

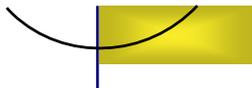
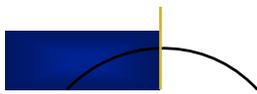
**Liberty Tech Charter School, Inc.
Audited Financial Statements
June 30, 2020**

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Liberty Tech Charter School, Inc.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Liberty Tech Charter School, Inc.
Brooks, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Liberty Tech Charter School, Inc. ("the School"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2020 and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 4, 2020 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 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 School's internal control over financial reporting and compliance.

Emphasis of Matter

On April 3, 2020 the Governor of Georgia issued a statewide stay home order to all residents of Georgia due to the Covid-19 virus as such the school has not operated any regular class since the date of the order. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Bambo Sonaike CPA, LLC

August 4, 2020

Liberty Tech Charter School, Inc.

Management Discussion and Analysis

As of June 30, 2020

Introduction

As management of Liberty Tech Charter School, Inc. (the "School"), we offer readers of the School's financial statement this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2020 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

Financial highlights

- At the end of the current fiscal year, the fund balance for the general fund was \$2,257,948.
- The School's assets exceeded liabilities at the close of the most recent fiscal year by \$1,077,482 (net position).

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instructions, school administration, and food services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself. Comparison of the condensed statement of net position and the statement of activities are provided below.

Liberty Tech Charter School, Inc.
Management Discussion and Analysis
As of June 30, 2020

	Governmental Activities		
	2020	2019	Variance
ASSETS			
Current and other assets	\$ 2,589,092	\$ 1,435,357	\$ 1,153,735
Capital assets ^(net)	232,358	309,562	(77,204)
Total assets	<u>2,821,450</u>	<u>1,744,919</u>	<u>1,076,531</u>
DEFERRED OUTFLOW OF RESOURCES			
Total assets and deferred outflow of resources	<u>2,547,265</u>	<u>2,426,485</u>	<u>120,780</u>
	<u>5,368,715</u>	<u>4,171,404</u>	<u>1,197,311</u>
LIABILITIES			
Current and other liabilities	438,229	209,884	228,345
Long term liabilities	3,768,424	2,712,115	1,056,309
Total liabilities	<u>4,206,653</u>	<u>2,921,999</u>	<u>1,284,654</u>
DEFERRED INFLOW OF RESOURCES			
Total liabilities and deferred inflow of resources	<u>84,580</u>	<u>79,744</u>	<u>4,836</u>
	<u>4,291,233</u>	<u>3,001,743</u>	<u>1,289,490</u>
NET POSITION			
Investment in capital assets ^(net)	232,358	309,562	(77,204)
Restricted	253,652	253,652	-
Unrestricted (deficit)	591,472	606,447	(14,975)
Total net position (deficit)	<u>\$ 1,077,482</u>	<u>\$ 1,169,661</u>	<u>\$ (92,179)</u>

Liberty Tech Charter School, Inc.
Management Discussion and Analysis
As of June 30, 2020

	Governmental Activities		
	2020	2019	Variance
REVENUES			
State passed through State Charter School Commission	\$ 4,409,532	\$ 4,271,281	\$ 138,251
Operating grants and contributions	136,944	788,085	(651,141)
Other revenues	16,576	41,703	(25,127)
Total revenues	<u>4,563,052</u>	<u>5,101,069</u>	<u>(538,017)</u>
EXPENSES			
Basic instruction	3,453,494	3,566,423	(112,929)
Pupil services	248,902	196,030	52,872
Media services	3,276	620	2,656
Staff development	126,651	85,948	40,703
School administration	293,892	277,287	16,605
General administration	61,313	-	61,313
Food services	40,572	45,674	(5,102)
Support services - central	2,771	3,106	(335)
Support services - business	112,363	125,027	(12,664)
Operation of school	311,994	289,293	22,701
Total expenses	<u>4,655,231</u>	<u>4,589,408</u>	<u>65,823</u>
Change in net position	<u>\$ (92,179)</u>	<u>\$ 511,661</u>	<u>\$ (603,840)</u>

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Liberty Tech Charter School, Inc.

