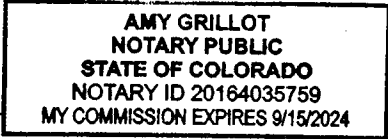


OATH OR AFFIRMATION

I, Steve Rogers, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of RFS Partners, as of June 30, 2022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Amy Grillot
Notary Public



Signature: [Handwritten Signature]
Title: CEO

This filing** contains (check all applicable boxes):

- (a) Statement of financial condition.
(b) Notes to consolidated statement of financial condition.
(c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income...
(d) Statement of cash flows.
(e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
(f) Statement of changes in liabilities subordinated to claims of creditors.
(g) Notes to consolidated financial statements.
(h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
(i) Computation of tangible net worth under 17 CFR 240.18a-2.
(j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
(k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
(l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
(m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
(n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
(o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
(p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
(q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
(r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(t) Independent public accountant's report based on an examination of the statement of financial condition.
(u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
(v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
(x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
(y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
(z) Other:

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General Partner and Limited Partners of RFS Partners
Denver, Colorado

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of RFS Partners (the "Company") as of June 30, 2022, the related statements of income, changes in partners' equity, and cash flows for the period from January 1, 2021, to June 30, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022, and the results of its operations and its cash flows for the period from January 1, 2021, to June 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The Schedule I – Computation of Net Capital Requirements Pursuant to Rule 15c3-1 and Statement Pursuant to Rule 15c3-3 ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Crowe LLP
Crowe LLP

We have served as RFS Partners' auditor since 2022.

New York, New York
October 12, 2022

RFS Partners
Statement of Financial Condition
6/30/2022

Assets

Cash and cash equivalents	\$ 145,840
Accounts receivable	40,365
Prepaid expense	948
Investment in partnership	1,437,706
Total assets	<u>\$ 1,624,859</u>

Liabilities and Partners' Equity

Liabilities

Accounts payable	\$ 45,560
Total liabilities	<u>45,560</u>

Partners' equity

Partners' equity	1,579,299
Total Liabilities And Partners' Equity	<u>\$ 1,624,859</u>

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

RFS Partners
Statement of Income
For The Period January 1, 2021 to June 30, 2022

Revenues

Income from investment in partnership	\$ 1,642,808
12B-1 fees	628,001
Distribution fees	132,000
Other income	46
Total revenues	<u>2,402,855</u>

Expenses

Marketing	626,351
Regulatory fees	77,295
Professional fees	51,546
Other operating expenses	9,711
Total expenses	<u>764,903</u>
Net income	<u>\$ 1,637,952</u>

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

RFS Partners
Statement of Changes in Partners' Equity
For the Period January 1, 2021 to June 30, 2022

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Balance at January 1, 2021	\$ 1,413,833	\$ 196,382	\$ 1,610,215
Capital distributions	(1,465,333)	(203,535)	(1,668,868)
Net income	1,438,187	199,765	<u>1,637,952</u>
Balance at June 30, 2022	<u>\$ 1,386,687</u>	<u>\$ 192,612</u>	<u>\$ 1,579,299</u>

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

RFS Partners
Statement of Cash Flows
For the Period January 1, 2021 to June 30, 2022

Cash flow from operating activities:

Net income		\$ 1,637,952
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Equity in earnings of investment in partnership	(1,642,808)	
Increase (decrease) in:		
Accounts receivable	(6,652)	
Prepaid expense	11,493	
Accounts payable	14,042	
Total adjustments	(1,623,925)	

Net cash and cash equivalents provided by operating activities 14,027

Net cash and cash equivalents provided by investing activities

Distributions from investment in partnership	1,651,827	
Net cash and cash equivalents provided by investing activities	1,651,827	1,651,827

Net cash and cash equivalents used in financing activities

Capital distributions	(1,668,868)	
Net cash and cash equivalents used in financing activities	(1,668,868)	(1,668,868)

Net decrease in cash and cash equivalents (3,014)

Cash and cash equivalents at January 1, 2021 **148,854**

Cash and cash equivalents at June 30, 2022 **\$ 145,840**

Cash paid during the period for:

Income taxes	\$	2,221
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The accompanying notes are an integral part of these financial statements.

