

High Point Academy, Inc.
(A Component Unit of the South Carolina
Public Charter School District)

Spartanburg, South Carolina

ANNUAL FINANCIAL REPORT
June 30, 2024

(With Independent Auditors' Report Thereon)

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Annual Financial Report
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June 30, 2024**

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MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

Board of Directors
High Point Academy, Inc.
Spartanburg, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of High Point Academy, Inc. ("the School"), a component unit of the South Carolina Public Charter School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School at June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of High Point Academy, Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

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 the School'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.

Auditors' 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 auditors' report that includes our opinion. 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 generally accepted auditing standards and Government Auditing Standards 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 reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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 the School'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 the School'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, budgetary comparison information, pension liability and contribution schedules, and other postemployment benefits liability and contribution schedules as listed in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is supplementary information required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise High Point Academy, Inc.'s financial statements. The accompanying combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic 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 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 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 combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
October 31, 2024

HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This discussion and analysis of High Point Academy, Inc.'s ("the School") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should read the information presented herein in conjunction with additional information we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

In the Statement of Net Position, the liabilities and deferred inflows of the School exceeded its assets and deferred outflows at the close of the 2024 fiscal year by \$16,038,947 (net deficit). The School has restricted net position of \$2,376,123 relating to its debt obligations and its food service program. Therefore, the School reported an unrestricted net deficit of \$18,415,070.

Included in liabilities is the net pension obligation of \$13,263,949 and other post-employment benefit obligation of \$9,043,337.

The School's total net position decreased by \$1,307,715 during its most recent fiscal year.

The School's total capital assets, net of accumulated depreciation, increased by \$145,812 during the current fiscal year, as property additions exceeded depreciation.

The School's total long-term debt decreased by \$470,000 during the current fiscal year, as the School made its scheduled debt payments.

Fund Financial Statements

As of the close of the current fiscal year, the School's Governmental Funds reported combined ending fund balances of \$5,696,237. This is a decrease in the fund balances of \$1,253,655 from the previous year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$3,283,732.

During the 2024 fiscal year, the School's governmental fund-type revenues were \$16,932,369, an increase of \$39,277 from the previous year.

During the current fiscal year, the School's governmental fund-type expenditures were \$18,186,024, including \$731,896 in capital expenditures.

Overall

The 135-day student count decreased by 11, from 1,243 students in the prior year to 1,232 students in the current year. The 135-day enrollment count is the basis for most of the state funds that the School receives.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the School's financial statements. The School's financial statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the financial statements, this report contains Required Supplementary Information that will enhance the reader's understanding of the financial condition of the School.

HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of the School's overall financial status, in a manner similar to a private-sector enterprise.

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

The Statement of Activities presents information showing how the government's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods.

The Government-Wide Financial Statements distinguish functions of the School that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). However, all activities of the School are Governmental Activities, which include instruction, supporting services, and debt service. The School's operations do not include any Business-type Activities.

The Government-Wide Financial Statements can be found at Exhibits A and B of this report.

Fund Financial Statements

The remaining financial statements are Fund Financial Statements which focus on individual parts of the School, reporting the School's operations in more detail than the Government-Wide Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School are Governmental Funds, one of three types of funds (governmental, proprietary, and fiduciary).

Governmental Funds are used to account for essentially the same functions reported as Governmental Activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on near-term uses of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

The School maintains two individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund and the Special Revenue Fund. The Governmental Funds Financial Statements can be found at Exhibits C, D, E, and F of this report.

**HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found following Exhibit F of this report.

Other Information

The School adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided in the required supplementary information section for this fund to demonstrate compliance with its budget.

Major Features of High Point Academy Government-Wide and Fund Financial Statements		
	Government-Wide Statements	Fund Financial Statements
		<i>Government Funds Only</i>
Scope	Entire school unit	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after

HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows exceeded assets and deferred outflows by \$16,038,947 at the close of the most recent fiscal year.

The following table provides a summary of the School's net position for 2024 compared to 2023:

Net Position		
	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 7,010,802	\$ 8,195,623
Capital assets	25,374,528	25,228,715
Total assets	<u>32,385,330</u>	<u>33,424,338</u>
Deferred Outflows of Resources	<u>7,751,347</u>	<u>8,732,316</u>
Liabilities		
Net pension/OPEB liabilities	22,307,286	22,758,063
Long-term liabilities	26,113,056	26,635,551
Other liabilities	<u>1,314,567</u>	<u>1,245,732</u>
Total liabilities	<u>49,734,909</u>	<u>50,639,346</u>
Deferred Inflows of Resources	<u>6,440,715</u>	<u>6,248,540</u>
Net Position		
Net investment in capital	-	-
Restricted	2,376,123	2,086,263
Unrestricted net position (deficit)	<u>(18,415,070)</u>	<u>(16,817,495)</u>
Total net position (deficit)	<u>\$ (16,038,947)</u>	<u>\$ (14,731,232)</u>

During the current fiscal year, net position of the School's Governmental Activities decreased by \$1,307,715. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from a deficit of \$16,817,495 at June 30, 2023, to a deficit of \$18,415,070 at June 30, 2024.

**HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following table shows the changes in net position for fiscal year 2024 compared to 2023:

Changes in Net Position		
	Governmental Activities	
	204	2023
Revenues		
Program revenues:		
Operating grants	\$ 16,072,936	\$ 15,845,340
Charges for services and sales	451,883	453,160
General revenue:		
Other	409,191	596,169
	<u>16,934,010</u>	<u>16,894,669</u>
Program Expenses		
Instruction	9,619,099	8,586,406
Support services	7,207,975	7,419,871
Interest	1,414,651	1,442,863
	<u>18,241,725</u>	<u>17,449,140</u>
Change in net position	<u>\$ (1,307,715)</u>	<u>\$ (554,471)</u>

Governmental Activities:

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

For the year ended June 30, 2024, the School's Governmental Funds reported combined fund balances of \$5,696,237 as compared to \$6,949,892 for the prior year. This decrease in fund balances of \$1,253,655 compared to an increase of \$286,057 in the previous year. Overall governmental revenues increased by \$39,277. Federal funding under ESSER and other programs decreased by approximately \$550,000, while state funding increased. The School continued to invest in its teachers and staff, with salary and benefits expenses increasing by approximately ten percent for the year.

The Special Revenue Fund consists of various federal and Education Improvement Act Funds. These funds were spent appropriately as mandated by the legislation that allowed for their distribution. The funds that were received during the year were expended during the current fiscal year; therefore, there was no fund balance at the end of the previous or current year, other than fund balances relating to student activity funds.

General Fund Budgetary Highlights

The School's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2024, amendments to the School's General Fund budget resulted in an insignificant change in fund balances.

**HIGH POINT ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the School had \$25,374,528 net investment in capital assets. The total increase in the School's net investment in capital assets was \$145,811. The School made \$744,221 in additions to property and recognized \$598,407 in depreciation expense.

The following table shows fiscal 2024 balances compared to 2023:

	Capital Assets (Net of Depreciation)	
	Governmental Activities	
	2024	2023
Land	\$ 8,333,253	\$ 8,333,253
Buildings	15,222,610	15,660,240
Building improvements	1,148,547	553,426
Land improvements	327,132	269,132
Equipment	280,002	75,865
Vehicles	62,984	336,799
Totals	<u>\$ 25,374,528</u>	<u>\$ 25,228,715</u>

Long-term Debt

At fiscal year-end, the School had \$25,315,000 in bonds payable to the South Carolina Jobs – Economic Development Authority versus \$25,785,000 in the prior year. The School made its scheduled principal payments on its bonds and is in compliance with its debt covenants.

More detailed information about the School's debt and other long-term liabilities is presented in the Notes to the Financial Statements.

Economic Factors

The following key economic indicators reflect the operations of the School:

- The School continues to see community support as evidenced by volunteerism, local organizations donating classroom and office supplies, private donations, and support through fundraising.
- The School has a returning staff of professionals that are committed to the School.
- The School will continue to seek both federal and private grant funds to supplement its Education Finance Act ("EFA") funding.

