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Nashville Classical Charter School

Financial Report

June 30, 2020

INDEX TO THE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nashville Classical Charter School
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of Nashville Classical Charter School (Organization), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Organization'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 and major fund of Nashville Classical Charter School as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of proportionate share of net pension liability (asset), and schedules of contributions, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nashville Classical Charter School's basic financial statements. The Organization Structure and Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 December 14, 2020, on our consideration of Nashville Classical Charter 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nashville Classical Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nashville Classical Charter School's internal control over financial reporting and compliance.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Diego, California
December 14, 2020

As management of the Nashville Classical Charter School (Organization), we offer readers of the Organization's financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Organization's basic financial statements, which begin immediately following this analysis. This annual financial report consists of two main parts (1) Management's Discussion and Analysis and, (2) Basic Financial Statements.

These financial statements consist of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – Management Discussion and Analysis for State and Local Governments.*

FINANCIAL HIGHLIGHTS

- The Organization's ending net position was $2,703,278.
- The change in net position for the year was an increase of $386,761.
- The Organization had an excess of revenue over expenditures in the General Fund in the amount of $208,246 in the current year compared to an excess of revenues over expenditures of $1,282,782 in the previous year.
- The Organization had $371,087 in additions to capital assets.
- For the fiscal year ended June 30, 2020, total revenues of $5,969,870 were comprised of District funding – 82.44%, federal pass-through funds – 3.40%, and contributions and other local funds – 14.16%.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements.

Basic financial statements. The basic financial statements include government-wide financial statements and fund statements. The two sets of statements are tied together by reconciliations showing how they differ.

The Organization as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector.

More detailed information about the Organization's most significant funds – not the Organization as a whole is provided in the fund financial statements. Funds are accounting devices the Organization uses to keep track of specific sources of funding and spending on particular programs.

OVERVIEW OF FINANCIAL STATEMENTS (continued)

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

The *Statement of Activities*, a government-wide statement, presents information showing how the Organization'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.

The *Balance Sheet* for governmental funds presents financial information by fund types showing money left at year-end available for spending.

The *Statement of Revenues, Expenditures and Changes in Fund Balances* for all governmental fund types focuses on how money flows into and out of the various funds.

The *Notes to the Basic Financial Statements* and this Discussion and Analysis support these financial statements.

In addition to the Basic Financial Statements and notes, this report also presents Required Supplementary Information and Other Supplementary Information.

Statement of Net Position

To begin our analysis, a summary of the Organization's Statement of Net Position is presented in Table 1 below for the current year and the prior year.

Net position may serve over time, as a useful indicator of a government's financial position. In the case of the Organization, assets exceeded liabilities by $2,703,278 as of June 30, 2020.

The Organization's financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

OVERVIEW OF FINANCIAL STATEMENTS (continued)

TABLE 1
Condensed Statement of Net Position

	2020	2019	$ Change	% Change
ASSETS				
Current and other assets	$ 3,351,829	$ 2,355,769	$ 996,060	42.3%
Capital assets, net of depreciation	597,373	519,542	77,831	15.0%
TOTAL ASSETS	$ 3,949,202	$ 2,875,311	$ 1,073,891	37.3%
DEFERRED OUTFLOW OF RESOURCES				
Pension related costs	$ 203,416	$ 197,692	$ 5,724	2.9%
LIABILITIES				
Current liabilities	348,400	261,784	86,616	33.1%
General long-term debt	897,584	358,904	538,680	150.1%
TOTAL LIABILITIES	$ 1,245,984	$ 620,688	$ 625,296	100.7%
DEFERRED INFLOW OF RESOURCES				
Pension related costs	203,356	135,798	67,558	49.7%
TOTAL DEFERRED INFLOW OF RESOURCES	203,356	135,798	67,558	
NET POSITION				
Net investment in capital assets	597,373	519,542	77,831	15.0%
Unrestricted	2,105,905	1,796,975	308,930	17.2%
TOTAL NET POSITION	$ 2,703,278	$ 2,316,517	$ 386,761	16.7%

Statement of Activities

The Organization's total revenues for the fiscal year ended June 30, 2020, increased by $187,514 over June 30, 2019 revenues.

The Organization's total expenses increased by $1,157,569 over June 30, 2019 expenses.

The change in net position was a decrease of $970,055 compared to the prior year.

OVERVIEW OF FINANCIAL STATEMENTS (continued)

The following table presents a summary of the Statement of Activities for the fiscal year ended June 30, 2020:

TABLE 2

	2020	2019	$ Change	% Change
REVENUES				
Program revenues:				
District funding	$ 4,921,381	$ 4,261,285	$ 660,096	15.5%
Federal revenues	203,163	270,421	(67,258)	-24.9%
Contributions and grants	822,398	1,225,420	(403,022)	-32.9%
General revenues:				
Other local revenues	22,930	25,232	(2,302)	-9.1%
Total revenue	5,969,872	5,782,358	187,514	3.2%
EXPENSES				
Student instruction and services	4,625,433	3,375,508	1,249,925	37.0%
General and administrative	957,678	1,050,034	(92,356)	-8.8%
Total expenses	5,583,111	4,425,542	1,157,569	26.2%
CHANGE IN NET POSITION	$ 386,761	$ 1,356,816	$ (970,055)	-71.5%

General Fund Budgetary Highlights

The Organization's Total Budget for the General Fund for this fiscal year showed expenditures in excess of revenues of $422,512 compared to the actual amount of revenues in excess of expenditures of $208,244. The Organizations budget to actual difference for the fiscal year was $94,658.

