

Tall Pines STEM Academy

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2023

TALL PINES STEM ACADEMY

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YEAR ENDED JUNE 30, 2023

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Independent Auditor's Report

The Governing Body
Tall Pines STEM Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tall Pines STEM Academy, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tall Pines STEM Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tall Pines STEM Academy, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tall Pines STEM Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Tall Pines STEM Academy management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tall Pines STEM Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Tall Pines STEM Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tall Pines STEM Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tall Pines STEM Academy's basic financial statements. The other supplementary financial information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates 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 other supplementary financial information is fairly stated, in all material respects, in relation to the basic 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 October 12, 2023, on our consideration of Tall Pines STEM 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 solely 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 the effectiveness of 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 Tall Pines STEM Academy's internal control over financial reporting and compliance.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA

Seneca, South Carolina

October 12, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TALL PINES STEM ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

As management of Tall Pines Stem Academy (the School), we offer readers of the School's audited financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets of the School exceeded its liabilities at the close of the fiscal year by \$355,823 (*net position*), versus liabilities exceeding assets by \$207,780 in the prior year.
- Governmental activities increased the School's net position by \$148,043, versus an increase of \$257,790 in the prior year.
- The School's governmental funds reported combined ending fund balances of \$116,907, versus (\$8,870) in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements consist of two kinds of statements that present different views of the School. The first two statements are known as the government-wide financial statements that provide both short-term and long-term information about the School's overall financial status in a format similar to that of a regular business. The remaining statements are fund financial statements that focus on individual segments of the School's finances by sources and uses of funds. The government funds statements tell how basic services such as education were financed in the short-term as well as what remains for future spending. Fiduciary funds statements provide information about the financial relationships in which the School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School's budget for the year.

BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the School's financial standing. The next statements are Fund Financial Statements. These statements focus on the activities of the individual segments of the School's government. These statements are more detailed than the government-wide financial statements. Immediately following the fund financial statements are the Notes to the Financial Statements (the Notes). The Notes offer a detailed explanation of the data contained in those statements. Next, Supplemental Information is provided to show details about the School's funds. Budgetary information for the School also can be found in this section of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide the reader with a broad overview of the School's finances, similar in format to the financial statements of a private-sector business. The government wide statements provide short and long-term information about the School's financial status as a whole. The two government-wide statements report the School's net position and how it has changed. Net position equals the difference between the School's total assets and total liabilities. Measuring net position is one way to gauge the School's financial condition. The government-wide statements include most of the School's basic functions such as instructional services and support services. These functions are funded almost entirely through state, county, and federal educational funds.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and reflect compliance, or non-compliance with finance-related requirements, such as the School's budget, where and when applicable. All of the funds of the School are governmental funds.

Governmental funds - Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies remaining at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using the modified accrual accounting method, which provides a short-term spending focus. The governmental fund financial statements assist the reader in determining whether there has been an increase or a decrease in the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation, which is an integral part of the fund financial statements.

The School has elected to adopt an annual budget. The budget incorporates input from the faculty, management, and the Board of Directors of the School and specifies which activities will be pursued and which services the School will provide during the year. It also authorizes the School to obtain funds from identified sources to finance current period activities. The budgetary statement demonstrates how well the School has complied with the budget and whether or not the School has succeeded in providing the services as originally planned.

Notes to the Financial Statements - The notes provide additional information essential to facilitating a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a School's financial condition. The liabilities of the School exceeded assets by \$355,823 as of June 30, 2023. \$238,916 reflects the School's investment in capital assets (e.g. building, furniture and fixtures, and equipment), less any related debt still outstanding that was issued to acquire those items. The School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining net position of \$116,907 is unrestricted.

Tall Pines Stem Academy's Condensed Statement of Net Position

	FY 2023	FY 2022
Current Assets	\$844,167	\$789,393
Capital Assets - Net	238,916	216,650
Total Assets	1,083,083	1,006,043
Current Liabilities	727,260	798,263
Total Liabilities	727,260	798,263
Net Investment in Capital Assets	238,916	216,650
Unrestricted	116,907	(8,870)
Total Net Position	\$355,823	\$207,780

Aspects of the School's financial operations that influenced the total unrestricted governmental net position:

- Revenues related to the School's Programs exceeded the related expenses for these programs.