Contacting the School's Financial Management

This financial report is designed to provide interested parties with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School's business office located at 6655 Pottery Road, Spartanburg, South Carolina 29303.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 4,548,573
Cash and cash equivalents - restricted	2,204,131
Due from other governmental units	221,716
Prepaid expenses and other assets	36,382
Capital assets	28,617,676
Less accumulated depreciation	(3,243,148)
Total capital assets, net of depreciation	<u>25,374,528</u>
Total assets	<u>32,385,330</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred amounts relating to pensions and OPEB	<u>7,751,347</u>
Total deferred outflows of resources	<u>7,751,347</u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	1,212,679
Revenue collected in advance	91,958
Due to other governmental units	9,930
Net pension liability	13,263,949
Net OPEB liability	9,043,337
Long-term liabilities:	
Due within one year	495,000
Due in more than one year	<u>25,618,056</u>
Total liabilities	<u>49,734,909</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred amounts relating to pensions and OPEB	<u>6,440,715</u>
Total deferred inflows of resources	<u>6,440,715</u>
<u>NET POSITION (DEFICIT)</u>	
Net investment in capital assets	-
Restricted	2,376,123
Unrestricted net position (deficit)	<u>(18,415,070)</u>
Total net position (deficit)	<u>\$ (16,038,947)</u>

The notes to the financial statements are an integral part of this statement.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Statement of Activities
For the Fiscal Year Ended June 30, 2024

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue (Expense) and Change in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction	\$ 9,619,099	\$ -	\$ 8,470,805	\$ (1,148,294)
Support services	7,207,975	-	6,354,905	(853,070)
Interest and other charges	1,414,651	451,883	1,247,226	284,458
Total Governmental Activities	<u>18,241,725</u>	<u>451,883</u>	<u>16,072,936</u>	<u>(1,716,906)</u>
Total	\$ <u>18,241,725</u>	\$ <u>451,883</u>	\$ <u>16,072,936</u>	<u>(1,716,906)</u>
General revenues:				
Other revenue				196,265
Unrestricted investment earnings				<u>212,926</u>
Total general revenues				<u>409,191</u>
Change in net position				(1,307,715)
Net position (deficit), beginning of year				<u>(14,731,232)</u>
Net position (deficit), end of year				<u>\$ (16,038,947)</u>

The notes to the financial statements are an integral part of this statement.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,548,573	\$ -	\$ -	\$ 4,548,573
Cash and cash equivalents - restricted	2,204,131	-	-	2,204,131
Due from other governmental units	-	221,716	-	221,716
Due from other funds	49,724	-	54,099	103,823
Prepaid expenses and other assets	36,382	-	-	36,382
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>6,838,810</u>	\$ <u>221,716</u>	\$ <u>54,099</u>	\$ <u>7,114,625</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,212,677	\$ -	\$ -	\$ 1,212,677
Due to other governmental units	-	-	9,930	9,930
Due to other funds	54,099	49,724	-	103,823
Unearned revenue	47,789	-	44,169	91,958
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,314,565	49,724	54,099	1,418,388
Fund balances:				
Nonspendable	36,382	-	-	36,382
Restricted	2,204,131	171,992	-	2,376,123
Unassigned	3,283,732	-	-	3,283,732
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	5,524,245	171,992	-0-	5,696,237
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>6,838,810</u>	\$ <u>221,716</u>	\$ <u>54,099</u>	\$ <u>7,114,625</u>

The notes to the financial statements are an integral part of this statement.

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024**

Total fund balance - Governmental Funds	\$ 5,696,237
Amounts reported for Governmental Activities in the Statement of Net Position are different because of the following:	
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in Governmental Funds. The cost of assets is \$28,617,675, and the accumulated depreciation is \$3,243,149.	25,374,526
Long-term liabilities, including net pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(22,307,286)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(26,113,056)
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	7,751,347
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	<u>(6,440,715)</u>
Net position (deficit) of Governmental Activities	<u><u>\$ (16,038,947)</u></u>

The notes to the financial statements are an integral part of this statement.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	EIA Fund	Total Governmental Funds
REVENUES				
Local	\$ 859,433	\$ 36,570	\$ -	\$ 896,003
State	12,194,371	89,866	2,505,730	14,789,967
Federal	-	1,246,399	-	1,246,399
Intergovernmental	-	-	-	-
	<u>13,053,804</u>	<u>1,372,835</u>	<u>2,505,730</u>	<u>16,932,369</u>
Total revenues all sources				
EXPENDITURES				
Current:				
Instruction	8,236,607	321,674	72,234	8,630,515
Support services	6,412,887	456,108	17,471	6,886,466
Community services	-	-	-	-
Intergovernmental	-	1,641	-	1,641
Debt services:				
Principal payments	470,000	-	-	470,000
Interest and other charges	1,465,506	-	-	1,465,506
Capital outlay	167,549	564,347	-	731,896
	<u>16,752,549</u>	<u>1,343,770</u>	<u>89,705</u>	<u>18,186,024</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(3,698,745)</u>	<u>29,065</u>	<u>2,416,025</u>	<u>(1,253,655)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,416,025	-	-	2,416,025
Operating transfers out	-	-	(2,416,025)	(2,416,025)
	<u>-</u>	<u>-</u>	<u>(2,416,025)</u>	<u>(2,416,025)</u>
Total other financing sources (uses)				
	<u>2,416,025</u>	<u>-</u>	<u>(2,416,025)</u>	<u>-</u>
Net changes in fund balance	(1,282,720)	29,065	-0-	(1,253,655)
FUND BALANCE, July 1, 2023	<u>6,806,965</u>	<u>142,927</u>	<u>-0-</u>	<u>6,949,892</u>
FUND BALANCE, June 30, 2024	<u>\$ 5,524,245</u>	<u>\$ 171,992</u>	<u>\$ -0-</u>	<u>\$ 5,696,237</u>

The notes to the financial statements are an integral part of this statement.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balance - Governmental Funds	\$ (1,253,655)
Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$744,221), less disposals, exceeds depreciation (\$598,409) in the period.	145,812
Amortization of bond premium is recognized over the original life of the bonds in the Statement of Net Position.	52,495
Repayment of long-term notes is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	470,000
Governmental Funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.	1,641
Governmental Funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions is reported as pension and OPEB expense. This is the amount by which the costs of benefits earned (\$2,488,241) exceeds employer contributions (\$1,764,233).	<u>(724,008)</u>
Change in net position of Governmental Activities	<u><u>\$ (1,307,715)</u></u>

The notes to the financial statements are an integral part of this statement.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of High Point Academy, Inc. (“the School”) conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governments. The Government Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

A. Reporting Entity

High Point Academy, Inc. is a nonprofit organization incorporated in the State of South Carolina and organized under the South Carolina Charter School Act of 1996. The School began operations in August 2014. The School operates within the South Carolina Public Charter School District (“the District”). The School serves 1,232 students in kindergarten through twelfth grade in Spartanburg County, South Carolina. A charter school is an independent public school, governed by an independent Board of Directors (“the Board”). To encourage innovation, charter schools operate free from a number of state laws and regulations. An initial charter is granted for a five-year period, renewable every five to ten years thereafter.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Charter schools may charge for selected additional costs consistent with those permitted by school districts. Because charter schools receive local, state, and federal funds, they may not charge tuition.

The School is considered a component unit of the South Carolina Public Charter School District. A component unit, although a legally separate entity, is, in substance, part of the District's operations. The School has no component units for which it is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities which report information on the School as a whole, except for fiduciary funds, if any. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges paid by the recipient of goods or services offered by the program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements report detailed information about the School. The focus of Governmental Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Governmental Funds 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. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. All other revenue items are considered to be measurable and available only when cash is received by the School.

The School reports the following major Governmental Funds:

- The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund. All general revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.
- The Special Revenue Fund accounts for specific revenue sources that are legally restricted to expenditures for specified purposes. Money in this fund is expended according to the provisions of general statutes applicable to charter schools.
- The Special Revenue - Education Improvement Act ("EIA") Fund is used to account for the revenue from the South Carolina Education Improvement Act of 1984 which is legally required by the state to be accounted for as a specific revenue source.

