

**South Carolina Education Oversight Committee (EOC)  
Annual Standards Assurance Form**

H.4077 (R.247) as Signed by the Governor on May 18, 2018

2018-19

**Document A – Application for Continued Participation in ECENC Program**

Please complete the information requested below concerning your independent school. This information will be listed on the South Carolina Education Oversight Committee's website, [www.eoc.sc.gov](http://www.eoc.sc.gov).

Independent School Name:	Camden Military Academy
Independent School Contact Person:	Casey Robinson
Independent School Address:	520 Highway 1 North
City, State, Zip Code:	Camden, SC 29020
Independent School Telephone Number:	(803)-432-6001
Independent School Fax Number:	(803)-425-1020
Independent School E-mail Address:	admissions@camdenmilitary.com
Independent School Website Address:	www.camdenmilitary.com

Please review the standards below based on H.4077 (R.247) as signed by the Governor on May 18, 2018. An "eligible school" is defined as "an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met," and does not discriminate based on the grounds of race, color, or national origin. Please indicate whether your school has met each standard to ensure the following academic requirements are being met. The S.C. Education Oversight Committee reserves the right to request additional documentation to show the school is in compliance with state law.

STANDARDS	YES	NO
1. Offers a general education to primary or secondary school students.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Does not discriminate on the basis of race, color, or national origin.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is located in this state.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Has an educational curriculum that includes courses set forth in the state's diploma requirements, graduation certificate requirements (for special needs children), and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress. Please	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Has school facilities that are subject to applicable federal, state, and local laws.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, or the Palmetto Association of Independent Schools.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Provides a specially designed program or learning resource center to provide needed accommodations based on the needs of exceptional needs students or provides onsite educational services or supports to meet the needs of exceptional needs students, or is a school specifically existing to meet the needs of only exceptional needs students with documented disabilities. Please provide a summary of the services provided based on exceptional needs of students served.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Did this school receive any grants last fiscal year (July 1, 2017 until June 30, 2018) from Exceptional SC from the Educational Credit for Exceptional Needs Children Fund? Please complete Document B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. By December 31, 2018, will your school submit school-level test score results from the prior school year on national achievement tests and individual student test scores for students who received a grant from Exceptional SC in the prior school year? Please complete Document C.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. By December 31, 2018, will your school provide a "compilation, review, or compliance audit of the organization's financial statements as relating to the grants received, conducted by a certified public accounting firm"? Please complete Document D.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I assure that all documents submitted to the SC Education Oversight Committee for the purpose of applying as an eligible school, as defined by state law, is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10 of the South Carolina Code of Laws.

Signature: RF G RL

Date: 7/24/2018

Print Name of Signature Above: Robert Casey Robinson

Title: Director of Admissions

Email: admissions@camdenmilitary.com

**Return this form to Melanie Barton**

- Phone: 803.734.6148
- E-mail: [mbarton@eoc.sc.gov](mailto:mbarton@eoc.sc.gov)
- Mail: P.O. Box 11867  
Columbia, S.C. 29211
- Fax: 803.734.6167
- Physical Location:  
1205 Pendleton Street  
Room 502 Brown Building  
Columbia, SC 29201





# Camden Military Academy

520 Highway 1 North  
Camden, South Carolina 29020

TEL. NO. 803-432-6001 • FAX NO. 803-425-1020

Camden Military benefits students with exceptional needs in a variety of ways. First, CMA offers a very small and very structured, disciplined learning environment. Typically classes are fewer than 12 students. Additionally, each student's performance is evaluated every two weeks. Depending on the student's performance, tutorials and the learning center will become mandatory. Tutorials are an extra period during the school day where students receive one on one instruction from classroom instructors. Additionally, the learning center is an added period to the day. Therefore students who are in the learning center attend each afternoon after school for an additional hour of tutoring. Other accommodations offered are oral testing, taking notes with technology verses the traditional methods, extended test times etc.....

Camden also emphasizes the importance of time management and organization. Close attention is paid to how students manage their time both in and out of the classroom. Organizational skills are emphasized in many ways but especially regarding homework and independent study. There is a required study hall 5 evenings each week where teachers are available for extra tutoring but also to supervise the students and keep them on task.

**Document B  
Grants Received**

**Application for Continued Participation  
Educational Credit for Exceptional Needs Children (ECENC) Program  
2018-2019**

**Independent School Name:** Camden Military Academy

An independent school continuing to participate in the Educational Credit for Exceptional Needs Children for Fiscal Year 2018-19 is required to submit the following information:

***Total number of grants and total amount of grants received in the preceding fiscal year, from July 1, 2017 through June 30, 2018.***

Please complete the following chart. If no grants for any qualifying student were received from Exceptional SC in Fiscal Year 2017-18, please indicate with "0" grants received and "\$0" in total amount of grants received.

<b>Total Number of Grants Received</b>	<b>Total Amount of Grants Received</b>
8	\$ 37,688.88

Total number of grants is the number of individual children/students who received a grant even if the school received more than one grant for a specific child/student. The total amount of grants per child/student should not have exceeded \$11,000.

**Document C  
Student Assessment Data**

**Application for Continued Participation  
Educational Credit for Exceptional Needs Children (ECENC) Program  
2018-2019**

**Independent School Name:** Camden Military Academy

An independent school applying for continued participation in the Educational Credit for Exceptional Needs Children Program for Fiscal Year 2018-19 is required to submit the following information **by December 31, 2018**:

*Student test scores, by category, on national achievement or state standardized tests, or both, for all grades tested and administered by the school receiving or entitled to receive scholarship grants pursuant to this section in the previous school year. The school shall also provide individual student test scores on national achievement or state standardized tests, or both, for any student in grades one through twelve who received a grant from the program during the prior school year. The information must be used to provide program level reports to determine whether students participating in the program have experienced measurable improvement. Students with disabilities for whom standardized testing is not appropriate are exempt from this requirement.*

*Section 12-6-3790(E)(1)(b)*

The information will be used to issue an annual report.