Tall Pines Stem Academy's Changes in Net Position

	FY 2023	FY 2022
Operating Revenues		
County, State, and Federal Funds	\$4,207,918	\$3,508,510
Charges for Services	250,359	184,472
Non-Operating Revenues		
Interest and Miscellaneous	22,782	4,224
Total Revenue	4,481,059	3,697,206
Operating Expenses		
Instruction	3,663,367	2,743,256
Support Services	669,649	696,160
Total Expense	4,333,016	3,439,416
Increase (Decrease) in Net Position	148,043	257,790
Total Net Position, Beginning of Year	\$207,780	(\$50,010)
Total Net Position, End of Year	\$355,823	\$207,780

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of usable financial resources. Such information is useful in assessing the School's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General fund was \$116,907.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The School's investment in capital assets for its governmental activities as of June 30, 2023, totals \$238,916 (net of accumulated depreciation). Capital assets include any building, building improvements and equipment.

Tall Pines Stem Academy's Capital Assets

	<u>FY 2023</u>	<u>FY 2022</u>
Capital Assets:		
Buildings, Improvements, and CIP	\$273,395	\$235,123
Equipment	-	-
Total Capital Assets	<u>273,395</u>	<u>235,123</u>
Less: Accumulated Depreciation	<u>(34,479)</u>	<u>(18,473)</u>
Total Capital Assets being Depreciated, Net	<u>\$238,916</u>	<u>\$216,650</u>

Additional information about the School's capital assets can be found in Note 3 of the Notes to basic financial statements.

ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the School:

- The School continues to see community support as evidenced by the volunteerism, local organizations donating classroom and office supplies, private donations, and support through fund raising.
- The School has a returning staff of professionals that are committed to the School.
- The School continues to seek both federal and private grant funds to supplement its EFA funding.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Principal, Tall Pines Stem Academy, 82 Camp Long Road, Aiken, South Carolina, 29805, telephone number (803) 502-1692.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

TALL PINES STEM ACADEMY

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government	
	Governmental Activities	Total
Assets		
Cash	\$ 828,239	\$ 828,239
Due from Other Governmental Units	15,928	15,928
Capital Assets, Net of Depreciation	238,916	238,916
Total Assets	<u>1,083,083</u>	<u>1,083,083</u>
Liabilities		
Accounts Payable and Other Current Liabilities	<u>727,260</u>	<u>727,260</u>
Total Liabilities	<u>727,260</u>	<u>727,260</u>
Net Position		
Net Investment in Capital Assets	238,916	238,916
Unrestricted (Deficit)	<u>116,907</u>	<u>116,907</u>
Total Net Position	<u>\$ 355,823</u>	<u>\$ 355,823</u>

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

TALL PINES STEM ACADEMY
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Total
Governmental Activities:					
Instruction	\$ 3,663,367	\$ 250,359	\$ -	\$ (3,413,008)	\$ (3,413,008)
Support Services	669,649	-	-	(669,649)	(669,649)
Intergovernmental	-	-	4,207,918	4,207,918	4,207,918
Total Governmental Activities	4,333,016	250,359	4,207,918	125,261	125,261
Total Primary Government	\$ 4,333,016	\$ 250,359	\$ 4,207,918	125,261	125,261
General Revenues:					
Miscellaneous				22,782	22,782
Total General Revenues				22,782	22,782
Change in Net Position				148,043	148,043
Net Position - Beginning of Year				207,780	207,780
Net Position - End of Year				\$ 355,823	\$ 355,823