The following table presents the expenditure variances from budgeted amounts in the General Fund:

	Budgeted Amount	Actual Amount	Variance
Revenue			
State	$ 4,695,563	$ 4,921,381	$ 225,818
Federal	190,675	203,163	12,488
Local	720,927	845,328	124,401
Total	5,607,165	5,969,872	362,707
Expenditures			
Personnel	$ 2,943,211	$ 2,966,597	$ 23,386
Employee Taxes/Benefits	794,255	770,259	(23,996)
Contracted Services	1,380,832	151,042	(1,229,790)
Supplies and Materials	436,598	299,873	(136,725)
Other Charges	385,458	1,181,538	796,080
Debt Services	21,243	21,232	(11)
Capital Expenses	68,080	371,087	303,007
Total	6,029,677	$ 5,761,628	$ (268,049)

OVERVIEW OF FINANCIAL STATEMENTS (continued)

The overage in Other Charges was primarily due to an exclusion from the budget of depreciation expense. The overage in Personnel is due to the Organization hiring more employees than budgeted. The overage in capital expenses is due to the Organization purchasing additional capital assets than originally budgeted. Overall, the Organization ended the fiscal year in a stable position.

Capital Assets

During the 2019-2020 school year the Organization acquired $371,087 in additions to capital assets.

TABLE 3
Changes in Capital Assets

	2020	2019	$ Change	% Change
Construction in progress	$ 24,748	$ -	$ 24,748	0.0%
Computer equipment	201,922	150,950	50,972	33.8%
Furniture and fixtures	133,899	90,247	43,652	48.4%
Building Improvements	592,797	592,797	-	0.0%
Leasehold Improvements	621,640	369,925	251,715	0.0%
Less: accumulated depreciation	(977,633)	(684,377)	(293,256)	42.9%
Total capital assets, net of depreciation	$ 597,373	$ 519,542	$ 77,831	15.0%

Long-Term Debt

During the 2019-2020 school year the Organization made payments of $178,944 on long-term debt.

TABLE 4
Changes in Long-Term Debt

	2020	2019	$ Change	% Change
Note payable	$ 366,672	$ 545,616	$ (178,944)	-32.8%
PPP Loan	733,970	-	733,970	
Total long-term debt	$ 1,100,642	$ 545,616	$ 555,026	101.7%

FACTORS BEARING ON THE ORGANIZATION'S FUTURE

The Organization's outlook for future years is tied to growth. Enrollment has steadily increased since the school's inception, due to both increased popularity and class size. Per pupil funding, which makes up a majority of available funds, has steadily increased as well. The future of the organization looks bright, and cost/expenditures continue to scale appropriately.

CONTACTING THE ORGANIZATION

This financial report is designed to provide our students' parents, Davidson County taxpayers, donors, creditors, authorities over grant funding and agencies tasked with oversight of Davidson County public schools with a general overview of the schools' finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Founder and Head of School, Charlie Friedman, by mail at 2000 Greenwood Avenue, Nashville, Tennessee, 37206, by email: Cfriedman@nashvilleclassical.org, or by telephone at (615) 538-5841.

NASHVILLE CLASSICAL CHARTER SCHOOL
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities
ASSETS	
Cash in banks	$ 2,712,872
Accounts receivable	169,032
Prepaid items	138,209
Capital assets, net of depreciation	597,373
Pension asset	236,284
Stabilization Trust Account	83,815
Other current assets	2,317
Total current assets	3,939,902
Deposits	9,300
TOTAL ASSETS	3,949,202
DEFERRED OUTFLOW OF RESOURCES	
Pension related costs	203,416
LIABILITIES	
Current Liabilities:	
Accounts payable	27,274
Pension liability	74,160
Accrued liabilities	43,908
Note payable, current portion	203,058
Total current liabilites	348,400
Long-term liabilities:	
PPP Loan	733,970
Note payable	163,614
Total long-term liabilities	897,584
TOTAL LIABILITIES	1,245,984
DEFERRED INFLOW OF RESOURCES	
Pension related costs	203,356
TOTAL DEFERRED INFLOW OF RESOURCES	203,356
NET POSITION	
Investment in Capital Assets	597,373
Unrestricted	2,105,905
TOTAL NET POSITION	$ 2,703,278

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

NASHVILLE CLASSICAL CHARTER SCHOOL
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses: Student Instruction and Services	Expenses: General and Administrative	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues: Total Governmental Activities
GOVERNMENT ACTIVITIES				
Salaries, wages and benefits	$ 3,313,738	$ 423,118	$ -	$ (3,736,856)
Staff development	37,048	-		(37,048)
Finance and Accounting	-	124,395	-	(124,395)
Contracts with service providers	148,801	2,241	-	(151,042)
Instructional	321,578	-	-	(321,578)
Other student services - Transportation	252,597		-	(252,597)
Operation and housekeeping services	5,378	1,376	5,946,942	5,940,188
Rental, leases, and repairs non-capitalized improvements	383,156	-	-	(383,156)
Professional/consulting services and operating expenditures	69,283	7,579	-	(76,862)
Communications			-	-
Depreciation	-	293,256	-	(293,256)
Debt service - interest	-	21,232	-	(21,232)
Other expenses	93,854	84,481	-	(178,335)
TOTAL GOVERNMENT ACTIVITIES	$ 4,625,433	$ 957,678	$ 5,946,942	363,831
		GENERAL REVENUES		
		Local revenues		22,930
		Total general revenues		22,930
		CHANGE IN NET POSITION		386,761
		NET POSITION - BEGINNING		2,316,517
		NET POSITION - ENDING		$ 2,703,278

