls to ensure that required long-term liabilities, related assets, and related deferred inflows/outflows were properly identified and recorded in accordance with applicable GASB standards.

Auditor's recommendation: We recommend that management implement and maintain appropriate financial reporting controls to identify, record, and monitor required long-term liabilities, assets, and related deferred inflows/outflows in accordance with applicable GASB standards.

Management Response: Management concurs with the finding and has recorded the proposed adjustments. Management will strengthen financial reporting procedures to ensure that required balances are properly recorded in future periods.

B. FINANCIAL STATEMENT FINDINGS, Continued

2025-002 – ***Accounts Receivable - IDEA***

Condition and criteria: During the audit of the School's financial statements, it was discovered that management did not record accounts receivable related to the IDEA grant in the amount of $51,257. As a result, the IDEA special revenue fund was materially misstated at year-end. In accordance with generally accepted accounting principles (GAAP) as promulgated by the GASB, grant revenues and related receivables should be recognized in the period in which the eligibility requirements are met and amounts are measurable and available.

Effect: The omission of the receivable materially misstated the IDEA special revenue fund and required a proposed audit adjustment to properly record the amount and associated revenue. This error could have impacted management's and stakeholders' understanding of the financial position of the fund.

Cause: The omission occurred because management did not have adequate year-end closing procedures to identify and record grant-related accounts receivable.

Auditor's recommendation: We recommend that management strengthen its year-end closing procedures to ensure that all grant receivables are properly identified, recorded, and reconciled prior to financial statement preparation.

Management Response: Management concurs with the finding and has recorded the proposed adjustment to recognize the $51,257 receivable. Management will implement additional procedures to ensure that all grant receivables are properly recorded in future periods.

2025-003 – ***Improper Netting of Revenue and Expenditures for EIA Teacher Supply***

Condition and criteria: During the audit of the School's financial statements, it was noted that management netted revenue and expenditures related to the EIA Teacher Supply program. The School received $11,200 and expended $11,200, but these amounts were not properly reported as both revenue and expenditures in the EIA special revenue fund. This resulted in an understatement of both revenues and expenditures. In accordance with GAAP as promulgated by the GASB, revenues and expenditures should be reported at gross amounts rather than netted, to provide a clear and accurate presentation of financial activity.

Effect: In accordance with GAAP as promulgated by the GASB, revenues and expenditures should be reported at gross amounts rather than netted, to provide a clear and accurate presentation of financial activity.

Cause: The error occurred because management did not properly record the gross revenue and expenditure amounts in the EIA special revenue fund. This was likely due to insufficient understanding of reporting requirements for grant activity.

Auditor's recommendation: We recommend that management record revenue and expenditure transactions on a gross basis to ensure proper reporting and compliance with GAAP and grant requirements.

Management Response: Management concurs with the finding and has recorded the proposed adjustments to properly reflect $11,200 in both revenue and expenditures. Management will ensure that future reporting reflects gross amounts for grant revenues and related expenditures.

B. FINANCIAL STATEMENT FINDINGS, Continued

Significant Deficiency

2025-004 – ***Improper Recognition of Deferred Revenue***

Condition and criteria: During our audit, we noted that the School recorded $29,903 related to pupil activity funds as deferred revenue. Rather than recording the individual inflows and outflows within revenue and expense accounts, the School netted these amounts within the deferred revenue account, resulting in an improper classification. Under GAAP, revenues should be recognized when they are earned, and expenses should be recognized when incurred. Deferred revenue is appropriate only when resources have been received in advance of meeting revenue recognition criteria. Pupil activity funds should be recognized as revenue when collected for the related activities, and the associated costs should be recorded as expenditures when incurred.

Effect: The improper recording resulted in an overstatement of deferred revenue and an understatement of both revenues and expenditures by $29,903. This misclassification does not affect the net change in fund balance but misstates the activity within the fiscal year, reducing the transparency of the School's financial statements.

Cause: This appears to have resulted from a misunderstanding of proper accounting treatment for pupil activity funds and the nature of deferred revenue accounts.

Auditor's recommendation: We recommend that the School record pupil activity revenues when received and the related expenditures when incurred. Deferred revenue should only be used for amounts received in advance of meeting revenue recognition criteria. We also recommend providing additional training to accounting personnel to ensure proper classification of revenue and expenditures in accordance with GAAP.

Management Response: Management concurs with the finding and will review procedures to ensure pupil activity funds are properly recorded as revenue and expenditures going forward. Additional training will be provided to staff to ensure compliance with GAAP.

C. FINDINGS - COMPLIANCE

None noted.

None noted.