Management Discussion and Analysis

As of June 30, 2020

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

The School maintains individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be the School's only major fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets exceeded liabilities by \$1,077,482 for the year ended June 30, 2020.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture, fixtures and equipment, and leasehold improvements), less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial analysis of the Government's Funds

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year. The general fund is the main operating fund of the School. At the end of the current fiscal year, fund balance of the general fund was \$2,257,948.

General Fund Budgetary Highlights

The School's actual revenues exceeded budget revenues by \$158,486 mainly due the School's FTE funding and other supplemental revenue being higher than budgeted. Actual expenditures were below budgeted expenditures by \$240,246 due mainly to the School's overall operating cost being lower than budgeted.

Liberty Tech Charter School, Inc.
Management Discussion and Analysis
As of June 30, 2020

Capital Asset

The School's investment in capital assets for its governmental type activities as of June 30, 2020, amounts to \$232,358. This investment in capital assets includes furniture, fixtures and equipment. Additional information on the School's capital assets can be found in note below.

Long term debt

The School long term debt for its governmental type activities as of June 30, 2020 was \$620,995.

Contacting the School's financial management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School.

Liberty Tech Charter School, Inc.
Statement of Net Position
As of June 30, 2020

ASSETS

Cash and cash equivalents ^(note 2)	\$ 2,589,092
Capital assets ^{(net) (note 3)}	<u>232,358</u>
Total assets	2,821,450

DEFERRED OUTFLOW OF RESOURCES

Related to defined benefit pension plans ^(note 7)	<u>2,547,265</u>
Total deferred outflow of resources	2,547,265

LIABILITIES

Accounts payable & accrued expenses ^(note 4)	77,492
Notes payable due within one year ^(note 8)	360,737
Notes payable ^(note 8)	260,258
Net pension liability ^(note 7)	<u>3,508,166</u>
Total liabilities	4,206,653

DEFERRED INFLOW OF RESOURCES

Related to defined benefit pension plans ^(note 7)	<u>84,580</u>
Total deferred inflow of resources	84,580

NET POSITION

Investment in capital assets, net of related debt	232,358
Restricted	253,652
Unrestricted (deficit)	<u>591,472</u>
Total net position (deficit)	<u><u>\$ 1,077,482</u></u>

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

Liberty Tech Charter School, Inc.
Statement of Activities
For the period ended June 30, 2020

Governmental Activities	Expenses	Program revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Basic instruction	\$ 3,453,494	\$ -	\$ 1,622,263	\$ -	\$ (1,831,231)
Pupil services	248,902	-	20,000	-	(228,902)
Media services	3,276	-	51,051	-	47,775
Staff development	126,651	-	7,865	-	(118,786)
School administration	293,892	-	112,151	-	(181,741)
General administration	61,313	-	-	-	(61,313)
Food services	40,572	-	-	-	(40,572)
Support services - central	2,771	-	42,850	-	40,079
Support services - business	112,363	-	-	-	(112,363)
Operation of school	311,994	-	99,330	-	(212,664)
Total governmental activities	\$ 4,655,231	\$ -	\$ 1,955,510	\$ -	\$ (2,699,721)

General revenues:

State passed through State Charter School Commission	2,454,022
Operating grants and contributions	136,944
Other revenue	16,576
Total general revenues	<u>2,607,542</u>
Change in net position	(92,179)
Net position (deficit) - beginning of year	1,169,661
Net position (deficit) - end of the year	<u>\$ 1,077,482</u>

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

Liberty Tech Charter School, Inc.
Balance Sheet - Governmental Funds
As of June 30, 2020

ASSETS	
Cash and cash equivalents ^(note 2)	\$ 2,589,092
Total assets	<u>2,589,092</u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable & accrued expenses ^(note 4)	77,492
Total liabilities	<u>77,492</u>
 FUND BALANCES	
Non-spendable	-
Restricted	253,652
Committed	-
Unassigned	2,257,948
Total fund balances	<u>2,511,600</u>
 Total liabilities and fund balances	 <u>\$ 2,589,092</u>

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

Liberty Tech Charter School, Inc.
 Reconciliation of Balance Sheet – Governmental Funds with the
 Statement of Net Position
 For the period ended June 30, 2020

Total Fund balances - Governmental funds \$ 2,511,600

The amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Furniture, fixtures and equipment	397,091
Accumulated depreciation	(164,733)
Total capital assets	<u>232,358</u>

Some liabilities, including net pension obligations, are note due and payable in the current period and, therefore, are not reported in the funds.