*Annually, the Education Oversight Committee shall issue a report to the General Assembly documenting the impact of the Educational Credit for Exceptional Needs Children Program on student achievement. In addition, the report must include information on individual schools if at least fifty-one percent of the total enrolled students in the private school participated in the Educational Credit for Exceptional Needs Children Program in the prior school year. The report must be according to each participating private school, and for participating students, in which there are at least thirty participating students who have scores for tests administered. If the Education Oversight Committee determines that the thirty participating-student cell size may be reduced without disclosing personally identifiable information of a participating student, the Education Oversight Committee may reduce the participating-student cell size, but the cell size may not be reduced to less than ten participating students.*

*Section 12-6-3790(E)(6)*



Schools applying for continued participation in the ECENC Program must provide the following:

- 1. School-level assessment results** for school year 2017-18 on national achievement tests for all grades tested in the school and for each grade with at least 10 students tested. Information should be provided for English language arts (reading) and mathematics achievement of students in the grade. Examples include: *TerraNova*, *Stanford 10*, *Iowa Test of Basic Skills*, etc. For grades 9-12, the school may provide average PSAT, SAT, ACT, or other scores as appropriate.

For schools that specifically exist to meet the needs of only exceptional needs students with documented disabilities, the EOC will work with the schools to provide information (including formative assessments, portfolios, etc.) that document the students' academic and social development.

**How many students were enrolled in your school in 2017-18?** 300

The following is a **template** that you may use for reporting purposes. For questions, contact the EOC office.

**2017-18 School Year Results for (NAME OF ASSESSMENT)**  
**National Percentiles, Mean (Average) Scale Scores, Grade Equivalents, etc.**

<b>Grade</b>	<b>English language arts (Reading)</b>	<b>Mathematics</b>
1		
2		
3		
4		
5		
6		

- 2. Individual student test scores** on national achievement tests for any child who received a grant from the program during the 2017-18 school year. No personally identifiable information will be published; instead, the information will be aggregated at the school or state level as stipulated in law.

Each school will have access to a secure data portal to upload individual student assessment results, which will include personally identifiable information. The portal will capture, at a minimum, the following information:

- Name of the student who received a grant from Exceptional SC in the prior school year along with data including date of birth, sex, grade level, etc. to ensure that the assessment results can be matched to the individual student who received a grant;
- For each student who received a grant, the results of a national assessment or assessments in 2017-18 and if possible, in 2016-17 as well to document academic growth. The name of the assessment as well as scale scores for students or national percentile ranks must be included; and
- If a student received a grant but due to the student's exceptional needs was not able to be assessed with a national assessment, the school must provide an explanation by student of the reason why a national assessment was not administered and how the school is measuring academic and personal growth for each student not assessed.

Please identify one staff person from your school who will provide the individual student test scores from this school:

**Name:**

John Heflin

**Title:**

Dean of Students

**Telephone Number:**

803-432-6001

**Email Address:**

academics@camdenmilitary.com

	TOTAL	ERW avg. score	Math avg . score
11th grade	1076.75	517	505.25
12th grade	1003	502	503

	Total	EBRW avg.	Math avg.
PSAT 8/9 7th grade	703	351	246
8th grade	833	425	407
PSAT 8/9 9th grade	839	424	415
10th	900	456	444

	Total	EBRW	Math
PSAT 8/9 7th grade	703	351	246
8th grade	833	425	407
PSAT 8/9 9th grade	839	424	415
10th	900	456	444



**Document D**  
**Compilation, Review or Compliance Audit**

**Application for Continued Participation**  
**Educational Credit for Exceptional Needs Children (ECENC)**  
**2018-2019**

**Independent School Name:** Camden Military Academy

An independent school applying for or continuing to participate in the Educational Credit for Exceptional Needs Children Program is required to submit the following information:

“a copy of a compilation, review, or compliance audit of the organization’s financial statements as relating to the grants received, conducted by a certified public accounting firm.”

By law the compilation, review or compliance audit will be posted online at [www.eoc.sc.gov](http://www.eoc.sc.gov).

Please answer the following questions:

	<b>YES</b>	<b>NO</b>
Did your school receive from Exceptional SC any grants in the prior fiscal year, between July 1, 2017 and June 30, 2018?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If <b>Yes</b> , will your school submit to the EOC a compilation, review, or compliance audit of the school’s financial statements as relating to the grants received during the prior fiscal year and conducted by a certified public accounting firm by <b>December 30, 2018</b> ? Failure to provide the compilation, review or compliance audit will result in your school’s removal as an eligible school under the ECENC program.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If <b>No</b> , will your school submit to the EOC a compilation, review, or compliance audit of the school’s financial statements as relating to the grants received and conducted by a certified public accounting firm by <b>June 30, 2019</b> to the EOC if you receive grants from Exceptional SC this fiscal year between July 1, 2018 and June 30, 2019? Failure to provide the compilation, review or compliance audit will result in your school’s removal as an eligible school under the ECENC program.	<input type="checkbox"/>	<input type="checkbox"/>

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**FINANCIAL STATEMENTS and  
SUPPLEMENTAL INFORMATION**  
Years Ended May 31, 2018 and 2017

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**CANTEY, TILLER, PIERCE & GREEN, LLP**

*CERTIFIED PUBLIC ACCOUNTANTS*

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CAMDEN, SOUTH CAROLINA 29021

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PH (803) 432-1436/ FX (803) 432-5055

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Camden Military Academy  
Camden, South Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of Camden Military Academy, which comprise the statement of financial position as of May 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the 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 audits. We conducted our audits 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 audits 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 financial position of Camden Military Academy as of May 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 September 30, 2018, on our consideration of Camden Military Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Camden Military Academy's internal control over financial reporting and compliance.