The School reports no non-major Governmental Funds at June 30, 2024.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance

1) Deposits and Investments

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

3) Receivables and Payables

During the course of operations, numerous transactions occur between the School, vendors and revenue sources for goods provided or services rendered. Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. All receivables are considered fully collectible; therefore, no allowance has been made for doubtful accounts. Amounts due to individuals, vendors or other governmental units are recorded as payables at year-end.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

4) Capital Assets

Capital assets include building improvements, vehicles, and equipment. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over an estimated useful life of five to fifteen years.

5) Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

6) Long-term Obligations

In the Government-Wide Financial Statements, long-term debt and long-term obligations are reported as liabilities in the applicable Governmental Activities Statement of Net Position. In the Fund Financial Statements, governmental fund types recognize principal and interest payments as expenditures of the current period and report the face amount of debt issued as other financing sources.

7) Compensated Absences

Vacation is noncumulative, and employees are not paid for unused vacation days. Sick pay is nonvesting. Due to these policies and other uncertainties, there is no vested or accumulated vacation or sick pay that is expected to be paid after year end.

8) Pension Plan

In Government-Wide Financial Statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The School recognizes a net pension liability ("NPL"), which represents the School's proportionate share of the excess of the total pension liability ("TPL") over the fiduciary net position of the qualified pension plan, measured as of the School's fiscal year-end. Changes in the NPL during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in NPL that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

9) Postemployment Benefits Other Than Pensions

In Government-Wide Financial Statements, postemployment benefits other than pensions ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the modified accrual basis of accounting. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

10) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. School contributions to the pension and OPEB plans subsequent to the measurement date and the net difference between expected and actual experience in the pension and OPEB plans are included as deferred outflows of resources. These deferred charges are either (a) recognized in the subsequent period as a reduction of the net pension and OPEB liability (which includes pension and OPEB contributions made after the measurement date) or (b) amortized in a systematic and rational way to pension and OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The net difference between projected and actual earnings on pension and OPEB plan investments are included as deferred inflows of resources. These deferred credits are amortized in a systematic and rational way as a reduction to pension and OPEB expense in future periods in accordance with GAAP.

11) Fund Equity

In the Fund Financial Statements, fund balance classifications depict the nature of the net resources reported in the Governmental Funds. Individual Governmental Funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The General Fund also includes unassigned amounts. The School considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. The School has no restricted fund balances in its non-general funds. Committed fund balance amounts are established by the School's Board through motions passed at School Board meetings. The School has no committed fund balance amounts. Assigned fund balance amounts are established by the School administration. The School has no assigned fund balance amounts.

Nonspendable Fund Balance - includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The School's nonspendable fund balance represents amounts not in spendable form.

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation. The School has \$2,204,131 restricted under terms of loan agreements, as further described at Note III. A. below. The School also has \$171,992 restricted for its food service program.

Committed Fund Balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the School's Board.

Assigned Fund Balance - includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are established by the School's administration.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance, Continued

11) Fund Equity, continued

Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents 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. In other Governmental Funds, it may be necessary to report a negative unassigned fund balance.

12) Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists 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 its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

13) Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to 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 below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market 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.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

14) Use of Estimates

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

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets for all Governmental Funds are adopted on the modified accrual basis for accounting, which is consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end, and the School does not employ encumbrance accounting.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without the approval of the School's Board. The legal level of control is at the fund level. During the year, the School revised the budget. The administration has discretionary authority to make transfers between appropriation accounts.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2024, the School's carrying amount of deposits was \$6,752,704, and the bank balance was \$6,433,351, all of which was covered by Federal Deposit Insurance Corporation ("FDIC") or collateralized. The School had no investments at June 30, 2024.

Cash equivalent balances of \$2,119,802 at June 30, 2024, are held by a trustee and are restricted under the terms of loan agreements for the periodic payment of interest on such loans. Cash equivalent balances of \$71,168 at June 30, 2024, are held by a trustee and are restricted under the terms of a loan agreement for authorized property repair and replacement costs. Cash equivalent balances of \$13,161 at June 30, 2024, are held by a trustee and are restricted under the terms of a loan agreement for specified uses.

Custodial credit risk for cash deposits and investments is the risk that, in the event of a bank failure, the School's deposits or investments might not be recovered. The School does not have a formal deposit policy for credit risk but follows the investment policy statutes of the State of South Carolina.

The School is authorized to invest in securities as allowed by South Carolina statute. Those investments are restricted to:

- 1) Obligations of the United States and agencies thereof;
- 2) General obligations of the State of South Carolina or any of its political units;
- 3) Banks and savings and loan associations to the extent that the same are secured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation ("FDIC");
- 4) Deposits in certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest;
- 5) 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); and
- 6) Repurchase agreements.

The School does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

The School places no limit on the amount the School may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds are exempt from concentration of credit risk disclosures.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

III. DETAILED NOTES ON ALL FUNDS, Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,333,253	\$ -	\$ -	\$ 8,333,253
	<u>8,333,253</u>	<u>-0-</u>	<u>-0-</u>	<u>8,333,253</u>
Capital assets, being depreciated:				
Buildings	17,351,697	-	-	17,351,697
Building improvements	743,882	662,248	-	1,406,130
Land improvements	388,550	16,511	-	405,061
Equipment	868,830	65,462	-	934,292
Vehicles	187,243	-	-	187,243
	<u>19,540,202</u>	<u>744,221</u>	<u>-0-</u>	<u>20,284,423</u>
Less accumulated depreciation for:				
Buildings	1,691,456	437,631	-	2,129,087
Building improvements	190,456	67,127	-	257,583
Land improvements	51,751	26,178	-	77,929
Equipment	599,700	54,590	-	654,290
Vehicles	111,378	12,881	-	124,259
	<u>2,644,741</u>	<u>598,407</u>	<u>-0-</u>	<u>3,243,148</u>
Total capital assets being depreciated, net	<u>16,895,461</u>	<u>145,814</u>	<u>-0-</u>	<u>17,041,275</u>
Governmental Activities capital assets, net	<u>\$ 25,228,714</u>	<u>\$ 145,814</u>	<u>\$ -0-</u>	<u>\$ 25,374,528</u>
Depreciation was charged to functions/programs as follows:				
Governmental Activities:				
Instruction			\$ 478,726	
Support			<u>119,681</u>	
Total depreciation expense - Governmental Activities			<u>\$ 598,407</u>	

C. Due to/From Other Funds

Interfund balances at June 30, 2024, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 49,724	\$ 54,099
Special Revenue Funds:		
Special Projects Fund	-	49,724
EIA Fund	<u>54,099</u>	<u>-</u>
	<u>\$ 103,823</u>	<u>\$ 103,733</u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

III. DETAILED NOTES ON ALL FUNDS, Continued

C. Due to/From Other Funds, Continued

The General Fund receivable is a result of the Special Revenue Fund owing the General Fund for claims that were filed but not yet received. The General Fund payable is a result of the General Fund owing the EIA Fund for amounts received for state claims on behalf of the EIA Fund.

The EIA Fund transferred \$2,416,025 to the General Fund during the year to align funding within the fund from which the majority of the School's expenditures are made.

D. Long-term Debt

Changes in long-term debt for the year ended June 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Series 2018A Bonds	\$ 25,785,000	\$ -	\$ (470,000)	\$ 25,315,000	\$ 495,000
Total	<u>\$ 25,785,000</u>	<u>\$ -0-</u>	<u>\$ (470,000)</u>	25,315,000	<u>\$ 495,000</u>
Premium on bonds issued, net of accumulated amortization				<u>798,056</u>	
Total long-term obligations at end of year				<u>\$ 26,113,056</u>	
\$26,645,000 SC Jobs Economic Development Authority Bonds, issued 2018, due in annual installments of \$100,000 to \$1,825,000 beginning 2021 through 2049, interest payable semi-annually at 5.00% - 5.75%				<u>\$ 25,315,000</u>	
				<u>\$ 25,315,000</u>	

Maturities of the notes outstanding at June 30, 2024, are as follows:

<u>Year Ending June 30</u>	
2025	\$ 495,000
2026	520,000
2027	545,000
2028	570,000
2029	600,000
Thereafter	<u>22,585,000</u>
Total	<u>\$ 25,315,000</u>

Interest expense for the year ended June 30, 2024, was \$1,458,638.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

III. DETAILED NOTES ON ALL FUNDS, Continued

D. Long-term Debt, continued

In December 2018, the School borrowed \$26,895,000 from South Carolina Jobs - Economic Development Authority ("the Authority") evidenced by a loan agreement. The Authority issued Educational Facilities Revenue Bonds, Series 2018 in connection with this loan agreement. These bonds pay interest semi-annually at 5.00% to 5.75% and are subject to mandatory redemption. The repayment provisions of the loan agreement are identical to the bond requirements.