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

NASHVILLE CLASSICAL CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2020

		General Fund
ASSETS		
Cash on hand and in banks	$	2,712,872
Accounts receivable		169,032
Prepaid items		138,209
Other current assets		2,317
Deposits		9,300
TOTAL ASSETS	$	3,031,730
LIABILITIES		
Accounts payable	$	27,274
Accrued liabilities		43,908
TOTAL LIABILITIES		71,182
FUND BALANCE		
Unassigned		2,960,548
Total fund balance		2,960,548
TOTAL LIABILITIES AND FUND BALANCE	$	3,031,730

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

NASHVILLE CLASSICAL CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS –
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - governmental fund balance sheet	$	2,960,548
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not reported in the funds		597,373
Deferred outflows relating to pension costs which are applicable to future periods are not reported in the funds.		203,416
Net pension assets are not reported in the funds		236,284
Net pension liabilities are not reported in the funds		(74,160)
Stabilization trust assets are not reported in the funds		83,815
Deferred inflows relating to pension costs which are applicable to future periods are not reported in the funds.		(203,356)
Payable for notes payable which is not due in the current period are not reported in the funds		(1,100,642)
Net position of governmental activities - Statement of Net Position	$	2,703,278

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

NASHVILLE CLASSICAL CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Fund
REVENUES	
District Funding	$ 4,921,381
Federal revenue	203,163
Contributions	822,398
Other local revenue	22,930
Total revenues	5,969,872
EXPENDITURES	
Current:	
Salaries, wages and benefits:	
Student instruction and services	3,313,738
Administration	423,118
Staff development	37,048
Books and Supplies	299,873
Contracts with service providers	151,042
Finance and Accounting	124,395
Student Activities	21,705
Student Transportation	252,597
Operation and housekeeping services	6,754
Rental, leases, and repairs non-capitalized improvements	383,156
Professional/consulting services and operating expenditures	76,862
Technology/Other Charges	279,019
Debt service - interest	21,232
Capital Outlay	371,087
Total expenditures	5,761,626
Excess of revenues over expenditures	208,246
Other financing sources (uses)	
Payments on long term debt	(178,944)
Proceeds from notes payable	733,970
Total other financing sources (uses)	555,026
NET CHANGE IN FUND BALANCE	763,272
FUND BALANCE, JULY 1	2,197,276
FUND BALANCE, JUNE 30	$ 2,960,548

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

NASHVILLE CLASSICAL CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Net change in fund balances - total governmental funds	$	763,272
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:		
Capital outlays are not reported as expenses in the SOA.		371,087
The depreciation of capital assets used in governmental activities is not reported in the funds.		(293,256)
Repayment of notes payable principal is an expenditure in the funds but is not an expense in the SOA.		178,944
Pension costs are recognized when contributions are made in the funds but are recognized on an accrual basis for the SOA.		100,684
Expenditures in the SOA not using current financial resources are not reported as expenditures in the funds.		(733,970)
Change in net position of governmental activities - Statement of Activities	$	386,761

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

Nashville Classical Charter School ("Organization") was incorporated on March 31, 2011, as a Tennessee nonprofit corporation. Pursuant to the Tennessee Public Charter School Act of 2002 (the "Act"), the Organization has been approved as a public charter school. Pursuant to the Act, public charter schools are part of the state's public education program offering an alternative means within the public school system for accomplishing necessary outcomes of education. The Organization entered into a Charter School Agreement with the Metropolitan Board of Public Education of Nashville and Davidson County ("MNPS") on May 30, 2013, to operate a charter school in Nashville, Tennessee. The Organization began classes in July 2013 with kindergarten classes, and will add additional grade levels through the eighth grade during each of the upcoming school years.

Pursuant to the Organization's charter agreement, enrollment in the Organization is open to any student within Davidson County, Tennessee.

Accounting Policies

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Reporting Entity

The Organization's financial statements include the accounts of all its operations. The Organization evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the Organization's reporting entity, as set forth in GASB Statement No. 14, The Financial Reporting Entity, and subsequently amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14, and GASB No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, include whether:

- the Organization is legally separate (can sue and be sued in its name)
- the Organization holds the corporate powers of the organization
- the Organization appoints a voting majority of the organization's board
- the Organization is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Organization
- there is fiscal dependency by the organization on the Organization
- it would be misleading or cause the financial statements to be incomplete to exclude another organization

Based on these criteria, the Organization has no component units. Additionally, the Organization is not a component unit of any other reporting entity as defined by the GASB statement.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation, Basis of Accounting

Government-Wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Organization. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-Type activities are financed in whole or in part by fees charged to external parties. The organization has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Organization'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. The Organization does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients for 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, including all taxes, are presented as general revenues.

Fund Financial Statements: The Fund Financial Statements provide information about the Organization's fund, with separate statements presented for each fund category. The emphasis of fund financial statements is on major government funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Organization reports the following major governmental funds:

General Fund. This is the Organization's primary operating fund. It accounts for all financial resources of the Organization not accounted for and reported in another fund.