Notes Payable	(620,995)
Net pension liability	(3,508,166)
Total Liabilites	<u>(4,129,161)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds

Deferred outflows of resources	2,547,265
Deferred inflows of resources	(84,580)
Net flow of resources	<u>2,462,685</u>

Total Net position (deficit) - Governmental activities	<u><u>\$ 1,077,482</u></u>
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The accompanying notes are an integral part to these financial statements.

Liberty Tech Charter School, Inc.
Statement of Revenue, Expenditures, and Changes in Fund Balance –
Governmental Funds
For the period ended June 30, 2020

REVENUES	<u>General Fund</u>
State passed through State Charter School Commission	\$ 4,409,532
Operating grants and contributions	136,944
Other revenues	16,576
Total revenues	<u>4,563,052</u>
EXPENDITURES	
Basic instruction	2,708,377
Pupil services	248,632
Media services	3,276
Staff development	121,910
School administration	288,948
General administration	61,313
Food services	40,572
Support services - central	468
Support services - business	112,363
Operation of school	311,994
Capital outlay	67
Total expenditures	<u>3,897,920</u>
Excess (deficiency) of revenue over (under) expenditures	665,132
Other financing sources (uses)	
Proceeds from note payable	620,995
Total other financing sources (uses)	<u>620,995</u>
Net change in fund balance	1,286,127
Fund balances at beginning of the year	1,225,473
Fund balances at end of the year	<u><u>\$ 2,511,600</u></u>

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

Liberty Tech Charter School, Inc.

Reconciliation of Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds with the Statement of Activities

June 30, 2020

Total net change in fund balances- Government funds	\$ 1,286,127
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The amounts reported for governmental activities in the statement of activities are different because:

Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	67
Depreciation expense	(77,271)
Total	<u>(77,204)</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds on notes payable	(620,995)
Total of long-term debt	<u>(620,995)</u>

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in pension related accounts	(680,107)
Total change in net position- Governmental activities	<u>\$ (92,179)</u>

Liberty Tech Charter School, Inc.

Notes to the Financial Statements

June 30, 2020

1. Organization

Liberty Tech Charter School, Inc. (a Georgia 501 (c) (3) Corporation) (the School), provides educational services to students in grades K-8. The School is authorized to enroll a minimum of 240 students and not to exceed 420 students. The governing body of the School is the Board of Directors, which is currently comprised of ten members. Information presented in these financial statements only reflects the financial position and activities of the School.

The general operating authority of the School is contained in O.C.G.A. (Official Code of Georgia Annotated) 20-2-2060 and 20-2-2084 (Charter Schools Act), Georgia Statutes. The School operates under a 5-year charter sponsored by State Charter Schools Commission (the "Commission"). The current charter is effective until June 30, 2021. At the end of the charter's term, the Charter may be renewed by agreement of the School and the Commission following the procedures set forth in the Charter Schools Act and accompanying Commissions' rules.

During the term of charter, the Commission may terminate the charter following the procedures set forth in the Charter School Act and rule of the State Board of Education.

2. Significant accounting policies

The accompanying financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School's accounting policies are described below.

Basis of presentation

The School's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the Liberty Tech Charter School, Inc.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School, except for fiduciary activities. As part of the consolidation process, all interfold activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The Statement of Net Position presents the School's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Liberty Tech Charter School, Inc.

Notes to the Financial Statements

June 30, 2020

- Restricted net position consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School related to the administration and support of the School's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the School's funds. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School reports the following major governmental funds:

- General Fund is the School's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Basis of accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, with the exception of the School's proportionate share of the Net Pension Liability. These collective amounts have been allocated by the pension plan based on actual contributions made to the plan during the measurement period to actuarially determine the proportionate share to each participating employer. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the School's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Net position

The School's net position in the Government-wide Financial Statements is classified as follows:

Net investment in capital assets

This represents the School's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position

This represents resources for which the School is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position

Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School, and may be used at the discretion of the Board to meet current expenses for those purposes.