Covenants contained in the loan agreement limit the School's ability to incur additional debt or grant security interests in its assets; require periodic financial reporting; and require the School to maintain minimum levels of net income available for debt service, as defined, in comparison with maximum annual debt service and to maintain a minimum specified working capital ratio. Other customary covenants, representations, conditions, and default provisions for such a loan agreement are present. For the year ended June 30, 2024, the School is in compliance with all debt covenants.

E. Lease Obligations

The School entered into lease agreements for copiers with monthly payments of approximately \$3,200 over three years. The School follows the guidance of GASB Statement #87. The statement requires recognition of certain lease assets and liabilities that previously were classified as operating leases. A lessee entity is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset, for long-term lease obligations. The School analyzed its leases and determined that, due to terms and materiality, they did not meet the criteria for recognition as a long-term lease obligation and Right of Use Asset.

IV. OTHER INFORMATION

A. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains a \$1,000,000 per occurrence general liability policy and a \$2,000,000 per occurrence errors and omissions policy with a commercial carrier.

The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past two fiscal years.

B. Employee Retirement Systems and Pension Plans

The School participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("the PEBA Board") appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the systems and the trust funds. The Retirement System Investment Commission, created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member Board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans

For purposes of measuring the NPL, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and, therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions – The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the State and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government, and first-term individuals elected to the South Carolina General Assembly.

The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third-party service providers.

Plan Membership – Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution, and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

HIGH POINT ACADEMY, INC.
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IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Plan Benefits – Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the Code of Laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below:

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Funding Policy – Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to rise by 1 percentage point each year until reaching 18.56% for SCRS and 21.24% for PORS but may be increased further if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in the statute.

Pension reform legislation modified the statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, Under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85% funded.

As noted above, both employees and the School are required to contribute to the plans at rates established and as amended by the PEBA. The School's contributions are actuarially determined but are communicated to and paid by the School as a percentage of the employees' annual eligible compensation.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Contribution Summary – Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates		
	2024	2023	2022
Employer Contribution Rate: [^]			
Retirement*	18.41%	17.41%	16.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	<u>18.56%</u>	<u>17.56%</u>	<u>16.56%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>

[^] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The required contributions and percentages of amounts contributed by the School to the plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions	
	Required	% Contributed	Required	% Contributed
2024	\$ 1,149,010	100%	\$ 151,270	100%
2023	1,073,438	100%	124,577	100%
2022	903,817	100%	124,600	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS contribution increases for the year ended June 30, 2021. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (non-employer contributing entity) for the year ended June 30, 2023, (measurement date) to the School was approximately \$25,161 for the SCRS.

The School recognized contributions (on-behalf benefits) from the State of approximately \$25,161 for the year ended June 30, 2023. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School's governmental fund financial statements.

Eligible payrolls of the School covered under the plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2024	\$ 6,190,790	\$ 1,115,564	\$ 7,306,354
2023	6,112,973	991,858	7,104,831
2022	5,457,831	1,077,850	6,535,681

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
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IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Actuarial Assumptions – Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2023, TPL, NPL, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2022. The TPL was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2023:

	<u>SCRS</u>
Actuarial Cost Method	Entry age normal
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases*	3.0% to 11.0% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually

*Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (“2020 PRSC”), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2023, TPL are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investments fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets:			
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Return	<u>100.0%</u>		<u>5.31%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.56%</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2023, for SCRS are presented below:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirement of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

At June 30, 2024, the School reported a liability of \$13,263,949 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2023, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2022, that was projected forward to the measurement date. The School's proportion of the NPL was based on a projection of the School's long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023, measurement date, the School's proportion was 0.054861%, which was an increase of 0.0002708% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$1,999,387 for its proportionate share of the PEBA's pension expense. At June 30, 2024, the School reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 230,285	\$ 36,783
Assumption changes	203,223	-
Net difference between projected and actual earnings on pension plan investments	1,303,647	1,321,802
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	838,861	-
School contributions subsequent to the measurement date	<u>1,300,280</u>	<u>-</u>
	<u>\$ 3,876,296</u>	<u>\$ 1,358,585</u>

\$1,300,280 reported as deferred outflows of resources related to pensions resulting from School contributions to the PEBA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to the PEBA will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 780,680
2026	(61,496)
2027	506,026
2028	<u>(7,779)</u>
	<u>\$ 1,217,431</u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

B. Employee Retirement Systems and Pension Plans, Continued

Discount Rate – The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the system’s fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Pension Liability Sensitivity - The following table presents the School’s proportionate share of NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the School’s proportionate share of the NPL would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

<u>Asset Class</u>	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School's proportionate share of the Net Pension Liability:	\$ 17,138,287	\$ 13,263,949	\$ 10,043,733

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS. The CAFR is publicly available through the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

C. Other Post-Employment Benefits Trust Funds

The PEBA is the state agency responsible for the administration and management of the state’s employee insurance programs, other post-employment benefits trusts, and retirement systems.

The Laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits (“OPEB”). See Note IV. B. for more details on the PEBA and the SFAA.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the State of South Carolina and, therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions – The Other Post-Employment Benefits Trust Funds (“OPEB Trusts”) collectively refers to the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) and the South Carolina Long-Term Disability Insurance Trust Fund (“SCLTDITF”), which were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Plan Descriptions, continued

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits, and the State Treasurer is the custodian of the funds held in trust. The PEBA Board has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Plan Benefits – The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies and public-school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability (“NOL”) and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the School, no SCLTDITF OPEB amounts have been recorded in these financial statements, and only limited note disclosures have been provided related to these benefits.

Funding Policy – Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2022, was 6.25%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums’ structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer’s active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer’s contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits’ reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits’ reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
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IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Funding Policy, continued

The covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2024	2023	2022
Employer Contribution Rate: [^]	<u>6.35%</u>	<u>6.25%</u>	<u>6.25%</u>

[^] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The required payroll surcharge, percentages of amounts contributed, and eligible payroll by the School covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2024	\$ 463,953	100%	\$ 7,306,354
2023	444,052	100%	7,104,836
2022	408,480	100%	6,535,681

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School approximately \$1,579 for the year ended June 30, 2022 (measurement period). The contributions from these non-employer contributing entities are recognized as state revenues and intergovernmental expenditures in the School’s governmental fund financial statements.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer’s proportionate share of the change in the collective NOL arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the NOL, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Actuarial Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the School’s Contributions, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about the School’s NOL, funded status of the OPEB Plan, and the School’s contributions to the OPEB Plan.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The total OPEB liability (“TOL”), NOL, and sensitivity information were determined by the consulting actuary and are based on an actuarial valuation performed as of June 30, 2022. The TOL was rolled-forward from the valuation date to the OPEB plan’s fiscal year ended June 30, 2023, using generally accepted actuarial principles.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.86% as of June 30, 2023
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Aging Factors:	Based on plan specific experience.
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for partial funded premiums 20% participation for retirees who are eligible for non-funded premiums
Notes:	The discount rate changed from 3.69% as of June 30, 2022, to 3.86% as of June 30, 2023.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Long-term Expected Rate of Return – The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The NOL is calculated separately for each system and represents that particular system’s TOL determined in accordance with GASB No. 74, less its fiduciary net position.