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

FUND FINANCIAL STATEMENTS

TALL PINES STEM ACADEMY

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Assets				
Cash	\$ 828,239	\$ -	\$ -	\$ 828,239
Due from:				
Other Governmental Units	-	15,928	-	15,928
Other Funds	15,928	-	-	15,928
Total Assets	<u>\$ 844,167</u>	<u>\$ 15,928</u>	<u>\$ -</u>	<u>\$ 860,095</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	727,260	-	-	727,260
Due to:				
Other Funds	-	15,928	-	15,928
Total Liabilities	<u>727,260</u>	<u>15,928</u>	<u>-</u>	<u>743,188</u>
Fund Balances:				
Unassigned	116,907	-	-	116,907
Total Fund Balances	<u>116,907</u>	<u>-</u>	<u>-</u>	<u>116,907</u>
Total Liabilities and Fund Balances	<u>\$ 844,167</u>	<u>\$ 15,928</u>	<u>\$ -</u>	<u>\$ 860,095</u>

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

TALL PINES STEM ACADEMY

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2023

Total Fund Balances - Governmental Funds \$ 116,907

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets was \$273,395 and the accumulated depreciation was \$34,479.

238,916

Total Net Position - Governmental Activities

\$ 355,823

TALL PINES STEM ACADEMY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Revenues				
Student Fees	\$ 250,359	\$ -	\$ -	\$ 250,359
Other Local	22,782	-	-	22,782
Total Local	273,141	-	-	273,141
Intergovernmental Revenue	3,248,141	334,937	624,840	4,207,918
Total Revenues	3,521,282	334,937	624,840	4,481,059
Expenditures				
Current:				
Instruction	3,263,507	330,052	53,802	3,647,361
Support Services	664,764	4,885	-	669,649
Capital Outlay	38,272	-	-	38,272
Total Expenditures	3,966,543	334,937	53,802	4,355,282
Excess (Deficiency) of Revenues Over Expenditures	(445,261)	-	571,038	125,777
Other Financing Sources (Uses)				
Transfers In (Out)	571,038	-	(571,038)	-
Total Other Financing Sources (Uses)	571,038	-	(571,038)	-
Net Change in Fund Balances	125,777	-	-	125,777
Fund Balances - Beginning of Year	(8,870)	-	-	(8,870)
Fund Balances - End of Year	\$ 116,907	\$ -	\$ -	\$ 116,907

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

TALL PINES STEM ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Governmental Funds \$ 125,777

Amounts reported for the governmental activities in the statement of activities are different because:

The governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital expenditures of \$38,272 exceeded depreciation expense of \$16,006 in the current period.

22,266

Change in Net Position - Governmental Activities

\$ 148,043

NOTES TO FINANCIAL STATEMENTS

TALL PINES STEM ACADEMY

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tall Pines STEM Academy (the School) was created in 2014 through a ten year charter granted by the South Carolina Public Charter School District (SCPCSD). The inaugural year for the Tall Pines STEM Academy was 2016-2017. The School is a discretely presented component unit of SCPCSD.

The School's mission is as follows: Tall Pines STEM Academy is to provide an option for families where STEM (Science, Technology, Engineering, and Math) is intertwined in the school's culture and prepares middle school students to become the next generation of ethical leaders. Tall Pines STEM Academy will provide a combination of classroom and outdoor learning experiences to engage students, promote wellness and physical fitness, inspire creativity, foster critical thinking and problem solving skills, and cultivate citizenship and leadership skills through rigorous and relevant content and projects in a natural setting.

In fiscal year 2023, the School consisted of approximately 380 students in grades five through eight.

A. The Reporting Entity

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

These financial statements present the School which is a component unit of South Carolina Public Charter School District. The School is a legally separate entity that is in substance part of the School District's operation.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. The School does not engage in any material *business-type* activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the School gives or receives value without directly receiving or giving equal value in exchange, includes intergovernmental revenues, grants, and donations. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The government-wide financial statements are prepared using a different measurement focus from the manner in which the governmental fund financial statements are prepared (see further detail below). Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**B. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued):**

The government-wide financial statements are prepared using a different measurement focus from the manner in which the governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Intergovernmental revenues, external service reimbursements and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of certain reimbursement expenditure grants for which a twelve month availability period is generally used.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease purchase expenditures, capital lease expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt, lease purchase obligations, and acquisitions under capital leases are reported as other financing sources. Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. When both restricted and unrestricted resources are available for use, it is the School's practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the School.