***Cantey, Tiller, Pierce & Green, LLP***

Cantey, Tiller, Pierce and Green, LLP  
Camden, South Carolina

September 30, 2018

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**STATEMENTS of FINANCIAL POSITION**  
May 31,

	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 2,051,643	\$ 1,210,902
Investments, at Fair Value	10,434,654	9,345,538
Accounts Receivable (Net)	24,247	40,461
Prepaid Expenses	63,275	65,303
Inventory, at Cost	13,968	10,445
Total Current Assets	12,587,787	10,672,649
Land, Buildings and Equipment (Net)	6,588,765	6,667,286
<b>Other Assets</b>		
Cash Surrender Value of Life Insurance	33,595	31,942
Total Other Assets	6,622,360	6,699,228
Total Assets	\$ 19,210,147	\$ 17,371,877
 <b>LIABILITIES and NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 66,080	\$ 127,822
Accrued Salaries	340,443	316,356
Tuition Income Collected in Advance	254,525	196,035
Payroll Deductions and Accrued Expenses	53,394	15,911
Leases Payable-Current Portion	8,953	8,456
Total Current Liabilities	723,395	664,580
<b>Long-Term Liabilities</b>		
Leases Payable-Long Term Portion	774	9,727
Gift Annuity Obligation	2,048	3,860
Total Long-Term Liabilities	2,822	13,587
Total Liabilities	726,217	678,167
 <b>NET ASSETS</b>		
Unrestricted	18,264,743	15,650,308
Temporarily Restricted	219,187	1,043,402
Total Net Assets	18,483,930	16,693,710
Total Liabilities and Net Assets	\$ 19,210,147	\$ 17,371,877

The Accompanying Notes are an Integral Part of these Financial Statements



CAMDEN MILITARY ACADEMY  
Camden, South Carolina

STATEMENTS of ACTIVITIES  
Years Ended May 31,

	2018	2017
<b>UNRESTRICTED NET ASSETS</b>		
<b>Unrestricted Revenues and Gains (Losses)</b>		
Tuition	\$ 7,628,679	\$ 6,662,212
Auxiliary Services	1,054,002	1,164,002
Donations	126,837	216,850
In-Kind Revenue	8,850	4,328
Investment Income	230,393	198,021
Realized Gains on Investments	-	51,428
Unrealized Gains (Losses) on Investments	464,961	584,707
Canteen	57,703	60,391
Golf Tournament Income	9,807	11,264
Other Sources	57,059	44,302
<b>Total Unrestricted Revenues and Gains (Losses)</b>	<b>9,638,291</b>	<b>8,997,505</b>
<b>Expenses</b>		
<b>Program Services</b>		
Instruction	2,298,815	2,062,449
Military	687,189	659,670
Financial Aid	125,424	106,500
Mess Hall	800,881	742,847
Auxiliary Services	930,346	984,551
Infirmary	181,628	178,032
Canteen	103,468	99,868
Dry Cleaning	67,269	70,489
<b>Total Program Services</b>	<b>5,195,020</b>	<b>4,904,406</b>
<b>Supporting Services</b>		
Administration and General	2,583,078	2,596,779
Fundraising	66,643	69,671
Alumni Activities	71,407	69,311
<b>Total Supporting Services</b>	<b>2,721,128</b>	<b>2,735,761</b>
<b>Total Expenses</b>	<b>7,916,148</b>	<b>7,640,167</b>
<b>INCREASE (DECREASE) in UNRESTRICTED NET ASSETS</b>	<b>1,722,143</b>	<b>1,357,338</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>Temporarily Restricted Revenues and Gains</b>		
Government Grants-Federal	70,852	75,747
Investment Income	17,734	16,786
Net Change in Gift Annuity	2,041	1,861
Net Realized Gains (Losses) on Investments	55,267	60,704
Net Unrealized Losses on Investments	(1,522)	1,522
<b>Total Temporarily Restricted Revenues and Gains</b>	<b>144,372</b>	<b>156,620</b>

The Accompanying Notes are an Integral Part of these Financial Statements

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

STATEMENTS of ACTIVITIES  
Years Ended May 31,

	<u>2018</u>	<u>2017</u>
TEMPORARILY RESTRICTED NET ASSETS (Continued)		
Expenses		
Program Services		
Instruction	76,295	83,296
Total Program Services	<u>76,295</u>	<u>83,296</u>
Total Expenses	<u>76,295</u>	<u>83,296</u>
 INCREASE (DECREASE)		
in TEMPORARILY RESTRICTED NET ASSETS	<u>68,077</u>	<u>73,324</u>
 INCREASE (DECREASE) in NET ASSETS	<u>1,790,220</u>	<u>1,430,662</u>
 NET ASSETS at Beginning of Year	<u>16,693,710</u>	<u>15,263,048</u>
 NET ASSETS at End of Year	<u>\$ 18,483,930</u>	<u>\$ 16,693,710</u>

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**STATEMENTS of CASH FLOWS**  
Years Ended May 31,