Non-Major Governmental Funds:

The Organization does not have any non-major governmental funds.

Measurement Focus, Basis of Accounting

Government-Wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the Organization gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting (continued)

Government Fund Financial Statements: 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 Organization does not consider revenues collected 60 days after its fiscal year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Assets, Liabilities, and Equity

Cash

Cash consists of cash on hand and cash in banks. As of June 30, 2020, the Organization's cash was deposited into one financial institution.

Accounts Receivable

Receivables represent amounts due from grants or funding which have been approved but not received. All receivables are reported at estimated collectible amounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prepaid Expenditures

The Organization has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefitting period. The Organization has chosen to report the expenditure during the benefitting period.

Capital Assets

Property and equipment are recorded at acquisition cost less accumulated depreciation, if purchased, or the fair value on the date received, if donated. The cost of routine maintenance and repairs is expensed as incurred. Expenditures which materially extend the economic lives, change capacities or improve the efficiency of the related assets are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is included

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

in the statement of activities. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. The Organization follows the practice of capitalizing all expenditures for property and equipment items over $5,000.

Compensated Absences
No accrual for of compensated absences is necessary for the Organization's faculty/staff because the summer months, during which classes are not in session, is considered employees' vacation. The administrative employees of the Organization follow the same schedule as the teachers and other employees of the Organization; therefore, no compensated absences accrual for any employees of the Organization is appropriate.

Debt
In the government-wide financial statements, debt and other obligations are reported as liabilities in the applicable governmental activities and the statement of net position.
Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferral of outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Organization reports deferred employer pension contributions and other deferred outflows related to the District's pension.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources which represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Certain changes in the District's net pension liability are required to be deferred over a closed amortized period.

Pensions

The Organization follows GASB 68 Statement No. 68, Accounting and Financial Reporting for Pensions (GASB No. 68), as of July 1, 2014. This statement requires accrual-based measurement and recognition of the cost of pension benefits during the periods when employees render their services. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the net position of the Organization's Tennessee Consolidated Retirement System (TCRS) plan (Plan) and additions to/deductions from the Plan's net position have been determined on the same bases as they are reported by the TCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. TCRS actuarial valuation are publicly available reports that can be obtained at TCRS' website under Forms and Publications.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Grant Revenue

The Organization received Federal financial assistance through state agencies. The expenditure of funds received under these programs generally required compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Organization as of June 30, 2020.

Net Position and Fund Balance Reserves and Designations

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investments in capital assets, restricted, and unrestricted.

- Net investment in capital assets. This category groups all capital assets into one component of net position. Accumulated depreciation on these assets and the outstanding principal of any unrelated debt reduce this category.
- Restricted Net Position. This category represents external restrictions composed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by the law through constitutional provisions or enabling legislation.
- Unrestricted Net Position. This category represents the remaining net position of the JPA that does not meet the definition of the above two categories.

The Organization has adopted GASB Statement No. 54 ("GASB 54"), Fund Balance Reporting and Governmental Fund Type Definitions. This Statement defines the different types of fund balances that a governmental entity must use for financial purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balances categories listed below:

- Non-spendable, such as fund balance associated with revolving funds, inventories, pre-paid expenses, long-term loans and notes receivable, and property held for resale.
- Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed fund balance classification includes amounts that can be used for the specific purposes determined by a formal action of the Board of Directors.
- Assigned fund balance classification are intended to be used by the entity for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification for the entity's general fund and includes all spendable amounts not contained in the other classification.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Net Position and Fund Balance Reserves and Designations (continued)

When the Organization incurs an expense for which both restricted and unrestricted resources may be used, it is the Organization's policy to use restricted resources first, then unrestricted resources.

When the Organization incurs an expenditure for which committed, assigned, or unassigned amounts may be used, it is the Organization's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

Minimum Fund Balance Policy

The Organization is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures.

Budgetary Comparison Statement

The Organization is not required to adopt a legally binding budget; therefore no budgetary comparison statement of the General Fund has been presented.

2. CASH

Cash at June 30, 2020, consisted of the following:

Cash in banks	$ 2,712,872
Total	$ 2,712,872

Cash balances, consistent with state statues, are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC") or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee. The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At June 30, 2020, the Organization had $2,469,159 in excess of FDIC insured limits. All deposits are secured in accordance with the requirements of Tennessee Code Annotated, Title 9, Chapter 4.

3. ACCOUNTS RECEIVABLE

Accounts Receivable as of June 30, 2020, consisted of the following:

	General Fund
Federal Government:	
Federal Programs	$ 180
State Government:	
State Programs	168,852
Total accounts receivable	$ 169,032

4. CAPITAL ASSETS

A schedule of changes in capital assets for the fiscal year ended June 30, 2020, is shown below:

	June 30, 2019	Additions	Disposals	June 30, 2020
Capital assets, being depreciated:				
Computer equipment	150,950	50,972	-	201,922
Furniture and fixtures	90,247	43,652	-	133,899
Building improvements	592,797	-	-	592,797
Leasehold improvements	369,925	251,715	-	621,640
Total capital assets, being depreciated	1,203,919	346,339	-	1,550,258
Construction in progress	-	24,748	-	24,748
Total capital assets, not being depreciated	-	24,748	-	24,748
Less accumulated depreciation for:				
Computer equipment	(110,182)	(42,569)	-	(152,751)
Furniture and fixtures	(69,718)	(18,411)	-	(88,129)
Building improvements	(397,035)	(118,560)	-	(515,595)
Leasehold improvements	(107,442)	(113,716)	-	(221,158)
Total accumulated depreciation	(684,377)	(293,256)	-	(977,633)
Capital assets, net of depreciation	$ 519,542	$ 77,831	$ -	$ 597,373
Governmental activities:				
General and administrative				$ 293,256
Total depreciation				$ 293,256

During the fiscal year ended June 30, 2020, a total of $293,256 was charged to depreciation expense.