Governmental Fund Types are those through which most governmental functions of the School are financed. The School's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Fund) are accounted for through governmental funds. The governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The School's only governmental funds and its major funds are as follows:

The **General Fund, a major fund and a budgeted fund**, is used to account for all financial resources except those required to be accounted for in another fund. All revenue, charges for services, Education Finance Act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration, and other departments of the School are paid through the General Fund.

The **Special Revenue Funds** account for the operations of federal and state projects, which are required by the South Carolina State Department of Education to be accounted for in separate funds.

The **Education Improvement Act Fund** is used to account for the School's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued):

The School did not have any non-major funds as of June 30, 2023.

C. Cash

The School considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

D. Receivables and Payables

During the course of its operations, the School has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund receivables or payables have been recorded.

All trade receivables are shown net of an allowance for uncollectible amounts (if material). Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services.

E. Prepaid Items

The costs of prepaid items are accounted for using the consumption method (expensed when consumed).

F. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 40
Equipment	5 - 7

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt, lease purchases, or capital leases issued is reported as other financing sources. Premiums received on issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt, lease purchases, capital leases, compensated absences, and other related long-term liabilities that will eventually be paid from the governmental funds are not reported as a liability in the fund financial statements until due and payable.

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

I. Due from Other Governmental Units

Amounts due from other governmental units represents amounts owed to the School from the District for grant/contractual funding related to the School year ending June 30, 2023 that has been earned but not yet received as of June 30, 2023. The receivable balances totaled \$15,928 at year-end.

J. Fund Balance

In accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" ("GASB #54"), the School classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Fund Balance (continued):

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision-making authority (School Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and for which such assignments are made before the report issuance date. The School Board formally granted the School Administrator the right to make assignments of fund balance for the School.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The School generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

K. Net Position

Net position represents the difference between assets and deferred outflows (if any) and liabilities and deferred inflows (if any) in the statement of net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the governmental funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

M. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS:

The School is authorized by South Carolina state law to invest in the following types of investments:

- A) Obligations of the United States and agencies thereof;
- B) General obligations of the State of South Carolina, or any of its political units;
- C) Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
- D) Deposits in Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (A) and (B) above, held by a third party as escrow agent or custodian, or a market value not less than the amount of the Certificate of Deposit so secured, including interest;
- E) The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina state laws);
- F) Repurchase agreements.

At June 30, 2023, the carrying amount of the School's cash was \$828,239 and the bank balance was \$829,917.

Custodial credit risk for deposits - Custodial credit risk is the risk that the School's deposits will not be returned to it. The School has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to \$250,000 per bank. From time to time during the year, the School may have cash on deposit with banks that exceeds the balance insured by the FDIC.

Custodial credit risk for investments – Custodial credit risk for investments is the risk that, in the event of a bank failure, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit risk for Investments - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, and obligations of the United States Government and government agencies unconditionally guaranteed by the United States Government. The School has no investment policy that would further restrict its choices.

Interest rate risk for Investments - The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk for Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investments in a single issuer. The School does not have a policy that limits the amount that may be invested in any one issuer.

TALL PINES STEM ACADEMY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023

NOTE 3 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2023 is as follows (depreciation charged in instruction services):

	<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 162,794	\$ -	\$ (162,794)	\$ -
Total Capital Assets, Not Being Depreciated	<u>162,794</u>	<u>-</u>	<u>(162,794)</u>	<u>-</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	72,329	201,066	-	273,395
Total Capital Assets, being Depreciated	<u>72,329</u>	<u>201,066</u>	<u>-</u>	<u>273,395</u>
Total Capital Assets, Cost	<u>235,123</u>	<u>201,066</u>	<u>(162,794)</u>	<u>273,395</u>
Less Accumulated Depreciation:				
Building Improvements	(18,473)	(16,006)	-	(34,479)
Total Accumulated Depreciation	<u>(18,473)</u>	<u>(16,006)</u>	<u>-</u>	<u>(34,479)</u>
Total Capital Assets, being Depreciated, net	<u>53,856</u>	<u>185,060</u>	<u>-</u>	<u>238,916</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 216,650</u>	<u>\$ 185,060</u>	<u>\$ (162,794)</u>	<u>\$ 238,916</u>

NOTE 4 – INTERFUND ACTIVITY:

Transfers from and to other funds for the year ended June 30, 2023 consisted of the Education Improvement Act transferring \$571,038 to the General Fund.