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 1,790,220	\$ 1,430,662
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	375,194	329,160
Unrealized (Gain) Losses on Investments	(463,439)	(586,229)
Provision for Losses on Accounts Receivable	76,709	27,359
(Increase) Decrease in Operating Assets		
Accounts Receivable	(60,495)	(97,036)
Inventory	(3,523)	(683)
Prepaid Expenses	2,027	(12,040)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(61,742)	(6,308)
Accrued Salaries	24,087	37,245
Tuition Income Collected in Advance	58,490	145,815
Payroll Deductions and Accrued Expenses	37,485	(5,265)
Gift Annuity Obligation	(1,812)	(1,918)
Net Cash Provided by Operating Activities	1,773,201	1,260,762
<b>CASH FLOWS from INVESTING ACTIVITIES</b>		
Purchases of Investments	(1,500,588)	(1,153,381)
Sale or Redemption of Investments	874,910	542,008
Cash Surrender Value of Life Insurance	(1,653)	(1,614)
Payments for Property and Equipment	(296,673)	(1,514,580)
Net Cash Used in Investing Activities	(924,004)	(2,127,567)
<b>CASH FLOWS from FINANCING ACTIVITIES</b>		
Payments on Leases	(8,456)	(7,980)
Net Cash Used in Financing Activities	(8,456)	(7,980)
<b>NET INCREASE (DECREASE) in CASH and CASH EQUIVALENTS</b>	840,741	(874,785)
<b>BEGINNING CASH and CASH EQUIVALENTS</b>	1,210,902	2,085,687
<b>ENDING CASH and CASH EQUIVALENTS</b>	\$ 2,051,643	\$ 1,210,902

The Accompanying Notes are an Integral Part of these Financial Statements



CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Camden Military Academy was incorporated in the State of South Carolina on July 26, 1974 as a Non-Profit Education Corporation. The Academy is a college preparatory school for young men in grades 7 through 12. The financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Camden Military Academy reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, Camden Military Academy is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Camden Military Academy considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Buildings and Equipment

The Academy capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time. Buildings and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to forty years.

Contributed Services

During the years ended May 31, 2018 and 2017, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Donations received for the years ended May 31 are summarized below:

	<u>2018</u>	<u>2017</u>
Donations Cash - Unrestricted	\$ 126,837	\$ 216,850
Donations In-Kind - Unrestricted	8,850	4,328
Total	<u>\$ 135,687</u>	<u>\$ 221,178</u>

Inventory

Inventory is items on hand from the mess hall, infirmary and canteen. Inventory is stated at lower of cost (first in, first out basis) or market.

Accounts Receivable

Camden Military Academy has an allowance account for expected losses not charged-off at year end. Allowance for uncollectible receivables is based upon historical trends and the periodic aging of receivables. The allowance for uncollectible amounts at May 31, 2018 and 2017 was \$37,524 and \$8,673 respectively.

Income Taxes

Recognition of exemption from income tax has been determined under section 501(C)(3) of the Internal Revenue Code and section 12-7-330(3) of the Code of Laws of South Carolina. Management has evaluated the organization's tax positions and has concluded that the Organization has maintained its tax exempt status and taken no uncertain tax positions that require adjustment in the financial statements. The returns of the organization are subject to examination by the Internal Revenue Service for the years ended May 31, 2016, 2017, and 2018.

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.

Advertising Costs

Advertising costs are expensed as incurred. The advertising expenses at May 31, 2018 and 2017 was \$326,298 and \$340,237 respectively.

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**NOTES to FINANCIAL STATEMENTS**  
May 31, 2018

**NOTE 2 CASH and CASH EQUIVALENTS**

Cash and cash equivalents are as follows at May 31:

	<u>2018</u>	<u>2017</u>
Petty Cash	\$ 975	\$ 975
Undeposited Cash/Checks	872	-
First Palmetto Bank	318,397	250,766
Vanguard Money Market	502,330	659,952
Merrill Lynch Government Fund	6,320	6,260
NBSC	243,230	43,048
First Community Bank	979,519	249,901
Total	<u>\$ 2,051,643</u>	<u>\$ 1,210,902</u>

At May 31, 2018, Camden Military Academy has \$2,127,983 in cash and deposits at various financial institutions. Of the balance, \$1,674,694 was covered by federal insurance and other securities and \$453,289 is not covered by federal insurance.

At May 31, 2018 and 2017, there were cash accounts totaling \$15,586, which were temporarily restricted because of donor-imposed restrictions. The accounts are to be used by the Academy for various reasons such as scholarships and special projects.

**NOTE 3 INVESTMENTS**

Investments are presented in the financial statements at fair value at May 31 as follows.

	<u>2018</u>	<u>2017</u>
Unrestricted	\$ 10,221,454	\$ 8,331,224
Temporarily Restricted	213,200	1,014,314
	<u>\$ 10,434,654</u>	<u>\$ 9,345,538</u>



**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**NOTES to FINANCIAL STATEMENTS**  
May 31, 2018

**NOTE 3 INVESTMENTS (Continued)**

Fair values and unrealized appreciation (depreciation) at May 31 are summarized as follows:

	2018				
	Cost			Fair Market Value	Unrealized Appreciation (Depreciation)
	Unrestricted	Temporarily Restricted	Total		
Vanguard Managed Account	\$ 7,349,406	\$ -	\$ 7,349,406	\$ 9,794,512	\$ 2,445,106
Vanguard Wellington Fund	360,129	-	360,129	426,942	66,813
Lot at Lake					
Hartwell, S.C. (Donated)	-	9,600	9,600	9,600	-
Enterprise Bank of S.C Stock (Donated) 1,420 Shares (Market Value not Readily Determinable)	-	203,600	203,600	203,600	-
Total Investments	<u>\$ 7,709,535</u>	<u>\$ 213,200</u>	<u>\$ 7,922,735</u>	<u>\$ 10,434,654</u>	<u>\$ 2,511,919</u>
	2017				
	Cost			Fair Market Value	Unrealized Appreciation (Depreciation)
	Unrestricted	Temporarily Restricted	Total		
Vanguard Managed Account	\$ 5,997,988	\$ -	\$ 5,997,988	\$ 7,981,404	\$ 1,983,416
Vanguard Wellington Fund	286,278	-	286,278	349,820	63,542
Wells Fargo of S.C. - Trustee	-	701,667	701,667	700,685	(982)
Wells Fargo Gift Annuity	-	97,924	97,924	100,429	2,505
Lot at Lake					
Hartwell, S.C. (Donated)	-	9,600	9,600	9,600	-
Enterprise Bank of S.C Stock (Donated) 1,420 Shares (Market Value not Readily Determinable)	-	203,600	203,600	203,600	-
Total Investments	<u>\$ 6,284,266</u>	<u>\$ 1,012,791</u>	<u>\$ 7,297,057</u>	<u>\$ 9,345,538</u>	<u>\$ 2,048,481</u>

The temporarily restricted assets include accounts at Wells Fargo that have an annuity component, the gift annuities at Wells Fargo, the lot at Lake Hartwell and the stock at Enterprise Bank of S.C. Once the annuity obligations are satisfied for the Wells Fargo accounts, the remainder will be available for operations from the regular annuity account and annual fund from the gift annuity. The lot and the stock are temporarily restricted for capital use and, at the appropriate time, it is the intention of management to sell the lot and stocks and use the proceeds for school building needs.