5. LONG-TERM OBLIGATIONS

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the fiscal year ended June 30, 2020, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
PPP Loan	$ -	$ 733,970	$ -	$ 733,970	$ -
Note payable	545,616	-	(178,944)	366,672	203,058
Total Governmental Activities	$ 545,616	$ 733,970	$ (178,944)	$ 1,100,642	$ 203,058

Note Payable

On June 10, 2015, the Organization entered into a promissory note for $975,000 with Avenue Bank, at 4.50% per annum, with monthly installments of principal and interest of $15,406 through May 20, 2022. On March 18, 2016 the organization acquired an additional $100,000 in debt with monthly interest payments and the first principal payment due in April of 2017. The purpose of the loan is to fund leasehold improvements on a 1.47 acre site located at 1310 Ordway Place, Nashville TN 37206. The outstanding balance was $366,672 for the fiscal year ended June 30, 2020.

Debt service requirements for the note payable are as follows:

Notes Payable Year Ending June 30,	Principal	Interest	Total
2021	$ 203,058	$ 11,647	$ 214,705
2022	163,614	2,870	166,484
	$ 366,672	$ 14,517	$ 381,189

PPP Loan

On April 19, 2020, the Organization applied and was approved for a Paycheck Protection Program loan ("PPP loan") under the Coronavirus Aid, Relief, and Economic Security Acts ("CARES Act") in the amount of $733,970. The PPP loan is scheduled to mature in April 2022, has a 1.00% per annum interest rate, and is subject to the terms and conditions applicable to loans administered by the SBA under the CARES Act, as amended by the PPP Flexibility Act. Monthly principal and interest payments, less the amount of any potential forgiveness (as discussed below), is anticipated to commence on August 2021. The Organization did not provide any collateral or guarantees for the PPP loan, nor did the Organization pay any facility charge to obtain the PPP loan.

5. LONG-TERM OBLIGATIONS (continued)

Under the requirements of the CARES Act, as amended by the PPP Flexibility Act, proceeds may only be used for certain eligible costs. The loan may be fully forgiven if (i) proceeds are used to pay eligible payroll costs, rent, mortgage interest and utilities and (ii) full-time employee headcount and salaries are either maintained during the 24-week period following disbursement or restored by December 31, 2020. If not so maintained or restored, forgiveness of the loan will be reduced in accordance with the regulations to be issued by the SBA. Any forgiveness of the loan will be subject to approval by the SBA and will require the Organization to apply for forgiveness.

While the Organization may apply for forgiveness of the PPP loan in accordance with the requirements and limitations under the CARES Act, as amended by the PPP Flexibility Act, and the SBA regulations and requirements, no assurance can be given that any portion of the PPP loan will be forgiven.

This loan has been classified as non-current as the exact payment terms, if any, will be set after the forgiveness amount is approved by the SBA and remitted to the lender.

Operating Leases

The Organization has entered into operating leases for facilities with lease terms in excess of one year. These agreements contain no purchase options. The agreements are non-cancelable lease. Future minimum lease payments under this agreement are as follows:

Year Ending June 30,		Lease Payments
2021	$	410,889
2022		465,710
2023		479,016
Total future minimum payments	$	1,355,615

The Organization receives no sublease rental revenues nor pay any contingent rentals associated with these leases.

6. RETIREMENT PLANS

Hybrid

Pension

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 Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System ("TCRS") and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan. Investments are reported at fair value.

6. RETIREMENT PLANS (continued)

Hybrid (continued)

Plan Description

The Tennessee Consolidated Retirement System was created by state statue under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. Teacher's employed by the Organization with memberships in TCRS before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost shared multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new memberships on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies ("LEAs") after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.
http://treasury.tn.gov/retirement/boards-and-governance/reporting-and-investment-policies.

Benefits provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits.

A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments ("COLAs") after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index ("CPI") during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5 percent of salary. The Local Education Agencies make employer contributions at the rate set by the Board

6. RETIREMENT PLANS (continued)

Hybrid (continued)

Contributions (continued)

of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Nashville Classical Charter School for the year ended June 30, 2020 to the Teacher Retirement Plan were $45,517 which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension asset

At June 30, 2019, Nashville Classical Charter School reported an asset of $91,167 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Nashville Classical Charter School proportion of the net pension asset was based on Nashville Classical Charter School share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, Nashville Classical's proportion was 0.161504 percent. The proportion measured as of June 30, 2018 was 0.148885 percent.

Pension expense

For the year ended June 30, 2020, the Organization recognized pension expense of $27,542.

