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STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

March 5, 2018

Dr. Rick Maxey, Superintendent
Horry County School District
PO Box 260005
Conway, SC 29528

Re: Academy of Hope Public Charter School, Bridgewater Academy Charter, and Palmetto Academy for Learning Motorsports

Dear Dr. Maxey:

On May 9, 2017, Governor McMaster approved Act 23, which directs the South Carolina Department of Education (SCDE) to develop and adopt a statewide program on fiscal practices and budgetary conditions. S.C. Code Ann. § 59-20-90 (Supp. 2017). The SCDE's review of the 2017 annual audit indicated that neither Academy of Hope Public Charter School, Bridgewater Academy Charter nor Palmetto Academy for Learning Motorsports maintained one month of general fund operating expenditures in their respective general reserve funds as calculated per Act 23. Each LEA and charter school should strive to maintain an adequate fund balance to mitigate future reductions due to unanticipated events, state revenue cuts or other unforeseen circumstances. Section 59-40-55 (B)(4) states that as a charter school sponsor Horry County School District shall "monitor, in accordance with charter contract terms, the performance and legal/fiscal compliance of charter schools to include collecting and analyzing data to support ongoing evaluation according to the charter contract."

As a charter sponsor, we strongly encourage you to ensure each charter school has sound fiscal practices and adheres to the requirements of the referenced statute. As you monitor your charter schools, please inform the agency of any fiscal declarations you assign to schools and any actions you require of the schools to prevent a further financial decline, when applicable.

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If you have any questions, you may contact Ms. Nancy Williams, the agency's Chief Financial Officer, NWilliams@ed.sc.gov; or Mr. Michael Thom, Director of Finance, mthom@ed.sc.gov. Your legal counsel may contact Cathy Hazelwood, General Counsel, chazelwood@ed.sc.gov.

Sincerely,



Molly M. Spearman
State Superintendent of Education

MMS/bc

cc: Dr. Sharon Wall, Board Chair, State Board of Education
Mr. John Gardner, CFO, Horry County School District
Dr. Melissa McCloud, Principal, Academy of Hope Public Charter School
Mr. Steve Wilson, Principal, Bridgewater Academy Charter
Ms. Susan Cooke, Executive Director, Palmetto Academy for Learning Motorsports