NOTE 5 - RELATED PARTIES:

The School is a component unit of the SCPCSD’s financial statements. Annual funding allocated from the SCPCSD to the School during the year ended June 30, 2023 was approximately \$4,270,000. The District additionally provides services to the School at fair market value. The School paid the District \$60,624 for these services.

NOTE 6 - CONTINGENCIES:

Grants

The School participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

TALL PINES STEM ACADEMY

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

NOTE 6 – CONTINGENCIES (CONTINUED):

Litigation

The School may be party to various legal proceedings incidental to its operation. Certain claims, suits and complaints arising in the ordinary course of business may be filed or are pending. In the opinion of management, all such matters are adequately covered by insurance or if not so covered, are without merit, or involve such amounts as would not have a significant effect on the financial position of the School if disposed of unfavorably.

NOTE 7 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 12, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

TALL PINES STEM ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Local	\$ 28,350	\$ 28,350	\$ 273,141
State	1,423,422	1,423,422	3,248,141
Total Revenues	<u>1,451,772</u>	<u>1,451,772</u>	<u>3,521,282</u>
Expenditures			
Current:			
Instruction	3,235,781	3,235,781	3,263,507
Support Services	91,125	91,125	664,764
Capital Outlay	-	-	38,272
Total Expenditures	<u>3,326,906</u>	<u>3,326,906</u>	<u>3,966,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,875,134)</u>	<u>(1,875,134)</u>	<u>(445,261)</u>
Other Financing Sources (Uses)			
Transfers In	<u>1,882,419</u>	<u>1,882,419</u>	<u>571,038</u>
Total Other Financing Sources (Uses)	<u>1,882,419</u>	<u>1,882,419</u>	<u>571,038</u>
Net Change In Fund Balance	7,285	7,285	125,777
Fund Balances - Beginning of Year	<u>(8,870)</u>	<u>(8,870)</u>	<u>(8,870)</u>
Fund Balances - End of Year	<u>\$ (1,585)</u>	<u>\$ (1,585)</u>	<u>\$ 116,907</u>

See accompanying notes to budgetary comparison schedule - general fund

TALL PINES STEM ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2023

NOTE 1 – BASIS OF ACCOUNTING AND BUDGETARY PROCESS:

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles. The budget for the General Fund is prepared by function and activity and includes current year estimates for the next fiscal year. Fund expenditures may not exceed amounts within the total budget without the approval of the Board. Line item transfers within functions are approved by the Board of Directors. Budget amounts reflected in the accompanying schedule represent the adopted budget and any revisions during the fiscal year.

Budgets for the Special Revenue Fund and EIA Fund are approved by the appropriate granting agencies, and as such, these budgets are not part of the School's legally adopted budget and are not presented in the Budgetary Comparison Schedule.

SUPPLEMENTAL INFORMATION

TALL PINES STEM ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from Local Sources			
1700 Pupil Activities			
1790 Other Pupil Activity Income	\$ 28,350	\$ 250,359	\$ 222,009
1900 Other Revenue from Local Sources			
1920 Contributions & Donations Private Sources	-	22,664	22,664
1990 Miscellaneous Local Revenues			
1999 Revenue from Other Local Sources	-	118	118
Total Local Sources	<u>28,350</u>	<u>273,141</u>	<u>244,791</u>
3000 Revenue from State Sources			
3130 Special Programs:			
3103 State Aid to Classroom	-	3,238,938	3,238,938
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	302,943	-	(302,943)
3300 Education Finance Act			
3310 Full-time Programs			
3313 Elementary	893,286	-	(893,286)
3320 Part-time Programs			
3323 Learning Disabilities	94,955	-	(94,955)
3330 Miscellaneous EFA Programs			
3332 High Achieving Students	51,446	-	(51,446)
3351 Academic Assistance	60,327	-	(60,327)
3352 Pupils in Poverty	20,465	-	(20,465)
3392 NBC Excess EFA Formula	-	9,203	9,203
Total Revenue from State Sources	<u>1,423,422</u>	<u>3,248,141</u>	<u>1,824,719</u>
Total Revenue All Sources	<u>1,451,772</u>	<u>3,521,282</u>	<u>2,069,510</u>