The following table represents the components of the NOL as of the June 30, 2023, measurement date, as well as the five prior years:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND				
<u>Fiscal Year Ending</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2023	\$ 14,749,639,155	\$ 1,658,152,923	\$ 13,091,486,232	11.24%
June 30, 2022	\$ 16,835,502,593	\$ 1,623,661,403	\$ 15,211,841,190	9.64%
June 30, 2021	\$ 22,506,597,989	\$ 1,683,416,992	\$ 20,823,180,997	7.48%
June 30, 2020	\$ 19,703,745,672	\$ 1,652,299,185	\$ 18,051,446,487	8.39%
June 30, 2019	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
June 30, 2018	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%

The TOL is calculated by the Trusts’ actuary, and each Trust’s fiduciary net position is reported in the Trust’s financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts’ notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts’ actuary are for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts’ funding requirements.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued

At June 30, 2024, the School reported a liability of \$9,043,337 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2023, and the TOL for the SCRHITF used to calculate the NOL was determined by an actuarial valuation as of June 30, 2022, that was projected forward to the measurement date. The School's proportion of the NOL was based on a projection of the School's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023, measurement date, the School's proportion was 0.069078%, which was an increase of 0.002584% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School recognized OPEB expense of \$479,680 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2024, the School reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to SCRHITF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 159,993	\$ 2,060,771
Assumption changes	1,814,199	2,905,514
Net difference between projected and actual earnings on OPEB plan investments	90,821	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	1,346,085	115,845
School contributions subsequent to the measurement date	<u>463,593</u>	<u>-</u>
	<u>\$ 3,874,691</u>	<u>\$ 5,082,130</u>

\$463,953 reported as deferred outflows of resources related to the School's contributions subsequent to the measurement date to the SCRHITF will be recognized as a reduction of the NOL in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to the SCRHITF will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ (26,445)
2026	(138,368)
2027	(441,140)
2028	(763,657)
Thereafter	<u>(301,421)</u>
	<u>\$ (1,671,031)</u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

C. Other Post-Employment Benefits Trust Funds, Continued

Discount Rate – The single discount rate of 3.86% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the single discount rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

OPEB Liability Sensitivity – The following table presents the School's proportionate share of the SCRHITF's NOL calculated using a single discount rate of 3.86%, as well as what the School's NOL would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	<u>1% Decrease</u> <u>(2.86%)</u>	<u>Discount</u> <u>Rate</u> <u>(3.86%)</u>	<u>1% Increase</u> <u>(4.86%)</u>
School's proportionate share of the SCRHITF net OPEB liability	\$ 10,675,293	\$ 9,043,337	\$ 7,727,151

Regarding the sensitivity of the SCRHITF's NOL to changes in the healthcare cost trend rates, the following table presents the School's proportionate share of the SCRHITF's NOL, calculated using the assumed trend rates as well as what the School's NOL would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare</u> <u>Cost Trend Rate</u>	<u>1% Increase</u>
School's proportionate share of the SCRHITF net OPEB liability	\$ 7,509,050	\$ 9,043,337	\$ 11,014,564

OPEB Plan Fiduciary Net Position – Detailed information regarding the fiduciary net position of the OPEB Plans administered by PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Post-Employment Benefits Trust Funds. This information is publicly available through the Insurance Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

D. Commitments and Contingencies

The School participates in a number of federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures that may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the School's management believes such disallowances, if any, would be immaterial.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Financial Statements
June 30, 2024

IV. OTHER INFORMATION, Continued

E. Other Matter

In December 2019, an outbreak of novel coronavirus (“COVID-19”) originated in China and spread to other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) which introduced aid to affected organizations. Follow-up legislation to the CARES Act provides funding to state schools and other entities for COVID-19 related expenditures. The School determined its eligibility for funding under various programs, applied for, and received additional funding through several programs, including ESSER I, ESSER II, ESSER III, and GEER Fund.

F. Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through October 31, 2024, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended June 30, 2024.

Schedule 1

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2024**

Year	School's proportion of the net pension liability	School's proportionate share of the net pension liability	School's covered- employee payroll	School's proportionate share of the net pension liability as a percentage of the covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.054861%	\$ 13,263,949	\$ 7,104,826	186.69%	58.60%
2023	0.052153%	\$ 12,643,101	\$ 6,535,681	193.45%	57.10%
2022	0.051845%	\$ 11,219,963	\$ 6,103,364	183.83%	60.70%
2021	0.045486%	\$ 11,622,597	\$ 5,450,852	213.23%	50.70%
2020	0.043433%	\$ 9,917,654	\$ 5,067,636	195.71%	54.40%
2019	0.039456%	\$ 8,840,726	\$ 4,654,603	189.94%	54.10%
2018	0.046371%	\$ 10,438,858	\$ 4,593,720	227.24%	53.30%
2017	0.021476%	\$ 4,587,242	\$ 3,319,314	138.20%	52.90%
2016	0.012891%	\$ 2,444,840	\$ 3,104,394	78.75%	57.00%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of School Contributions - Pension Plan
June 30, 2024

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	School's covered- employee payroll	Contributions as percentage of covered- employee payroll
2024	\$ 1,300,280	\$ 1,300,280	\$ -0-	\$ 7,306,354	17.80%
2023	\$ 1,198,015	\$ 1,198,015	\$ -0-	\$ 7,104,826	16.86%
2022	\$ 1,028,417	\$ 1,028,417	\$ -0-	\$ 6,535,681	15.74%
2021	\$ 893,652	\$ 893,652	\$ -0-	\$ 6,103,364	14.64%
2020	\$ 793,910	\$ 793,910	\$ -0-	\$ 5,450,852	14.56%
2019	\$ 667,787	\$ 667,787	\$ -0-	\$ 5,067,636	13.18%
2018	\$ 556,309	\$ 556,309	\$ -0-	\$ 4,654,603	11.95%
2017	\$ 457,571	\$ 457,571	\$ -0-	\$ 4,593,720	9.96%
2016	\$ 311,741	\$ 311,741	\$ -0-	\$ 3,319,314	9.39%

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2024

<u>SCRHITF</u>	School's proportion of the net OPEB liability	School's proportionate share of the net OPEB liability	School's covered- employee payroll	School's proportionate share of the net OPEB liability as a percentage of the covered- employee	Plan fiduciary net position as a percentage of the total OPEB liability
<u>Year</u>					
2024	0.069078%	\$ 9,043,337	\$ 7,104,836	127.28%	11.24%
2023	0.066494%	\$ 10,104,962	\$ 6,535,681	154.61%	9.64%
2022	0.065446%	\$ 13,627,939	\$ 6,103,364	223.29%	7.48%
2021	0.059134%	\$ 10,674,542	\$ 5,450,852	195.83%	8.39%
2020	0.057943%	\$ 8,761,865	\$ 5,067,636	172.90%	8.44%
2019	0.053974%	\$ 7,648,432	\$ 4,654,603	164.32%	7.91%
2018	0.058662%	\$ 7,945,672	\$ 4,593,720	172.97%	7.60%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of School Contributions - OPEB Plan
June 30, 2024

<u>SCRHTE</u>						
<u>Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>School's covered- employee payroll</u>	<u>Contributions as percentage of covered- employee payroll</u>	
2024	\$ 463,953	\$ 463,953	\$ -0-	\$ 7,306,354	6.35%	
2023	\$ 444,052	\$ 444,052	\$ -0-	\$ 7,104,836	6.25%	
2022	\$ 408,480	\$ 408,480	\$ -0-	\$ 6,535,681	6.25%	
2021	\$ 381,460	\$ 381,460	\$ -0-	\$ 6,103,364	6.25%	
2020	\$ 340,678	\$ 340,678	\$ -0-	\$ 5,450,852	6.25%	
2019	\$ 306,592	\$ 306,592	\$ -0-	\$ 5,067,636	6.05%	
2018	\$ 256,003	\$ 256,003	\$ -0-	\$ 4,654,603	5.50%	

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	\$ 75,000	\$ 212,926	\$ 137,926
1700 Pupil activities			
1730 Pupil organization membership dues and fees	3,500	35,963	32,463
1740 Student fees	50,000	55	(49,945)
1790 Other pupil activity income	315,000	415,866	100,866
1900 Other revenue from local sources			
1910 Rentals	106,862	147,297	40,435
1920 Contributions and donations from private sources	3,000	23,043	20,043
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	7,500	24,283	16,783
Total local sources	<u>560,862</u>	<u>859,433</u>	<u>298,571</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3103 State aid to classrooms	14,718,047	12,137,345	(2,580,702)
3130 Special programs			
3181 Retiree insurance (no carryover provision)	190,550	-	(190,550)
3300 State aid to classrooms - Education Finance Act (EFA)			
3392 NBC excess EFA formula	-	31,865	31,865
3900 Other state revenue			
3993 PEBA on-behalf	-	25,161	25,161
Total state sources	<u>14,908,597</u>	<u>12,194,371</u>	<u>(2,714,226)</u>
Total revenues all sources	<u>15,469,459</u>	<u>13,053,804</u>	<u>(2,415,655)</u>