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 3 INVESTMENTS (Continued)

The following schedule summarizes investment returns and their classification in the statement of activities for the years ended May 31:

	2018		
	Temporarily		Total
	Unrestricted	Restricted	
Investment Income	\$ 230,393	\$ 17,734	\$ 248,127
Net Realized Gains (Losses)	-	55,267	55,267
Net Unrealized Losses	464,961	(1,522)	463,439
Total Investment Return	\$ 695,354	\$ 71,479	\$ 766,833
	2017		
	Temporarily		Total
	Unrestricted	Restricted	
Investment Income	\$ 198,021	\$ 16,786	\$ 214,807
Net Realized Gains	51,428	60,704	112,132
Net Unrealized Gains	584,707	1,522	586,229
Total Investment Return	\$ 834,156	\$ 79,012	\$ 913,168

NOTE 4 FAIR VALUE MEASUREMENTS

*Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Academy has the ability to access.
- Level 2      Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 4 FAIR VALUE MEASUREMENTS (Continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2018 and 2017.

*Mutual Funds:* Valued at the net asset value (NAV) of shares held by the Academy at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Academy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Academy's assets reported at fair value on a recurring basis.

Assets at Fair Value as of May 31, 2018				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 10,221,454	\$ -	\$ -	\$ 10,221,454
Total Assets at Fair Value	\$ 10,221,454	\$ -	\$ -	\$ 10,221,454

Assets at Fair Value as of May 31, 2017				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 9,132,338	\$ -	\$ -	\$ 9,132,338
Total Assets at Fair Value	\$ 9,132,338	\$ -	\$ -	\$ 9,132,338

The above table does not include land and other investments where market value is not readily determinable.

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 5 LAND, BUILDINGS and EQUIPMENT

A summary of land, buildings and equipment at May 31, follows:

	2018	2017
Land	\$ 798,197	\$ 798,197
Buildings	12,092,082	11,718,241
Construction in Progress	-	121,001
Equipment	2,458,932	2,415,099
Sub-Total	15,349,211	15,052,538
Less: Accumulated Depreciation	8,760,446	8,385,252
Total	\$ 6,588,765	\$ 6,667,286

Depreciation expense was \$375,194 and \$329,160 for the years ended May 31, 2018 and 2017, respectively.

NOTE 6 CAPITAL LEASES

The Academy leases certain equipment under capital leases that expire through 2020. The assets and liabilities under capital leases were recorded at the lower of the present value of minimum lease payments or fair value of the asset. The assets were amortized over the lower of their lease terms or their estimated useful lives. Amortization of vehicles and equipment under capital lease is included in depreciation expense in the accompanying financial statements. Depreciation of assets under capital leases charged to expense during the years ended May 31, 2018 and 2017 was \$7,035.

	2018	2017
Equipment	\$ 70,350	\$ 70,350
Less: Accumulated Depreciation	(63,315)	(56,280)
	\$ 7,035	\$ 14,070

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

NOTE 6 CAPITAL LEASES (Continued)

Minimum future lease payments under capital leases as of May 31, 2018 for each of the next three years are:

<u>Years Ending May 31:</u>	<u>Amount</u>
2019	9,288
2020	774
Total Minimum Payments	10,062
Less: Amount Representing Interest	<u>(335)</u>
Present Value of Minimum Lease Payments	9,727
Less: Current Maturity	<u>(8,953)</u>
	<u><u>\$ 774</u></u>

NOTE 7 OPERATING LEASES

The Academy leases various office equipment under operating leases. The required minimum rental payments under the terms of the leases as of May 31, are as follows:

<u>Year Ending May 31:</u>	<u>Total Payments</u>
2019	29,149
2020	12,734
2021	3,377

Rental expense under operating leases was \$29,149 and \$16,029 for the years ended May 31, 2018 and 2017, respectively.



CAMDEN MILITARY ACADEMY  
Camden, South Carolina

NOTES to FINANCIAL STATEMENTS  
May 31, 2018

**NOTE 8 PENSION PLANS**

Camden Military Academy has a retirement plan for all employees. Contributions under the plan are applied to individual annuities issued to each participant by Teachers Insurance and Annuity Association and/or College Retirement Equities Fund. All benefits under the plan are provided solely through individually owned, fully funded annuity contracts. Plan contributions are made monthly based as a percent of regular salary. Participation is voluntary. In order to receive the matching contribution, the employee is required to contribute at least 4% and the School will match up to 4%. Retirement expense for the Academy for years ended May 31, 2018 and 2017 was \$63,253 and \$60,834, respectively.

The Academy has a supplemental retirement plan that allows participants to contribute amounts up to the allowable Internal Revenue Service limits. The Academy does not match any contributions on this plan. This plan is also available to employees prior to their entrance in the regular retirement plan.

**NOTE 9 RELATED PARTY TRANSACTIONS**

The Academy uses Camden Tours for several school trips. The partners in Camden Tours are also employees of the School. The agreement between the parties is substantially at the same terms it would be if contracted through an outside party. The expense was \$18,222 and \$6,214 for the years ended May 31, 2018 and 2017, respectively.