TALL PINES STEM ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
100 Instruction			
110 General Instruction			
113 Elementary Programs			
300 Purchased Services	3,218,906	2,944,373	274,533
400 Supplies and Materials	16,875	312,826	(295,951)
127 Learning Disabilities			
300 Purchased Services	-	1,874	(1,874)
400 Supplies and Materials	-	4,434	(4,434)
Total Instruction	3,235,781	3,263,507	(27,726)
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
300 Purchased Services	-	1,315	(1,315)
213 Health Services			
300 Purchased Services	-	875	(875)
400 Supplies and Materials	-	51	(51)
214 Psychological Services			
300 Purchased Services	-	11,830	(11,830)
215 Exceptional Program Services			
300 Purchased Services	-	18,071	(18,071)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development			
400 Supplies and Materials	-	20,051	(20,051)
224 Improv. of Instr. - In-svc and Staff Training			
300 Purchased Services	13,500	6,513	6,987
400 Supplies and Materials		1,137	(1,137)
230 General Administration Services			
231 Board of Education			
318 Audit Fees	13,500	-	13,500
319 Legal Fees	3,375	-	3,375
600 Other Objects	19,125	12,486	6,639
233 School Administration			
300 Purchased Services	2,250	100,317	(98,067)
400 Supplies and Materials	28,125	10,500	17,625
252 Fiscal Services			
300 Purchased Services	-	111,983	(111,983)

TALL PINES STEM ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
253 Facilities Acquisition and Construction			
520 Construction Services		38,272	(38,272)
254 Operation and Maintenance of Plant			
300 Purchased Services	-	135,478	(135,478)
400 Supplies and Materials	-	9,996	(9,996)
470 Energy	-	61,797	(61,797)
257 Internal Services			
400 Supplies and Materials	-	2,817	(2,817)
263 Information Services			
300 Purchased Services	-	228	(228)
270 Support Services Pupil Activity			
271 Pupil Services Activities			
600 Other Objects	11,250	163,550	(152,300)
Total Support Services	<u>91,125</u>	<u>703,036</u>	<u>(611,911)</u>
Total Expenditures	<u>3,326,906</u>	<u>3,966,543</u>	<u>(639,637)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(1,875,134)</u>	<u>(445,261)</u>	<u>1,429,873</u>
Interfund Transfers, From (To) Other Funds			
5220 Transfer from Special Revenue Fund	29,181	-	(29,181)
5230 Transfer from EIA Fund	1,853,238	571,038	(1,282,200)
Total Other Financing Sources (Uses)	<u>1,882,419</u>	<u>571,038</u>	<u>(1,311,381)</u>
Net Change In Fund Balance	7,285	125,777	118,492
Fund Balances - Beginning of Year	<u>(8,870)</u>	<u>(8,870)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (1,585)</u>	<u>\$ 116,907</u>	<u>\$ 118,492</u>