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	\$ 404,538	\$ 409,516	\$ (4,978)
200 Employee benefits	192,842	187,864	4,978
300 Purchased services	-	135	(135)
400 Supplies and materials	3,500	3,441	59
112 Primary programs			
100 Salaries	637,334	1,228,674	(591,340)
200 Employee benefits	295,820	576,362	(280,542)
300 Purchased services	-	10,091	(10,091)
400 Supplies and materials	6,000	16,926	(10,926)
113 Elementary programs			
100 Salaries	1,634,807	1,429,223	205,584
200 Employee benefits	789,767	680,784	108,983
300 Purchased services	28,500	8,890	19,610
400 Supplies and materials	40,334	21,479	18,855
114 High school programs			
100 Salaries	883,994	1,091,593	(207,599)
200 Employee benefits	411,025	505,921	(94,896)
300 Purchased services	8,100	15,326	(7,226)
400 Supplies and materials	25,000	26,325	(1,325)
115 Career and Technology Education programs			
100 Salaries	292,907	198,336	94,571
200 Employee benefits	164,132	103,199	60,933
400 Supplies and materials	40,000	311	39,689
120 Exceptional programs			
126 Speech handicapped			
100 Salaries	-	21,952	(21,952)
200 Employee benefits	-	13,298	(13,298)
127 Learning disabilities			
100 Salaries	445,773	376,550	69,223
200 Employee benefits	327,928	313,941	13,987
300 Purchased services	5,000	6,899	(1,899)
400 Supplies and materials	17,000	19,374	(2,374)

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
129 Coordinated Early Intervening Services (CEIS)			
100 Salaries	\$ 51,750	\$ -	\$ 51,750
200 Employee benefits	41,003	-	41,003
130 Preschool programs			
139 Early childhood programs			
100 Salaries	-	12,588	(12,588)
200 Employee benefits	-	2,596	(2,596)
140 Special programs			
141 Gifted and talented academic			
100 Salaries	53,592	106,790	(53,198)
200 Employee benefits	40,000	49,617	(9,617)
145 Homebound			
300 Purchased services	8,000	5,655	2,345
148 Gifted and talented artistic			
100 Salaries	430,000	402,543	27,457
200 Employee benefits	185,290	175,525	9,765
300 Purchased services	2,000	-	2,000
400 Supplies and materials	28,535	-	28,535
149 Other special programs			
100 Salaries	-	15,202	(15,202)
200 Employee benefits	-	5,658	(5,658)
400 Supplies and materials	-	66,872	(66,872)
160 Other exceptional programs			
162 Limited english proficiency			
100 Salaries	61,637	68,954	(7,317)
200 Employee benefits	29,257	32,735	(3,478)
400 Supplies and materials	2,500	779	1,721
170 Summer school programs			
175 Instructional programs beyond regular school day			
100 Salaries	40,000	18,542	21,458
200 Employee benefits	12,184	4,669	7,515
400 Supplies and materials	1,000	1,682	(682)

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
190 Instructional pupil activity			
300 Purchased services	\$ 5,000	\$ (210)	\$ 5,210
660 Instructional pupil activity	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total instruction	<u>7,653,049</u>	<u>8,236,607</u>	<u>(583,558)</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	-	350	(350)
200 Employee benefits	-	434	(434)
212 Guidance services			
100 Salaries	171,493	138,494	32,999
200 Employee benefits	72,647	65,783	6,864
300 Purchased services	-	77,624	(77,624)
400 Supplies and materials	500	-	500
213 Health services			
100 Salaries	78,540	66,506	12,034
200 Employee benefits	34,744	25,379	9,365
300 Purchased services	5,000	10,033	(5,033)
400 Supplies and materials	5,000	-	5,000
215 Exceptional program services			
300 Purchased services	175,000	96,471	78,529
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	117,217	41,809	75,408
200 Employee benefits	52,984	185,367	(132,383)
300 Purchased services	-	8,932	(8,932)
222 Library and media services			
100 Salaries	79,576	87,658	(8,082)
200 Employee benefits	40,741	44,898	(4,157)
300 Purchased services	2,000	-	2,000
400 Supplies and materials	32,535	44,449	(11,914)

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
223 Supervision of special programs			
100 Salaries	\$ 229,565	\$ 329,021	\$ (99,456)
200 Employee benefits	113,642	149,873	(36,231)
224 Improvement of instruction inserv and staff training			
200 Employee benefits	-	1,556	(1,556)
300 Purchased services	-	2,578	(2,578)
400 Supplies and materials	1,000	1,000	-
600 Other objects	-	506	(506)
230 General administrative services			
231 Board of education			
200 Employee benefits	96,965	122,953	(25,988)
300 Purchased services	68,000	113,492	(45,492)
318 Audit services	10,000	12,000	(2,000)
400 Supplies and materials	5,000	5,655	(655)
600 Other objects	124,776	49,858	74,918
232 Office of the Superintendent			
300 Purchased services	-	274,592	(274,592)
400 Supplies and materials	-	19,503	(19,503)
233 School administration			
100 Salaries	933,893	797,423	136,470
200 Employee benefits	422,586	348,770	73,816
300 Purchased services	65,000	-	65,000
400 Supplies and materials	18,000	6,247	11,753
600 Other objects	14,000	11,955	2,045
250 Finance and operations services			
252 Fiscal services			
100 Salaries	-	84,979	(84,979)
200 Employee benefits	-	37,780	(37,780)
300 Purchased services	358,172	419,545	(61,373)
400 Supplies and materials	-	12,116	(12,116)
600 Other objects	5,000	11,494	(6,494)
253 Facilities acquisition and construction			
520 Construction services	-	652,410	(652,410)
530 Improvements other than buildings	-	15,349	(15,349)
540 Equipment	-	59,627	(59,627)

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
254 Operation and maintenance of plant			
100 Salaries	\$ 360,693	\$ 409,733	\$ (49,040)
200 Employee benefits	179,692	202,924	(23,232)
300 Purchased services	177,500	282,441	(104,941)
321 Public util (excl gas, oil, elect & oth heating fuels)	32,500	-	32,500
400 Supplies and materials	90,000	297,055	(207,055)
470 Energy (incl gas, oil, elect & oth heating fuels)	250,000	-	250,000
500 Capital outlay	13,000	326	12,674
255 Student transportation (state mandated)			
300 Purchased services	20,000	12,152	7,848
400 Supplies and materials	10,000	2,072	7,928
256 Food services			
100 Salaries	40,973	34,145	6,828
200 Employee benefits	22,549	20,661	1,888
300 Purchased services	3,000	-	3,000
400 Supplies and materials	6,500	13,185	(6,685)
600 Other objects	-	3,411	(3,411)
258 Security			
100 Salaries	70,000	31,100	38,900
200 Employee benefits	21,322	8,970	12,352
300 Purchased services	80,000	-	80,000
400 Supplies and materials	4,000	12,914	(8,914)
500 Capital outlay	5,000	92	4,908
260 Central support services			
263 Information services			
100 Salaries	66,950	62,524	4,426
200 Employee benefits	31,981	47,025	(15,044)
300 Purchased services	37,500	36,203	1,297
400 Supplies and materials	-	840	(840)
600 Other objects	-	1,818	(1,818)
266 Technology and data processing services			
100 Salaries	126,690	139,303	(12,613)
200 Employee benefits	61,749	66,146	(4,397)
300 Purchased services	42,000	33,872	8,128
400 Supplies and materials	40,000	32,066	7,934
500 Capital outlay	77,500	78,218	(718)