**NOTE 10 EVALUATION OF SUBSEQUENT EVENTS**

The organization has evaluated subsequent events through September 30, 2018, the date which the financial statements were available to be issued. During this period, the Academy did not have any material subsequent events that required recognition in the Academy's disclosures to the May 31, 2018, financial statements.

**SUPPLEMENTAL INFORMATION**

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED**  
Years Ended May 31,

	2018	2017
<b>REVENUES and GAINS</b>		
Tuition	\$ 7,628,679	\$ 6,662,212
Textbooks	2,057	1,330
Special Fees	419,837	397,719
Alumni Supplies	-	95
Uniforms	600,677	649,621
Laundry	10,240	89,829
Infirmary	21,191	25,408
Canteen	57,703	60,391
Donations	126,837	216,850
In-Kind Revenue	8,850	4,328
Investment Income	230,393	198,021
Realized Gain on Investments	-	51,428
Unrealized Gains (Losses) on Investments	464,961	584,707
Golf Tournament Income	9,807	11,264
Miscellaneous	57,059	44,302
Total Revenues	9,638,291	8,997,505
<b>EXPENSES</b>		
Instruction		
Salaries	1,525,697	1,393,386
Payroll Taxes	119,520	111,207
Classroom Books and Supplies	32,183	43,427
Library Books and Periodicals	1,739	815
Publications	29,586	27,656
Summer Camp	6,646	11,462
Internet Expense	20,834	16,650
Athletics	82,331	60,131
Band	2,299	2,033
Commencement Expense	4,596	6,808
Group Insurance	19,195	18,135
Retirement	22,380	21,674
Faculty Development Expense	2,872	2,855
Instructional Activity	21,311	23,284
Chapel	251	380
International Student Stayback	90,692	47,537
Miscellaneous	3,818	5,244
Accreditation	7,888	1,773
Depreciation	304,977	267,562
Repairs and Maintenance	-	430
Sub-Total	2,298,815	2,062,449
Military Department		
Salaries	607,202	576,704
Payroll Taxes	45,980	43,299
Office	4,739	2,020
Activity	11,779	20,072
Other	2,603	5,217
Retirement	14,886	12,358
Sub-Total	687,189	659,670

The Accompanying Notes are an Integral Part of these Financial Statements

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

SCHEDULE of ACTIVITIES-UNRESTRICTED  
Years Ended May 31,

	<u>2018</u>	<u>2017</u>
<b>EXPENSES (Continued)</b>		
<b>Financial Aid</b>		
Student Scholarships	125,424	106,500
Sub-Total	<u>125,424</u>	<u>106,500</u>
<b>Mess Hall</b>		
Salaries	289,784	276,830
Payroll Taxes	23,817	21,558
Group Insurance	-	197
Retirement Expense	1,960	3,013
Food	434,206	361,751
Supplies	13,165	33,678
Equipment Repairs and Maintenance	466	3,494
Miscellaneous	1,357	10,634
Depreciation	36,126	31,692
Sub-Total	<u>800,881</u>	<u>742,847</u>
<b>Auxiliary Services</b>		
Textbooks	50,105	82,101
Uniforms	450,872	457,641
Laundry	21,453	18,890
Barber Shop	15,000	16,401
Infirmary	10,649	14,713
Special Programs and Trips	338,526	359,720
International Education Consultant	43,660	35,014
Depreciation	81	71
Sub-Total	<u>930,346</u>	<u>984,551</u>
<b>Infirmary</b>		
Salaries	114,678	111,719
Payroll Taxes	7,823	7,656
Group Insurance	7,130	7,982
Medicine and Supplies	8,751	4,943
Professional Fees and Hospitalization	22,000	24,000
Miscellaneous	539	3,267
Equipment Repair & Maintenance	-	299
Depreciation	20,707	18,166
Sub-Total	<u>181,628</u>	<u>178,032</u>
<b>Canteen</b>		
Salaries	22,341	20,981
Payroll Taxes	1,709	1,605
Merchandise Purchases	66,503	65,740
Misc Canteen	21	-
Carlisle House Supplies	28	256
Depreciation	12,866	11,286
Sub-Total	<u>103,468</u>	<u>99,868</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED**  
Years Ended May 31,

	2018	2017
<b>EXPENSES (Continued)</b>		
<b>Administrative and General</b>		
Salaries	751,066	767,671
Payroll Taxes	50,585	53,179
Office Supplies and Postage	60,586	80,511
Telephone	45,324	51,829
Public Relations and Travel	56,391	46,942
Legal and Accounting	19,888	17,900
Dues and Subscriptions	11,400	15,972
Other Taxes and Licenses	266	980
Uncollectible Accounts	76,709	27,359
Bus Operating Expense	45,331	37,401
Fire and Liability Insurance	120,840	121,911
Student Accident Insurance	64,707	64,707
Worker's Compensation Insurance	16,964	30,872
Utilities	258,145	266,722
Equipment Repairs and Maintenance	21,374	34,046
Building Repairs and Maintenance	265,147	281,472
Advertising and Publications	326,598	340,237
Rent	53,087	52,206
Group Insurance	38,144	43,449
Retirement	21,119	20,862
Security Service	131,888	135,957
Credit Card Fees	108,162	69,403
Miscellaneous	38,961	34,745
Depreciation	396	347
Interest	-	99
Sub-Total	2,583,078	2,596,779
<b>Fundraising Activities</b>		
Salaries	32,837	32,879
Payroll Taxes	2,512	2,515
Retirement	1,300	1,315
Golf Tournament Expenses	12,261	10,578
Special Projects	17,636	20,882
Miscellaneous	73	1,481
Depreciation	24	21
Sub-Total	66,643	69,671