6. RETIREMENT PLANS (continued)

Hybrid (continued)

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2020, the Organization reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,780	$ 15,915
Net difference between projected ` and actual earning on pension plan investments	-	3,854
Changes in assumptions	3,168	-
Changes in proportion of Net Pension Asset	331	12,553
Contributions subsequent to the measurement date of June 30, 2018	45,517	not applicable
Total	$ 52,796	$ 32,322

The Organization's employer contributions of $45,517 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset 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:

Year Ended June 30:	
2021	$ (3,002)
2022	(3,591)
2023	(2,510)
2024	(1,959)
2025	(1,802)
Thereafter	(12,179)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

6. RETIREMENT PLANS (continued)

Actuarial Assumptions

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

Inflation	2.5 Percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.25 percent

Mortality rates were based on actual experience included an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projects and historical market returns were used in a building block method in which a best estimate of expected future real rates of return (expected returns, net of position plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset class allocation percentage and by adding expected inflation of 2.5 percent.

6. RETIREMENT PLANS (continued)

Changes of Assumptions (continued)

The best estimates of geometric real rates of return and TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
	Total	100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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.

6. RETIREMENT PLANS (continued)

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Discount Rate (7.25%)	1% Increase 8.25%
Organization's proportionate share share of the net pension liability (asset)	$ 28,885	$ (91,167)	$ (179,908)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Legacy

Plan Description

Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of Nashville Classical Charter Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for

6. RETIREMENT PLANS (continued)

Legacy (continued)

Benefits Provided (continued)

non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Organization for the year ended June 30, 2020 to the Teacher Legacy Pension Plan were $56,335, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Asset

At June 30, 2020, the Organization reported an asset of $145,117 for its proportionate share of net pension asset. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on the Organization's employer contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019 the Organization's proportion was 0.014114 percent. The proportion measured as of June 30, 2018 was 0.012747 percent.

Pension Expense

For the year ended June 30, 2020, the Organization recognized a pension expense of $47,529.

6. RETIREMENT PLANS (continued)

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2020, the Organization reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,065	$ 88,640
Changes in assumptions	19,555	-
Net difference between projected and actual earning of pensnion plan investments	-	41,463
Changes in proportion of Net Pension Liability (Asset)	33,198	9,257
Contributions subsequent to the measurement date of June 30, 2018	56,335	not applicable
Total	$ 116,153	$ 139,360

The Organization's employer contributions of $56,335 reported as pension related deferred outflows of resources, subsequent to the measurement date will be recognized as an increase in net pension asset 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:

Year Ended June 30:	
2021	$ (1,447)
2022	(45,658)
2023	(18,453)
2024	(13,982)
2025	-
Thereafter	-

In the table above, positive amounts will increase pension expense, while negative amounts will decrease the pension expense.

6. RETIREMENT PLANS (continued)

Actuarial Assumptions

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

Inflation	2.5 Percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projects and historical market returns were used in a building block method in which a best estimate of expected future real rates of return (expected returns, net of position plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset class allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

6. RETIREMENT PLANS (continued)

Legacy (continued)

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
Total		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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 Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents the Organization's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Organization's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount Rate (7.25%)	1% Increase 8.3%
Organization's proportionate share share of the net pension liability (asset)	$ 296,722	$ (145,117)	$ (496,587)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

6. RETIREMENT PLANS (continued)

Metro

The Metro plan is established under the authority of the Metropolitan Charter, Article XIII. Approval of the Metropolitan Council is required to establish and amend benefit provisions. Article XIII also required that the pension plan be actuarially sound. Administrative costs of the plan are financed through plan assets. The plan is managed by the Metropolitan Employee Benefit Board, an independent board, created by the Metropolitan Charter. The Board is composed of ten members as follows: Finance Director, Human Resources Director, three members appointed by the Mayor, and five members selected by the employees and retirees of the Metropolitan Government. Additional information about the Metro Plan can be found in the publically available comprehensive annual financial report of the Metropolitan Government. That report can be obtained at www.nashville.gov.

Benefits Provided

As of July 1, 1995, Division B of the Metro Plan was established for all non-certificated employees of Metropolitan Nashville Public Schools, including charter schools, and all other Metro Government employees. Employees with an effective hire date of July 1, 1995 or later are only eligible to participate in Division B of the Metro Plan.

Normal retirement for the Organization's employees participating in the Metro Plan occurs at the unreduced retirement age which is the earlier of (a) the date when the employee's age plus completed years of credited service equals 85, but not before age 60; or (b) the date when the employee reaches age 65 and completes 5 years of credited employee service. The lifetime monthly benefit is calculated as 1/12 of the sum of 1.75 percent of average earnings based upon the previous 60 consecutive months of employment. Benefits fully vest on completing 10 years of service for employees and non-vested employees hired or rehired on or after January 1, 2013. An early retirement option, with reduced benefits, is available for retired employees if the termination occurs prior to the eligibility under normal retirement but after age 50 and after the completion of 10 years of credited employee service.

All assets of the Metropolitan Employees' Benefit Trust Fund may legally be used to pay benefit to any plan members or beneficiaries.

Contributions

The funding policy is to provide for periodic contributions, at actuarially determined rates, that are designed to accumulate sufficient assets to pay benefits when due. All funding is provided under an actuarially recommended employee contribution rate of 12.340% for the non-certificated employees of the Metropolitan Nashville Public Schools, including charter schools, all other Metropolitan Government employees. Contributions to the plan for the year ended June 30, 2020 totaled $34,467.