RFS Partners
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of June 30, 2022

Computation of net capital

Partners' equity	\$ 1,579,299	
Total Partners' Equity	<u>1,579,299</u>	\$ 1,579,299
Less: Non-allowable assets		
Account receivable	(40,365)	
Prepaid expense	(948)	
Investment in partnership	<u>(1,437,706)</u>	
Total non-allowable assets		<u>(1,479,019)</u>
Less: Haircuts on securities		
Exempted securities		(2,607)
Net Capital		97,673

Computation of net capital requirements

Minimum net capital requirement		
6 2/3 percent of net aggregate indebtedness	\$ 3,037	
Minimum dollar net capital required	<u>\$ 5,000</u>	
Net capital required (greater of above)		<u>5,000</u>
Excess net capital		\$ 92,673
Aggregate indebtedness		<u><u>\$ 45,560</u></u>

Ratio of aggregate indebtedness to net capital 0.47

There was no material difference between net capital computation shown here and the net capital computation shown on the Company's amended, unaudited Form X-17A-5 reported dated June 30, 2022.

Statement Pursuant to Rule 15c3-3, the Company has claimed exemption from certain requirements of Rule 15c3-3 pursuant to section (k)(1), in that all transactions would be limited to the purchase, sale and redemption of shares of a registered investment company; it does not hold funds or securities for customers; and it promptly transmits all funds and delivers all securities in connection with its activities as a broker dealer.

See independent auditor's report

RFS PARTNERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ORGANIZATION

RFS Partners (the “*Company*”) is a California limited partnership and the general partner of CCM Partners which is the investment manager of the Shelton Funds and SCM Trust. RFS, Inc. is the general partner of the Company. The Company is registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Company was established to distribute mutual funds, primarily the Shelton Funds and SCM Trust. The Company does not carry security accounts for customers or perform custodial functions relating to customer securities. In 2021 the Company changed its fiscal year end from December 31 to June 30 upon regulatory approval.

(B) USE OF ESTIMATES

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

(C) INVESTMENT IN PARTNERSHIP

Investments in which the Company has 20-50% of interest are carried under the equity method of accounting. Under the equity method of accounting, an Investee company’s accounts are not reflected within the Company’s Statement of Financial Condition and Statement of Income; however, the Company’s share of the earnings or losses of the Investee company is reflected in the caption Income from investment in partnership in the Statement of Income. The Company’s carrying value in an equity method Investee company is reflected in the caption Investment in partnership in the Company’s Statement of Financial Condition. When the Company’s carrying value in an equity method Investee company is reduced to zero, no further losses are recorded in the Company’s financial statements unless the Company guaranteed obligations of the Investee company or has committed additional funding. When the Investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized. Distributions received from the investment are paid to the extent of excess cash flow at the investee, prorated by each investor’s profit allocation percentage.

(D) FAIR VALUE MEASUREMENT

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these items.

(E) INCOME TAXES

The Company, a limited partnership, is taxed as a partnership under the Internal Revenue Code. In lieu of federal income taxes, the Company passes 100% of its taxable income and expenses to its partners. Therefore, no provision or liability for federal or state income taxes is included in the financial statements.

RFS PARTNERS

(F) CASH EQUIVALENTS

Cash Equivalents are any short-term investment securities that have a maturity of 90 days or less. Cash Equivalents include exempted securities for net capital computation purposes.

(G) ACCOUNTS RECEIVABLE

Accounts receivable includes amounts earned from distribution fees. The Company estimates an allowance for credit losses using relevant available information from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. There is no allowance as management believes all amounts are fully collectible.