The Accompanying Notes are an Integral Part of these Financial Statements



**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED**  
Years Ended May 31,

	2018	2017
<b>EXPENSES (Continued)</b>		
Dry Cleaning		
Salaries	46,058	49,204
Payroll Taxes	3,493	3,729
Office Supplies, Printing and Postage	1,319	3,332
Utilities	6,960	7,765
Equipment Repair	515	459
Miscellaneous	524	-
Rent	8,400	6,000
Sub-Total	67,269	70,489
Alumni Activities		
Salaries	40,274	40,291
Payroll Taxes	2,932	2,515
Group Insurance	-	3,444
Retirement	1,608	1,612
Office Supplies, Printing and Postage	15,238	7,188
Reunion/Excalibur	9,696	12,729
Awards Project	1,609	568
Other Expense	33	949
Depreciation	17	15
Sub-Total	71,407	69,311
Total Expenses	7,916,148	7,640,167
INCREASE (DECREASE) in UNRESTRICTED NET ASSETS	1,722,143	1,357,338
Transfer in from Temporarily Restricted	892,292	-
NET ASSETS at Beginning of Year	15,650,308	14,292,970
NET ASSETS at End of Year	\$ 18,264,743	\$ 15,650,308

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

SCHEDULE of ACTIVITIES-TEMPORARILY RESTRICTED  
Years Ended May 31,

	2018	2017
<b>REVENUES</b>		
Federal Grants		
Department of Defense, JROTC	\$ 70,852	\$ 75,747
Investment Income	17,734	16,786
Net change in Gift Annuity	2,041	1,861
Realized Gains (Losses) on Investments	55,267	60,704
Unrealized Gains on Investments	(1,522)	1,522
Total Revenues	144,372	156,620
<b>EXPENSES</b>		
Instruction		
Investment Fees	5,443	7,549
Salaries JROTC Instructors	70,852	75,747
Sub-Total	76,295	83,296
Total Expenses	76,295	83,296
<b>INCREASE (DECREASE) in</b>		
TEMPORARILY RESTRICTED NET ASSETS	68,077	73,324
Transfer to Unrestricted	(892,292)	-
NET ASSETS at Beginning of Year	1,043,402	970,078
NET ASSETS at End of Year	\$ 219,187	\$ 1,043,402

The Accompanying Notes are an Integral Part of these Financial Statements

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED OPERATING ACTIVITIES**  
(Not Including Net Investment Income)  
Years Ended May 31,

	2018	2017
<b>REVENUES and GAINS</b>		
Tuition	\$ 7,628,679	\$ 6,662,212
Textbooks	2,057	1,330
Special Fees	419,837	397,719
Alumni Supplies	-	95
Uniforms	600,677	649,621
Laundry	10,240	89,829
Infirmary	21,191	25,408
Canteen	57,703	60,391
Donations	126,837	216,850
In-Kind Revenue	8,850	4,328
Golf Tournament Income	9,807	11,264
Miscellaneous	57,059	44,302
Total Revenues, Gains and Other Support	8,942,937	8,163,349
<b>EXPENSES</b>		
Instruction		
Salaries	1,525,697	1,393,386
Payroll Taxes	119,520	111,207
Classroom Books and Supplies	32,183	43,427
Library Books and Periodicals	1,739	815
Publications	29,586	27,656
Summer Camp	6,646	11,462
Internet Expense	20,834	16,650
Athletics	82,331	60,131
Band	2,299	2,033
Commencement Expense	4,596	6,808
Group Insurance	19,195	18,135
Retirement	22,380	21,674
Faculty Development Expense	2,872	2,855
Instructional Activity	21,311	23,284
Chapel	251	380
International Student Stayback	90,692	47,537
Miscellaneous	3,818	5,244
Accreditation	7,888	1,773
Repairs and Maintenance	-	430
Depreciation	304,977	267,562
Sub-Total	2,298,815	2,062,449
Military Department		
Salaries	607,202	576,704
Payroll Taxes	45,980	43,299
Office	4,739	2,020
Activity	11,779	20,072
Other	2,603	5,217
Retirement	14,886	12,358
Sub-Total	687,189	659,670

The Accompanying Notes are an Integral Part of these Financial Statements

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED OPERATING ACTIVITIES**  
(Not Including Net Investment Income)  
Years Ended May 31,

EXPENSES (Continued)	<u>2018</u>	<u>2017</u>
<b>Financial Aid</b>		
Student Scholarships	125,424	106,500
Sub-Total	<u>125,424</u>	<u>106,500</u>
<b>Mess Hall</b>		
Salaries	289,784	276,830
Payroll Taxes	23,817	21,558
Group Insurance	-	197
Retirement Expense	1,960	3,013
Food	434,206	361,751
Supplies	13,165	33,678
Equipment Repairs and Maintenance	466	3,494
Miscellaneous	1,357	10,634
Depreciation	36,126	31,692
Sub-Total	<u>800,881</u>	<u>742,847</u>
<b>Auxiliary Services</b>		
Textbooks	50,105	82,101
Uniforms	450,872	457,641
Laundry	21,453	18,890
Barber Shop	15,000	16,401
Infirmary	10,649	14,713
Special Programs and Trips	338,526	359,720
International Education Consultant	43,660	35,014
Depreciation	81	71
Sub-Total	<u>930,346</u>	<u>984,551</u>
<b>Infirmary</b>		
Salaries	114,678	111,719
Payroll Taxes	7,823	7,656
Group Insurance	7,130	7,982
Medicine and Supplies	8,751	4,943
Professional Fees and Hospitalization	22,000	24,000
Miscellaneous	539	3,267
Equipment Repairs and Maintenance	-	299
Depreciation	20,707	18,166
Sub-Total	<u>181,628</u>	<u>178,032</u>
<b>Canteen</b>		
Salaries	22,341	20,981
Payroll Taxes	1,709	1,605
Merchandise Purchases	66,503	65,740
Misc Expense	21	
Carlisle House Supplies	28	256
Depreciation	12,866	11,286
Sub-Total	<u>103,468</u>	<u>99,868</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CAMDEN MILITARY ACADEMY  
Camden, South Carolina