Pension Liability

At June 30, 2020, the Organization reported a net pension liability of $74,160. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial as of July 1, 2019. The Organization's employer proportion of the net

6. RETIREMENT PLANS (continued)

Metro (continued)

Pension Liability (continued)

pension liability was based upon the Organization's contributions to the pension plan during the year ended June 30, 2020, relative to all contributions for 2020. At the measurement date June 30, 2019 the Organization's proportion share was 0.000187007 percent. The proportion measured as of June 30, 2018 was 0.000174252 percent.

Pension Expense

For the year ended June 30, 2020, The Organization recognized pension expense for the Metro plan of $29,285.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the Organization reported deferred outflows of resources related to the Metro Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,467	$ -
Net difference between projected and actual earning on pension plan investments	-	-
Changes in assumptions	-	31,674
Changes in proportion of Net Pension liability (asset)	-	-
Contributions subsequent to the measurement date of June 30, 2018	-	not applicable
Total	$ 34,467	$ 31,674

6. RETIREMENT PLANS (continued)

Metro (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019. Actuarial assumptions are summarized below:

Inflation	3.25 Percent
Salary Increases	Graded salary ranges from 8.75 to 3.45 percent based on age, including inflation, averaging 4.25 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.5 percent

Mortality rates were based on the 110% RP-2000 Healthy Annuitant Mortality Table for Males and Females, as determined by the period actuarial experience study. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period 2007 to 2012.

The long-term expected rate of return on pension plan investments was established in conjunction with the most recent actuarial experience study completed January 15, 2013, by considering the following three techniques: (1) the 20-year historical return of the Metro Open Plan at June 30, 2012, (3) capital market projections that were utilized as a building-block method in which best-estimates ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by target asset allocation percentage and by adding inflation of 2.5 percent.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S equity	5.10%	24%
Developed market international equity	5.30%	16%
Emerging market international equity	7.90%	10%
Private equity and strategic lending	7.90%	10%
U.S. fixed income	4.90%	10%
Real estate	2.30%	20%
Short-term securities	2.70%	10%
Total		100%

6. RETIREMENT PLANS (continued)

Metro (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. Based on the Metro Plan assumptions and funding policy, the fiduciary net position for the plan was projected to be to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Discount Rate (7.25%)	1% Increase 8.25%
Organization's proportionate share share of the net pension liability (asset)	$ 63,931	$ 74,160	$ 84,389

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued Metropolitan Government financial report.

Stabilization Reserve Trust

The Stabilization Reserve Trust ("SRT") is a legal trust separate and apparat from the normal Hybrid Plan Trust. The SRT is designed to specifically accumulate assets for the future. The assets in this plan are not used to pay benefits now but will be used as necessary in the future. The SRF was designed specifically for certificated employees of the school departments and was established by TCRS.

Contributions

Contributions for employees in the SRT are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The Organization makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contributions for the Organization were $44,171 based on a rate of 1.94 percent of covered payroll. The investment income allocation for the Organization as of June 30, 2020 was $2,566 and the total Organization asset balance as of June 30, 2020 was $83,815.

6. RETIREMENT PLANS (continued)

Defined Contributions Plan

The Organization provides a combination of a defined benefit plan and a defined contribution plan. The defined contribution portion of the Teacher Retirement Plan is administered and managed by Empower Retirement through Great-West Life & Annuity Insurance Company. Enrolled employees may, at their option, contribute up to 5% of their salaries and employers are required to contribute 4% of those salaries to the defined contribution (401(k)) portion of the Teacher Retirement Plan. During 2020, the Organization's employer contribution to the defined contribution (401(k)) portion of the Teachers Retirement Plan was $112,410. Participants are immediately vested in their contribution plus actual earnings, along with the employer contributions, to the defined contribution portion of the Teacher Retirement Plan. Due to that immediate vesting, there will be no forfeitures. At June 30, 2020, there was no outstanding employer liability.

7. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Organization purchases commercial insurance. There have been no significant changes from the prior year and the settlements have not exceeded coverage in any of the prior three years.

8. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The Organization has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grant, management believes that any required reimbursement will not be material.

REQUIRED SUPPLEMENTARY INFORMATION

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER RETIREMENT PLAN OF TCRS
Last Fiscal Year Ended June 30, 2019

	2015	2016	2017	2018	2019
Nashville Classical's Proportion of the net pension liability (asset)	0.000000%	0.090051%	0.135476%	0.148885%	0.161504%
Nashville Classical's proportionate share of the net pension liability (asset)	$ -	$ (9,375)	$ (35,744)	$ (67,523)	$ (91,167)
Nashville Classical's covered payroll	$ -	$ 396,235	$ 889,184	$1,301,077	$1,709,042
Nashville Classical's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-	(0.0237%)	(0.402%)	(0.519%)	(0.0533%)
Plan fiduciary net position as a percentage of total pension liability	0.00%	121.88%	126.81%	126.97%	123.07%

*The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30, 2019

	2015	2016	2017	2018	2019
Nashville Classical's Proportion of the net pension liability (asset)	0.000000%	0.012486%	0.012569%	0.012747%	0.014114%
Nashville Classical's proportionate share of the net pension liability (asset)	$ -	$ 78,030	$ (4,114)	$ (44,857)	$ (145,117)
Nashville Classical's covered payroll	$ -	$ 450,716	$ 444,318	$ 446,369	$ 473,260
Nashville Classical's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0000%	0.1731%	(0.93%)	(0.1005%)	(30.66%)
Plan fiduciary net position as a percentage of total pension liability	0.00%	97.14%	100.14%	101.49%	104.28%

*The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET)
METRO PENSION PLAN
For Fiscal Year Ended June 30, 2020

	2018	2019	2020
Nashville Classical's Proportion of the net pension liability (asset)	0.000174252%	0.000187007%	0.000300520%
Nashville Classical's proportionate share of the net pension liability (asset)	$ 20,485	$ 28,961	$ 74,160
Nashville Classical's covered payroll	$ 107,714	$ 117,058	$ 366,151
Nashville Classical's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.01%	24.74%	20.25%
Plan fiduciary net position as a percentage of total pension liability	54.64%	84.42%	56.74%

*The amounts presented were determined as of the measurement date.