Fund balances

The School's fund balances are classified as follows:

Non-spendable

These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

Restricted

These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's highest level of decision-making authority.

Assigned

These are amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned

These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

Cash and cash equivalent

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School to deposit its funds in one or more solvent banks, insured federal savings and loan associations or insured chartered building and loan associations.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, the School's cash and cash equivalent accounts above the \$250,000 depository insurance limit were not insured or collateralized as required by State statutes.

Collateralization of deposits

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance.

Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia

Liberty Tech Charter School, Inc.
 Notes to the Financial Statements
 June 30, 2020

2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia
7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Stewardship, Compliance and Accountability

The School adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the School has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget. The detail of the fiscal year budget is outlined in the supplemental section of the financial statement.

Capital assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the School as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School.

The estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Class	Estimated Useful Life (years)
Furniture, fixtures and equipment	3 - 5

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and payments of debt principal as other financing uses.

Revenue sources and recognition

Revenues for current operations are received primarily from the State of Georgia through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 20-2-2060, Georgia Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 20-2-2060, Georgia Statutes, the District reports the number of FTE students and related data to the Georgia Department of Education (GDOE) for funding. Funding for the School is adjusted during the year to reflect revised calculations by the GDOE under the Georgia Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School has reported the contributions to the cost sharing benefit pension plans subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources. The School has also reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in note below.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School has reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in note below. This item is reported only in the Statement of Net Position.

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 Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

Use of estimates

The preparation of the 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The School considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements. Management bases its estimates on historical experience and various other assumptions that it believes are reasonable under the particular facts and circumstances. Actual results could differ from those estimates.

Income Tax

The School is exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code. The School is also exempt from Georgia income taxes and, therefore, has made no provision for federal or Georgia income taxes. In addition, the Internal Revenue Service has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Budgetary Data

The budget is a complete financial plan for the School's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, special revenue, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

3. Capital assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance at July 1, 2019	Additions	Dispositions	Balance at June 30, 2020
Capital assets depreciated:				
Furniture, fixtures and equipment	\$ 392,025	\$ 67	\$ -	\$ 392,092
Leasehold improvements	5,000	-	-	5,000
Total assets depreciated	<u>397,025</u>	<u>67</u>	<u>-</u>	<u>397,092</u>
Less accumulated depreciation:				
Furniture, fixtures and equipment	(84,689)	(75,881)	-	(160,570)
Leasehold improvements	(2,774)	(1,390)	-	(4,164)
Total accumulated depreciation	<u>(87,463)</u>	<u>(77,271)</u>	<u>-</u>	<u>(164,734)</u>
Total governmental activities				
Capital assets, net	<u>\$ 309,562</u>			<u>\$ 232,358</u>

Depreciation expense in the amount of \$77,271 was recorded in the statements of activities as follows:

Basic instruction	\$ 65,011
Pupil services	271
Staff development	4,740
School administration	4,945
Support services - business	2,304
Total	<u>\$ 77,271</u>

4. Accounts payable and accrued expenses

As of June 30, 2020, accounts payable and accrued expenses consisted of the following:

Accrued salaries & benefits	\$ 35,337
Teachers retirement system	42,155
Total accounts payable and accrued expenses	<u>\$ 77,492</u>

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

5. Concentrations - Revenue sources

As stated in Note 2, the School receives revenues for current operations primarily from the State of Georgia through the District. The following is a schedule of revenue sources and amounts:

<u>Sources</u>	
State passed through State Charter School Commission - Quality basic education (QBE)	\$ 4,409,532
Total QBE funds	<u>4,409,532</u>
<u>Operating grants:</u>	
Title II-A, Improving Teacher Quality	6,557
Special Ed - Flowthrough	58,407
Security grant	30,000
Facility grant	40,476
Total operating grants	<u>135,440</u>
<u>Other revenue:</u>	
Student care and student activities	13,577
Other contributions	4,503
Total revenues	<u><u>\$ 4,563,052</u></u>

6. Commitments and contingencies

Federal and state grants

The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

Facilities

Beginning September 1, 2019 the school entered into a 5 year lease agreement for the School's facility with Fayette County School District. The terms of the lease agreement require monthly base rent payment of \$6,000 from the School. As of June 30, 2020 total amount of lease payment was \$72,000. The minimum payment for the school under the lease agreement is as follows:

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

Year End	Amount
2021	\$ 72,000
2022	72,000
2023	72,000
2024	72,000
2025	-
Thereafter	-
Total	\$ 288,000

7. Retirement plan

The School participates in the Teachers Retirement System of Georgia (TRS) retirement plan administered by the State of Georgia. TRS issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Plan description: –All teachers of the school as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee’s two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee’s creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee’s beneficiary had the employee retired on the date of death. Death benefits are based on the employee’s creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2020. The school’s contractually required contribution rate for the year ended June 30, 2020 was 21.14% of annual school’s payroll (excluding payroll attributable to those personnel funded on behalf of the

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

School by the State). School contributions to TRS (excluding contributions funded by the State on behalf of the School) were \$475,383 for the year ended June 30, 2020.

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

At June 30, 2020, the School reported a liability of \$3,508,166 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The School's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30, 2019, the School's proportion was 0.016315%, which was an increase of 0.001704% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the School recognized pension expense was \$1,163,853. At June 30, 2020, 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	\$ 197,738	\$ 1,040
Changes of assumptions	336,654	-
Net difference between projected and actual earnings on pension plan investments	-	83,540
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,537,490	-
School contributions subsequent to the measurement date	475,383	-
Total	<u>\$ 2,547,265</u>	<u>\$ 84,580</u>

School contributions subsequent to the measurement date of \$475,383 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

Year ended June 30,	(Outflow) / Inflow of resources
2021	\$ 752,110
2022	\$ 592,474
2023	\$ 442,790
2024	\$ 199,928
2025	\$ -
Thereafter	\$ -

Actuarial assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	3.00 - 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increase	1.50% semi-annually

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the long-term assumed rate of return.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	-0.10%
Domestic large equities	51.00%	8.90%
Domestic small equities	1.50%	13.20%
International developed market equities	12.40%	8.90%
International emerging market equities	5.10%	10.90%
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation.

Discount rate

The discount rate used to measure the total pension liability was 7.25 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's proportionate share of the net pension / liability to changes in the discount rate

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25 %, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1-percentage-point higher (8.25 %) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
School's proportion of the net pension liability	\$ 5,694,780	\$ 3,508,166	\$ 1,709,992

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

Payables to the pension plan: As of June 30, 2020 \$42,155 in accounts payable to the pension plan was recorded in the statement of net assets.

Liberty Tech Charter School, Inc.
Notes to the Financial Statements
June 30, 2020

8. Notes payable

As of June 30, 2020, notes payable consisted of the following:

Lender / Collateral	Interest Rate	Maturity Date	Payment Frequency	Principal Amortization	Beginning Balance at 7/1/19	Current Year Principal (Paydown) Additions	Outstanding Balance at 6/30/20	Interest paid for the period ended 6/30/20
U.S. Small Business Administration - PPP Loan, No Collateral	1.0%	4/27/2022	Deferred for 6 months, then monthly	Yes	\$ -	\$ 620,995	\$ 620,995	\$ -
Total					\$ -	\$ 620,995	\$ 620,995	\$ -

Minimum amount due under the notes payable are as follows:

Year End	Interest	Principal	Total
2021	\$ 5,295	\$ 360,737	\$ 366,032
2022	1,194	260,258	261,452
Thereafter	-	-	-
Total	\$ 6,489	\$ 620,995	\$ 627,484

9. Concentration of risk and uncertainty

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The School has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God.

The School elects to pay unemployment insurance taxes using the contributory method. Taxes are paid quarterly to the Georgia Department of Labor using a set rate based on historical experience.

On April 3, 2020 the Governor of Georgia issued a statewide stay home order to all residents of Georgia due to the Covid-19 virus as such the school has not operated any regular class since the date of the order.

10. Inherent limitation in evaluating the entity's ability to continue as a going concern

The potential effects of inherent limitations on the ability to detect material misstatements are greater for future events or conditions, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. Predictions cannot be made about such future conditions or events. Accordingly, the absence of any reference to substantial doubts about the entity's ability to continue as a going concern for a reasonable period of time in the accompanying financial statements cannot be viewed as a guarantee of the entity's ability to continue as a going concern for a reasonable period of time.