TALL PINES STEM ACADEMY

SPECIAL REVENUE FUND - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	IDEA	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues				
3000 Revenue from State Sources				
3100 Restricted State Funding				
3120 General Education				
3127 Student Health and Fitness - PE Teachers	\$ -	\$ 1,473	\$ -	\$ 1,473
3130 Special Programs				
3135 Reading Coaches		43,000	-	43,000
3187 Teacher Supplies	-	6,900	-	6,900
Total State Sources	-	51,373	-	51,373
4000 Revenue from Federal Sources				
4300 Elementary and Secondary Education Act of 1965 (ESEA)				
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	1,000	1,000
4351 Improving Teacher Quality	-	-	11,936	11,936
4500 Programs for Children with Disabilities				
4510 Individuals With Disabilities Education Act (IDEA)	32,976	-	-	32,976
4900 Other Federal Sources				
4931 IDEA ARP	-	-	5,614	5,614
4937 ARP Homeless Children & Youth	-	-	1,315	1,315
4974 ESSER III Funds	-	-	182,602	182,602
4977 ESSER II Funds	-	-	48,121	48,121
Total Federal Sources	32,976	-	250,588	283,564
Total Revenue All Sources	32,976	51,373	250,588	334,937
Expenditures				
100 Instruction				
110 General Instruction				
113 Elementary Programs				
300 Purchased Services	-	43,000	247,176	290,176
400 Supplies and Materials	-	6,900	-	6,900
127 Learning Disabilities				
300 Purchased Services	32,976	-	-	32,976
Total Instruction	32,976	49,900	247,176	330,052
200 Support Services				
210 Pupil Services				
213 Health Services				
300 Purchased Services	-	1,473	-	1,473
233 School Administration				
300 Purchased Services	-	-	343	343
400 Supplies and Materials	-	-	1,049	1,049
600 Other Objects	-	-	2,020	2,020
Total Support Services	-	1,473	3,412	4,885
Total Expenditures	32,976	51,373	250,588	334,937
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers In From General Fund	-	-	-	-
Net Change In Fund Balance	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

TALL PINES STEM ACADEMY

SPECIAL REVENUE FUND - SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2023

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers</u>
917	3187	Teacher Supplies	\$ 6,900	\$ 6,900	-
935	3135	Reading Coaches	43,000	43,000	-
937	3127	Student Health and Fitness - PE Teachers	1,473	1,473	-
	Totals		<u>\$ 51,373</u>	<u>\$ 51,373</u>	<u>\$ -</u>

TALL PINES STEM ACADEMY

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2023

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act:

3503 State Aid to Classroom	\$	571,038
3518 Formative Assessment		1,111
3526 Refurbishment of K-8 Science Kits		12,913
3535 Reading Coaches		16,260
3536 Student Health and Fitness		22,549
3595 EEDA Supplies and Materials		969

Total State Sources

624,840

Total Revenue All Sources

624,840

Expenditures

100 Instruction

110 General Instruction

113 Elementary Programs

300 Purchased Services

53,802

Total Instruction

53,802

Total Expenditures

53,802

Excess (Deficiency) of Revenues over Expenditures

571,038

Interfund Transfers, From (To) Other Funds:

420-710 Transfers to General Fund

(571,038)

Total Other Financing Sources (Uses)

(571,038)

Net Change in Fund Balance

-

Fund Balances - Beginning of Year

-

Fund Balances - End of Year

\$ -

TALL PINES STEM ACADEMY

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT - SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2023

Program	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers Out</u>
3500 Education Improvement Act:			
3503 State Aid to Classroom	\$ 571,038	\$ -	\$ 571,038
3518 Formative Assessment	1,111	1,111	-
3526 Refurbishment of K-8 Science Kits	12,913	12,913	-
3535 Reading Coaches	16,260	16,260	-
3536 Student Health and Fitness	22,549	22,549	-
3595 EEDA Supplies and Materials	969	969	-
Totals	<u>\$ 624,840</u>	<u>\$ 53,802</u>	<u>\$ 571,038</u>

TALL PINES STEM ACADEMY

DETAILED SCHEDULE OF DUE TO SOUTH CAROLINA DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2023

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors
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No funds are due to state/federal government

COMPLIANCE SECTION



PAYNE, WHITE & SCHMUTZ
— CERTIFIED PUBLIC ACCOUNTANTS, PA —

114 West North 1st Street, Seneca, SC 29678 (864)882-1937 (864)882-0849

**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**

Independent Auditor's Report

The Governing Body
Tall Pines STEM Academy

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 the governmental activities, each major fund, and the aggregate remaining fund information of Tall Pines STEM Academy as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tall Pines STEM Academy's basic financial statements, and have issued our report thereon dated October 12, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tall Pines STEM Academy'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 Tall Pines STEM Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Tall Pines STEM Academy'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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Tall Pines STEM Academy'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.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA

October 12, 2023

A. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements were disclosed during the audit.
4. No instances of noncompliance relating to the financial statements were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS – COMPLIANCE

None noted.