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
270 Support services - pupil activity			
271 Pupil service activities			
100 Salaries	\$ -	\$ 26,781	\$ (26,781)
200 Employee benefits	12,184	6,036	6,148
300 Purchased services	62,900	75,339	(12,439)
400 Supplies and materials	53,560	82,709	(29,149)
600 Other objects	149	3,753	(3,604)
660 Pupil activity	<u>174,025</u>	<u>122,153</u>	<u>51,872</u>
Total support services	<u>5,507,493</u>	<u>6,580,436</u>	<u>(1,072,943)</u>
500 Debt services			
610 Redemption of principal	470,000	470,000	-
620 Interest	1,458,637	1,458,638	(1)
690 Other objects	<u>10,000</u>	<u>6,868</u>	<u>3,132</u>
Total debt services	<u>1,938,637</u>	<u>1,935,506</u>	<u>3,131</u>
Total expenditures	<u>15,099,179</u>	<u>16,752,549</u>	<u>(1,653,370)</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers, From (To) other funds			
5230 Transfer from Special Revenue EIA Fund	<u>-</u>	<u>2,416,025</u>	<u>2,416,025</u>
Total other financing sources (uses)	<u>-</u>	<u>2,416,025</u>	<u>2,416,025</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ 370,280</u>	<u>(1,282,720)</u>	<u>\$ (1,653,000)</u>
FUND BALANCE, July 1, 2023		<u>6,806,965</u>	
FUND BALANCE, June 30, 2024		<u>\$ 5,524,245</u>	

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(EA Projects)</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants*</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs*</u> <u>(200s/800s)</u>	<u>Total</u>
REVENUES								
1000 Revenue from local sources								
1600 Food services								
1610 Lunch sales to pupils	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,376	\$ 32,376
1900 Other revenue from local sources								
1930 Special needs transportation-Medicaid	-	-	-	-	-	-	4,194	4,194
Total local sources	-	-	-	-	-	-	36,570	36,570
3000 Revenue from state sources								
3130 Special programs								
3135 Reading coaches	-	-	-	-	-	52,156	-	52,156
3187 Teacher supplies (no carryover)	-	-	-	-	-	33,250	-	33,250
3900 Other state revenue								
3994 PEBA nonemployer contributions	-	-	-	-	-	1,641	-	1,641
3999 Revenue from other state sources	-	-	-	-	-	2,819	-	2,819
Total state sources	-	-	-	-	-	89,866	-	89,866

* See Schedule 7 for a listing of LEA subfund codes for each program

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(EA Projects)</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants*</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs*</u> <u>(200s/800s)</u>	<u>Total</u>
4000 Revenue from federal sources								
4200 Occupational education								
4210 Perkins, Title I-CATE-basic state grants	\$ -	\$ -	\$ -	\$ 15,485	\$ -	\$ -	\$ -	\$ 15,485
4300 Elementary and Secondary Educ Act of 1965 (ESEA)								
4310 Title I, Basic State Grant (carryover prov)	15,918	-	-	-	-	-	45,420	61,338
4341 Lang instr ltd english prof/immig, Title III	-	-	-	-	-	-	2,784	2,784
4351 Supporting effective instruction	-	-	-	-	-	-	30,233	30,233
4500 Programs for children with disabilities								
4510 Individ with Disabil Educ Act (IDEA)	-	171,970	-	-	-	-	-	171,970
4900 Other federal sources								
4931 ARP IDEA	-	-	-	-	-	-	2,331	2,331
4937 ARP Homeless children & youth	-	-	-	-	-	-	1,000	1,000
4974 ESSER III	-	-	-	-	-	-	352,942	352,942
4990 Other federal revenue								
4999 Revenue from other federal sources	-	-	-	-	-	-	608,316	608,316
Total federal sources	<u>15,918</u>	<u>171,970</u>	<u>-</u>	<u>15,485</u>	<u>-</u>	<u>-</u>	<u>1,043,026</u>	<u>1,246,399</u>
Total revenues all sources	<u>15,918</u>	<u>171,970</u>	<u>-</u>	<u>15,485</u>	<u>-</u>	<u>89,866</u>	<u>1,079,596</u>	<u>1,372,835</u>

* See Schedule 7 for a listing of LEA subfund codes for each program

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(EA Projects)</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs</u> <u>(200s/800s)</u>	<u>Total</u>
EXPENDITURES								
100 Instruction								
110 General instruction								
111 Kindergarten programs								
400 Supplies and materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,819	\$ -	\$ 2,819
112 Primary programs								
100 Salaries	-	-	-	-	-	-	1,835	1,835
200 Employee benefits	-	-	-	-	-	-	(354)	(354)
300 Purchased services	3,649	-	-	-	-	-	-	3,649
113 Elementary programs								
300 Purchased services	5,383	-	-	-	-	-	-	5,383
400 Supplies and materials	-	-	-	-	-	33,250	25,424	58,674
115 Career and Technology Educ programs								
300 Purchased services	-	-	-	2,200	-	-	-	2,200
400 Supplies and materials	-	-	-	13,285	-	-	12,714	25,999
120 Exceptional programs								
127 Learning disabilities								
100 Salaries	-	172,097	-	-	-	-	2,331	174,428
140 Special programs								
149 Other special programs								
300 Purchased services	-	-	-	-	-	-	44,527	44,527

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024**

	<u>Title I (201/202)</u>	<u>IDEA (203/204)</u>	<u>Preschool Handicapped (205/206)</u>	<u>CATE (207/208)</u>	<u>Adult Education (EA Projects) (243)</u>	<u>Other Designated Restricted State Grants (900s)</u>	<u>Other Special Revenue Programs (200s/800s)</u>	<u>Total</u>
160 Other exceptional programs								
162 Limited english proficiency								
400 Supplies and materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,514	\$ 2,514
Total instruction	<u>9,032</u>	<u>172,097</u>	<u>-</u>	<u>15,485</u>	<u>-</u>	<u>36,069</u>	<u>88,991</u>	<u>321,674</u>
200 Support services								
210 Pupil services								
211 Attendance and social work services								
100 Salaries	-	-	-	-	-	-	1,000	1,000
212 Guidance services								
300 Purchased services	-	-	-	-	-	-	20,105	20,105
213 Health services								
400 Supplies and materials	-	-	-	-	-	-	4,194	4,194
220 Instructional staff services								
221 Improvement of instr curriculum develop								
100 Salaries	-	-	-	-	-	52,156	12,705	64,861
300 Purchased services	-	(127)	-	-	-	-	5,810	5,683
223 Supervision of special programs								
300 Purchased services	-	-	-	-	-	-	166,191	166,191

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(EA Projects)</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs</u> <u>(200s/800s)</u>	<u>Total</u>
224 Improvement of instruction inserv and staff training								
300 Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,493	\$ 27,493
400 Supplies and materials	-	-	-	-	-	-	1,474	1,474
230 General administrative services								
233 School administration								
100 Salaries	-	-	-	-	-	-	25,000	25,000
300 Purchased services	-	-	-	-	-	-	1,536	1,536
250 Finance and operations services								
254 Operation and maintenance of plant								
400 Supplies and materials	-	-	-	-	-	-	35,295	35,295
500 Capital outlay	-	-	-	-	-	-	4,509	4,509
256 Food services								
100 Salaries	-	-	-	-	-	-	6,779	6,779
200 Employee benefits	-	-	-	-	-	-	3,768	3,768
300 Purchased services	-	-	-	-	-	-	601,080	601,080
260 Central support services								
263 Information services								
300 Purchased services	-	-	-	-	-	-	39,601	39,601