11. Subsequent events

The School evaluated subsequent events through the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

Liberty Tech Charter School, Inc.
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability- Teachers'
 Retirement System of Georgia
 June 30, 2020

	<u>2020</u>	<u>2019</u>
School's proportion of the net pension liability	0.016315%	0.014611%
School's proportionate share of the net pension liability	\$ 3,508,166	\$ 2,712,115
School's covered-employee payroll	\$ 2,248,739	\$ 1,951,105
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	156.01%	139.00%
Plan fiduciary net position as a percentage of the total pension liability	78.56%	80.27%

This schedule is intended to show information for 10 years.
 Additional years will be displayed as they become available.

Liberty Tech Charter School, Inc.
 Required Supplementary Information
 Schedule of Contributions - Teachers' Retirement System of Georgia
 June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 475,383	\$ 407,781	\$ 285,158
Contributions in relation to the contractually required contribution	<u>475,383</u>	<u>407,781</u>	<u>285,158</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 2,248,739	\$ 1,951,105	\$ 1,696,358
Contributions as a percentage of covered-employee payroll	21.14%	20.90%	16.81%

This schedule is intended to show information for 10 years.
 Additional years will be displayed as they become available.

Liberty Tech Charter School, Inc.
Notes to the Required Supplementary Information
June 30, 2020

Teachers Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

Liberty Tech Charter School, Inc.
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual – General Fund
 For the period ended June 30, 2020

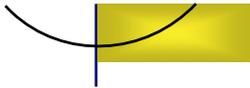
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State passed through local school district	\$ 4,399,795	\$ 4,409,532	\$ 9,737
Supplemental revenue	4,771	153,520	148,749
Total revenue	<u>4,404,566</u>	<u>4,563,052</u>	<u>158,486</u>
EXPENDITURES			
Basic instruction	3,317,520	2,708,377	(609,143)
Pupil services	143,300	248,632	105,332
Media services	-	3,276	3,276
Staff development	-	121,910	121,910
School administration	378,850	288,948	(89,902)
General administration	30,000	61,313	31,313
Food services	-	40,572	40,572
Support services - central	87,996	468	(87,528)
Support services - business	180,500	112,363	(68,137)
Operation of school	-	311,994	311,994
Capital outlay	-	67	67
Total expenditures	<u>4,138,166</u>	<u>3,897,920</u>	<u>(240,246)</u>
Excess (deficiency) of revenue over (under) expenditures	266,400	665,132	398,732
Other financing sources (uses)			
Proceeds from note payable	-	620,995	620,995
Total other financing sources (uses)	<u>-</u>	<u>620,995</u>	<u>620,995</u>
Net change in fund balance	266,400	1,286,127	1,019,727
Fund balances at beginning of the year	1,225,473	1,225,473	-
Fund balances at end of the year	<u>\$ 1,491,873</u>	<u>\$ 2,511,600</u>	<u>\$ 1,019,727</u>

Liberty Tech Charter School, Inc.
Note to the Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual – General Fund
For the period ended June 30, 2020

1. Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the board of directors (the “Board”). The budgets presented for the fiscal year ended June 30, 2020 have been amended according to Board procedures. Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.



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

To the Board of Directors
Liberty Tech Charter School, Inc.
Brooks, Georgia

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, each major fund, and the aggregate remaining fund information of Liberty Tech Charter School, Inc. ("the School"), as of and for the year ended June 30, 2020, and related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 4, 2020.

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) to determine the 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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Bambo Sonaike CPA, LLC

August 4, 2020

Liberty Tech Charter School, Inc.
Schedule of Findings and Responses
Section I – Summary of Auditor’s Report
For the period ended June 30, 2020

Financial Statements

Type of auditor's report issued Un-modified

Internal control over financial reporting:

Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Audit of major federal awards programs was not performed because the total amount of federal awards expended for the reporting period was less than \$750,000.

Liberty Tech Charter School, Inc.
Schedule of Findings and Responses
Section II – Financial Statement Findings and Responses
For the period ended June 30, 2020

Current Year Findings and Response

None noted

–End of Report–