SCHEDULE of ACTIVITIES-UNRESTRICTED OPERATING ACTIVITIES  
(Not Including Net Investment Income)  
Years Ended May 31,

	2018	2017
<b>EXPENSES (Continued)</b>		
<b>Administrative and General</b>		
Salaries	751,066	767,671
Payroll Taxes	50,585	53,179
Office Supplies and Postage	60,586	80,511
Telephone	45,324	51,829
Public Relations and Travel	56,391	46,942
Legal and Accounting	19,888	17,900
Dues and Subscriptions	11,400	15,972
Other Taxes and Licenses	266	980
Uncollectible Accounts	76,709	27,359
Bus Operating Expense	45,331	37,401
Fire and Liability Insurance	120,840	121,911
Student Accident Insurance	64,707	64,707
Worker's Compensation Insurance	16,964	30,872
Utilities	258,145	266,722
Equipment Repairs and Maintenance	21,374	34,046
Building Repairs and Maintenance	265,147	281,472
Advertising and Publications	326,598	340,237
Rent	53,087	52,206
Group Insurance	38,144	43,449
Retirement	21,119	20,862
Security Service	131,888	135,957
Investment Fees	108,162	69,403
Miscellaneous	38,961	34,844
Depreciation	396	347
Sub-Total	2,583,078	2,596,779
<b>Fundraising Activities</b>		
Salaries	32,837	32,879
Payroll Taxes	2,512	2,515
Retirement	1,300	1,315
Golf Tournament Expenses	12,261	10,578
Special Projects	17,636	20,882
Miscellaneous	73	1,481
Depreciation	24	21
Sub-Total	66,643	69,671
<b>Dry Cleaning</b>		
Salaries	46,058	49,204
Payroll Taxes	3,493	3,729
Office Supplies, Printing and Postage	1,319	3,332
Utilities	6,960	7,765
Equipment Repair	515	459
Miscellaneous	524	-
Rent	8,400	6,000
Sub-Total	67,269	70,489

The Accompanying Notes are an Integral Part of these Financial Statements

**CAMDEN MILITARY ACADEMY**  
Camden, South Carolina

**SCHEDULE of ACTIVITIES-UNRESTRICTED OPERATING ACTIVITIES**  
(Not Including Net Investment Income)  
Years Ended May 31,

	2018	2017
<b>Alumni Activities</b>		
Salaries	40,274	40,291
Payroll Taxes	2,932	2,515
Group Insurance	-	3,444
Retirement	1,608	1,612
Office Supplies, Printing and Postage	15,238	7,188
Reunion/Excalibur	9,696	12,729
Awards Project	1,609	568
Other Expense	33	949
Depreciation	17	15
Sub-Total	71,407	69,311
Total Expenses	7,916,148	7,640,167
<b>INCREASE (DECREASE) in UNRESTRICTED NET ASSETS NOT INCLUDING NET INVESTMENT INCOME</b>	<b>\$ 1,026,789</b>	<b>\$ 523,182</b>



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**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**

To the Board of Trustees of  
Camden Military Academy  
Camden, South Carolina

We have audited 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, the financial statements of Camden Military Academy (a nonprofit organization), as of and for the years ended May 31, 2018 and 2017, and have issued our report thereon dated September 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Camden Military Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Camden Military Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described below, that we consider to be significant deficiencies in internal control over financial reporting. 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.

## Findings and Responses

### Financial Statement Preparation

Condition – Based on the experience level of the accounting staff at the Academy, we drafted the financial statement and note disclosures.

Criteria – The financial statements are the responsibility of the Academy.

Cause – The accounting staff of the accounting firm drafts the financial statements and note disclosures.

Effect – The accounting staff firm drafting the financial statements requires additional procedures to be completed by management to insure that management takes responsibility for the financial statements.

Recommendation – Management is provided with a preliminary draft and asked that they review the financial statements to determine the completeness and accuracy of the financial information. Management has reviewed the financial statements and approved them. Subsequent to approval, a final report was issued.

Response – Management is provided with a preliminary draft and asked that they review the financial statements to determine the completeness and accuracy of the financial information. Management has reviewed the financial statements and approved them. Subsequent to approval, a final report was issued.

### Separation of Duties

Condition: During our audit we reviewed procedures over transaction cycles related to receipting, cash disbursements, and payroll and found the Academy to have limited segregation of duties.

Criteria: Adequate separation of duties calls for clear segregation of functions such as receipts, disbursements, recording, custody of assets, transaction authorization and performance monitoring.

Cause: The accounting staff of the Academy maintain and control the check stock, prepares checks, records disbursements, prepares deposits and posts to general ledger.

Effect: The existence of this limited segregation of duties increases the risk of misstatement or fraud.

Recommendation: While we recognize the number of staff is not large enough to eliminate these deficiencies entirely, we believe the risk can be reduced by another person reviewing cancelled checks, unopened bank statements and bank reconciliations.

Response – Because of the limited accounting staff, the Board and management maintains an awareness of the internal control structure when making accounting and administrative decisions to ensure that reasonable, adequate policies and procedures exist and are maintained.

### Compliance with Other Matters

As part of obtaining reasonable assurance about whether Camden Military Academy's financial statements are free of 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 statements 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*.

Camden Military Academy's response to the findings identified in our audit is described above. We did not audit Camden Military Academy's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cantey, Tiller, Pierce & Green, LLP*

Cantey, Tiller, Pierce and Green, LLP  
Camden, South Carolina

September 30, 2018