RFS PARTNERS

NOTES TO FINANCIAL STATEMENTS – (continued)

June 30, 2022

(2) RELATED PARTY AND CONCENTRATION OF REVENUE RISK

One of the Company's officers serves on the Board of Trustees of the Shelton Funds and SCM Trust from which the Company receives 35% of its revenue on the Statement of Income.

(3) INVESTMENT IN PARTNERSHIP

The Company's investment in CCM Partners, an affiliated company, is accounted for by the equity method of accounting. The share of capital at June 30, 2022 is 26%. With the equity method of accounting, the Company reports the revenue earned by the other company on its income statement, in an amount proportional to the percentage of its investment in the other company. The equity method also makes periodic adjustments to the value of the asset on the balance sheet.

At June 30, 2022, the investment in the partnership consisted of the following:

Description

Balance as of January 1, 2021	\$1,446,725
Equity in earnings of investment in partnership	1,642,808
Distributions from partnership	<u>(1,651,827)</u>
Balance as of June 30, 2022	<u>\$ 1,437,706</u>

(4) REGULATORY REQUIREMENTS

The Company is exempt from the provisions of Rule 15c-3-3 of the Securities Exchange Act of 1934 (pursuant to the exemptive provisions of sub-paragraph (k)(1), in that all transactions would be limited to the purchase, sale and redemption of shares of a registered investment company; it does not hold funds or securities for customers; and it promptly transmits all funds and delivers all securities in connection with its activities as a broker or dealer.

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined, equal to the greater of \$5,000 or 6-2/3% of aggregate indebtedness. Net capital and the related net capital ratio may fluctuate on a daily basis. At June 30, 2022, the Company had net capital of \$97,673, and minimum net capital requirements of \$5,000. The percentage of aggregate indebtedness to net capital was 47%.

RFS PARTNERS

NOTES TO FINANCIAL STATEMENTS – (continued)

June 30, 2022

(5) REVENUE FROM CONTRACTS WITH CUSTOMERS

RFS Partners enters into arrangements with registered investment companies (mutual funds) to distribute shares to investors. RFS Partners receives distribution fees paid by the mutual funds, pursuant to distribution agreements between RFS Partners and such mutual funds. Such fees are based on a percentage of assets of a particular investment company share class when applicable or based on the number of mutual funds being distributed and are paid monthly. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date.

The Company may receive distribution fees paid by the mutual funds up front, over time, upon the investor's exit from the mutual fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date as distribution fees, and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. These variable amounts are recorded based on the average daily fund net asset balances. 12b-1 fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods, but have been constrained until the current period because the fees are affected by changes in average daily fund balances and asset under administration.

Disaggregated Revenue from Contracts with Customers: The following table presents revenue by major source.

Revenue from contracts with customers

Distribution Fees	
12B-1 Fees	\$628,001
Distribution fees	<u>132,000</u>
Total distribution fees	\$760,001
Total revenue from contracts with customers	<u>\$760,001</u>

(6) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and investment in a US Treasury money market fund. All of the Company's cash and investments in money market are held at high credit quality financial institutions in the United States of America. Cash and cash equivalents may at times exceed federally insured limits. In the even of a financial insolvency, the recover of these assets may be limited.



Crowe LLP
Independent Member Crowe Global

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have reviewed management's statements, included in the accompanying RFS Partners' Exemption Report in which (1) RFS Partners identified the following provisions of 17 C.F.R. § 15c3-3(k) under which RFS Partners claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(1) (the "exemption provisions") and (2) RFS Partners stated that RFS Partners met the identified exemption provisions throughout the period from January 1, 2021 to June 30, 2022 without exception. RFS Partners' management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about RFS Partners' compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

A handwritten signature in black ink that reads "Crowe LLP".

Crowe LLP

New York, New York
October 12, 2022

RFS Partners' Exemption Report

RFS Partners (the "Company"), is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company claimed an exemption from 17C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k)(1).

The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) for the period from January 1, 2021 to June 30, 2022 without exception.

RFS Partners

I, Stephen Rogers, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

President

September 29, 2022