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF CONTRIBUTIONS
TEACHER RETIREMENT PLAN OF TCRS
For the Year Ended June 30, 2020

	2016	2017	2018	2019	2020
Contractually Required	$ 9,919	$ 35,567	$ 21,217	$ 33,156	$ 45,517
Contribution in relation to the contractually required contribution	$ 15,849	$ 35,567	$ 52,043	$ 33,156	$ 45,517
Contribution deficiency (excess)	$ (5,930)	$ -	$ (30,826)	$ -	$ -
Nashville Classical's Covered Payroll	$396,235	$889,184	$1,301,077	$828,900	$1,137,925
Contributions as a percentage of Nashville Classical's covered payroll	4.00%	4.00%	4.00%	4.00%	4.00%

*The amounts presented were determined as of June 30 of the prior fiscal year.

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS
For the Year Ended June 30, 2020

	2016	**2017**	**2018**	**2019**	**2020**
Contractually Required	$ 40,745	$ 40,167	$ 40,530	$ 30,128	$ 56,335
Contribution in relation to the contractually required contribution	40,745	40,167	40,530	30,128	56,335
Contribributiion deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Nashville Classical's Covered Payroll	$450,716	$444,318	$446,369	$333,274	$623,175
Contributions as a percentage of Nashville Classical's covered payroll	9.04%	9.04%	9.08%	9.04%	9.04%

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes of assumptions

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF CONTRIBUTIONS
METRO PENSION PLAN
For the Year Ended June 30, 2020

	2018	**2019**	**2020**
Contractually Required	$ 13,292	$ 14,445	$ 34,467
Contribution in relation to the contractually required contribution	$ 13,292	$ 14,445	$ 34,467
Contribributiion deficiency (excess)	-	-	-
Nashville Classical's Covered Payroll	$ 107,714	$ 117,058	$ 366,151
Contributions as a percentage of Nashville Classical's covered payroll	12.340%	12.340%	9.413%

*The amounts presented were determined as of the measurement date.

This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

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

OTHER SUPPLEMENTARY INFORMATION

NASHVILLE CLASSICAL CHARTER SCHOOL
BOARD ORGANIZATION
For the Year Ended June 30, 2020

Nashville Classical Charter School (Organization) was established in 2013. The Organization is currently operating one school and serves grades kindergarten through 7th grade. The location of the school is 2000 Greenwood Avenue, Nashville, TN 37206.

The Board of Directors for the fiscal year ended June 30, 2020, was comprised of the following members:

Governing Board

Name	Title	Term	Term Expiration
David Wells	Chairman	3 Years	June 2020
Shani Dowell	Vice Chairman/ Parent Representative	3 Years	June 2022
Andrew Maxwell	Secretary	3 Years	June 2020
Scott Van Dusen	Treasurer	3 Years	June 2022
Laura Encalade	Member	3 years	June 2020
Don Hardin	Member	3 Years	June 2020
Javier Solano	Member	4 years	June 2023

Administration

Name	Position
Charles Friedman	Head of School
Arshia Saiyed	Director of Talent and External Affairs

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Entity Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Federal Expenditures
U.S. Department of Education				
Direct:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	$	92,330
Title IIA, Supporting Effective Instruction State Grants	84.367	N/A		13,167
Special Ed: ARRA IDEA Part B, Sec 611, Basic Local Assistance	83.391	15003		97,666
Total U.S. Department of Education				203,163
Total Expenditures of Federal Awards			$	203,163

1. NOTE ON BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards included the federal grant activity of Nashville Classical Charter School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Nashville Classical Charter School has elected to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

OTHER INDEPENDENT AUDITOR'S REPORTS

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
Nashville Classical Charter School
Nashville, Tennessee

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 the major fund of Nashville Classical Charter School as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Nashville Classical Charter School's basic financial statements, and have issued our report thereon dated December 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nashville Classical Charter 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 Nashville Classical Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Nashville Classical Charter 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 material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nashville Classical Charter 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 control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Diego, California
December 14, 2020

FINDINGS AND RECOMMENDATIONS

NASHVILLE CLASSICAL CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2020

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Nashville Classical Charter School.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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.*

3. No instances of noncompliance material to the financial statements of Nashville Classical Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. Nashville Classical Charter School did not have over $750,000 in Federal Expenditures. Therefore, a Single Audit was not performed.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Not applicable -- The Organization did not have over $750,000 in Federal Expenditures.

NASHVILLE CLASSICAL CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR FINDINGS
June 30, 2020

Findings/Recommendations	Current Status	Management's Explanation if Not Implemented
None	N/A	N/A

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