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2024

	<u>Title I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>Preschool</u> <u>Handicapped</u> <u>(205/206)</u>	<u>CATE</u> <u>(207/208)</u>	<u>Adult</u> <u>Education</u> <u>(EA Projects)</u> <u>(243)</u>	<u>Other</u> <u>Designated</u> <u>Restricted</u> <u>State Grants</u> <u>(900s)</u>	<u>Other</u> <u>Special</u> <u>Revenue</u> <u>Programs</u> <u>(200s/800s)</u>	<u>Total</u>
266 Technology/data processing services								
300 Purchased services	\$ 5,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,564
400 Supplies and materials	1,322	-	-	-	-	-	5,000	6,322
Total support services	6,886	(127)	-	-	-	52,156	961,540	1,020,455
410 Intergovernmental expenditures								
419 Payments to PEBA nonemployer contrib								
720 Transits	-	-	-	-	-	1,641	-	1,641
Total intergovernmental expenditures	-	-	-	-	-	1,641	-	1,641
Total expenditures	15,918	171,970	-	15,485	-	89,866	1,050,531	1,343,770
OTHER FINANCING SOURCES (USES)								
Interfund transfers, from (to) other funds								
420-710 Transfer to General Fund (excludes indirect cost)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
EXCESS/DEFICIENCY OF REVENUES								
OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	29,065	29,065
FUND BALANCE, July 1, 2023	-0-	-0-	-0-	-0-	-0-	-0-	142,927	142,927
FUND BALANCE, June 30, 2024	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 171,992</u>	<u>\$ 171,992</u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Schedule of Program Classifications
For Fiscal Year Ended June 30, 2024

LEA Subfund Code	Program	Revenue	Revenue Code
<u>OTHER RESTRICTED STATE GRANTS</u>			
935	Reading coaches	\$ 52,156	3135
917	Teacher supplies (no carryover)	33,250	3187
994	PEBA nonemployer contributions	1,641	3994
818	Closed school fund	2,819	3999
		<u>\$ 89,866</u>	
<u>OTHER SPECIAL REVENUE PROGRAMS</u>			
802	Lunch sales to pupils	\$ 32,376	1610
280	Special needs transportation-Medicaid	4,194	1930
237	Title I, Basic State Grant (carryover prov)	45,420	4310
264	Lang instr ltd english prof/immig, Title III	2,784	4341
267	Supporting effective instruction	30,233	4351
230	ARP IDEA	2,331	4931
263	ARP Homeless children & youth	1,000	4937
218	ESSER III	352,942	4974
802	USDA meal reimbursements	608,316	4999
		<u>\$ 1,079,596</u>	

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Special Revenue Fund
Summary Schedule for Designated State Restricted Grants
For Fiscal Year Ended June 30, 2024

<u>Subfund</u>	<u>Revenue Code</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Special Revenue</u>		<u>Special Revenue Fund Unearned</u>
					<u>Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	
935	3135	Reading coaches	\$ 52,156	\$ 52,156	\$ -	\$ -	\$ -
917	3187	Teacher supplies (no carryover)	33,250	33,250	-	-	-
994	3994	PEBA nonemployer contributions	1,641	1,641	-	-	-
818	3999	Closed school fund	2,819	2,819	-	-	-
			<u>\$ 89,866</u>	<u>\$ 89,866</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2024

REVENUES

3000 Revenue from state sources	
3500 Education improvement act	
3502 ADEPT	\$ 1,400
3503 State aid to classrooms	2,416,025
3519 Grade 10 assessments	792
3526 Refurbishment of science kits	3,571
3528 Industry certifications/credentials	10,000
3529 Career and Technology Education	56,470
3535 Reading coaches	6,284
3557 Summer reading program	2,149
3595 EEDA - supplies and materials	3,438
3599 Other EIA	5,601
	<hr/>
Total state sources	2,505,730
	<hr/>
Total revenues all sources	2,505,730
	<hr/>

EXPENDITURES

100 Instruction	
110 General instruction	
113 Elementary programs	
100 Salaries	1,401
400 Supplies and materials	4,363
114 High school programs	
300 Purchased services	10,000
115 Career and Technology Education programs	
300 Purchased services	1,323
400 Supplies and materials	55,147
	<hr/>
Total instruction	72,234
	<hr/>
200 Support services	
220 Instructional staff services	
221 Improvement of instruction curriculum development	
100 Salaries	6,284

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2024

270 Support services - pupil activity	
271 Pupil service activities	
660 Pupil activities	\$ <u>11,187</u>
Total support services	<u>17,471</u>
Total expenditures	<u>89,705</u>
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
420-710 Transfer to General Fund (excludes indirect costs)	<u>(2,416,025)</u>
Total other financing sources (uses)	<u>(2,416,025)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-0-</u>
FUND BALANCE, July 1, 2023	<u>-0-</u>
FUND BALANCE, June 30, 2024	\$ <u><u>-0-</u></u>

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Education Improvement Act
Summary Schedule by Program
For Fiscal Year Ended June 30, 2024

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3502 ADEPT	\$ 1,400	\$ 1,400	\$ -	\$ -	\$ -
3503 State aid to classrooms	2,416,025	-	-	(2,416,025)	-
3518 Adoption list of formative assessment	792	792	-	-	-
3519 Grade 10 assessments	3,571	3,571	-	-	792
3526 Refurbishment of science kits	10,000	10,000	-	-	2,227
3528 Industry certifications/credentials	56,470	56,470	-	-	-
3529 Career and Technology Education	6,284	6,284	-	-	41,150
3535 Reading coaches	2,149	2,149	-	-	-
3557 Summer reading program	3,438	3,438	-	-	-
3599 Other EIA	5,601	5,601	-	-	-
TOTALS	\$ 2,505,730	\$ 89,705	\$ -0-	\$ (2,416,025)	\$ 44,169

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of Due to State Department of Education/Federal Government

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors
Grade 10 assessments	EIA	3519/319	Unspent allocation	\$ 3,309.77	Unpaid as of 10/31/24
Adoption list of formative assessment	EIA	3518/318	Unspent allocation	<u>6,619.97</u>	Unpaid as of 10/31/24
				<u>\$ 9,929.74</u>	

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant weakness(es) identified that are not considered to be material weakness(es)? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant weakness(es) identified that are not considered to be material weakness(es)? _____ Yes X No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

AL Numbers	Name of Federal Cluster or Program
84.425D, 84.425U	Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2024**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

**HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2024**

Section I - Financial Statement Findings

None.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2024

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Assistance Listing Number	Pass Through Grantor's Number	Total Expenditures
<u>U. S. DEPARTMENT OF EDUCATION</u>				
	<u>Passes through South Carolina Public Charter School District</u>			
	Special education cluster:			
203	IDEA	84.027	N/A	\$ 15,918
230	ARP IDEA	84.027X	N/A	2,331
	Total special education cluster:			<u>18,249</u>
201	Title I	84.010	N/A	171,970
207	CATE	84.048	N/A	15,485
237	Title I - Targeted School Improvement	84.010A	N/A	45,420
267	Title II - Supporting Effective Instruction	84.367	N/A	30,233
263	ARP Homeless children & youth	84.425W	N/A	1,000
264	English Language Acq State Grants - Title III Lang Instr	84.365	N/A	2,784
218	ESSER III	84.425U	N/A	<u>352,942</u>
	TOTAL U.S. DEPARTMENT OF EDUCATION			<u>638,083</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
	<u>Passed through South Carolina Department of Education:</u>			
	Cash assistance:			
802	National School Lunch Program	10.555	N/A	<u>608,316</u>
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>608,316</u>
	TOTAL FEDERAL ASSISTANCE EXPENDED			<u><u>\$ 1,246,399</u></u>

None of the above amounts were passed through to subrecipients.

See accompanying notes to Schedule of Expenditures of Federal Awards.

HIGH POINT ACADEMY, INC.
SPARTANBURG, SOUTH CAROLINA
Notes to the Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2024

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

(2) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented such that expenditures are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereby certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Relationship to Combined Financial Statements

Federal financial assistance revenues are reported in the School's financial statements as federal revenues in the Special Revenue Fund.

(4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to revenues and expenditures received or made subsequent to the filing of federal financial reports.

(5) Indirect Cost Rate

The School has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.



MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
High Point Academy, Inc.
Spartanburg, South Carolina

We have audited the financial statements of High Point Academy, Inc. ("the School") as of and for the year ended June 30, 2024, and have issued our report thereon dated October 31, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Report on Compliance and Other Matters

As part of obtaining assurance about whether the School'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 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 that are required to be reported under Government Auditing Standards.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting in order to determine 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 the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

A deficiency in 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Smith and Company CPAs PA

October 31, 2024



MARTIN · SMITH

& COMPANY CPAs

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Directors
High Point Academy, Inc.
Spartanburg, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of High Point Academy, Inc. ("the School") with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. The School's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control Over Compliance, Continued

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
October 31, 2024