

STA/STPA
GOVERNING BOARD/SAC
MEMBER PACKET
REGULAR MEETING
April 8, 2021

SouthTech Charter Academy, Inc.
SouthTech Preparatory Academy, Inc.

Carla Lovett, Executive Director
Eileen Turenne, STA High School Principal
Nicole Handy, STPA Middle School Principal

**SOUTHTECH CHARTER ACADEMY, INC.
SOUTHTECH PREPARATORY ACADEMY, INC.
STA/STPA Governing Board Regular Meeting Agenda
April 8, 2021**

- 1. Opening of Meeting**
 - a. Call to Order**
 - b. Pledge of Allegiance**
 - c. Roll Call:** Roger Dunson, Ayesha Edmond, Russell Feldman, Christina Grenga, Dan Heller, Diane Heinz, Robert Kesten, Suzanne Nicolini, and James Notter
 - d. Open Meeting Act Statement**
- 2. Approval of the Minutes for the STA/STPA/STSC Governing Board Regular Meeting March 11, 2021.**
- 3. Reports**
 - a. Treasurer's/Financial Report – Dan Heller**
 - b. Executive Director – Carla Lovett**
 - c. SouthTech Academy Principal – Eileen Turenne**
 - d. SouthTech Preparatory Academy Principal – Nicole Handy**
 - e. Committees/Special Reports**
 - Policies & By-Laws - Russell Feldman
- 4. Public Comments on Agenda Items**
- 5. SouthTech Academy Consent Agenda**
 - a. Introduction of Consent Agenda for SOUTHTECH ACADEMY:**
 - Old Business**

None.
 - Administrative Items**

A-1 I recommend that the Board approve the donations for the period from March 1, 2021 through March 31, 2021.
 - Personnel Items**

B-1 I recommend that the Board approve the Personnel Actions for the previous month.

B-2 I recommend that the Board approve the Job Description for Accounting Clerk.
 - Financial Items**

C-1 I recommend that the Board approve and ratify the monthly financial statements for the month ending February 28, 2021 as required by the Sponsor.

C-2 I recommend that the Board approve and ratify the SouthTech Schools Holdings, LLC Balance Sheet and Profit & Loss Report for month ending February 28, 2021.

C-3 I recommend that the Board approve the engagement letter for auditing services between SouthTech Charter Academy, Inc. and Keefe, McCullough & Co., LLP.

C-4 I recommend that the Board approve the engagement letter for auditing services between SouthTech Schools Holdings, LLC and Keefe, McCullough & Co., LLP.

Emergency Items

None.

- b. Poll Board for Items to be Pulled for Comment or Questions**
- c. Approval of SouthTech Academy Consent Agenda Except for Items Pulled**
- d. Approval of Each Pulled Item**

6. SouthTech Preparatory Academy Consent Agenda

- a. Introduction of Consent Agenda for SOUTHTECH PREPARATORY ACADEMY:
Old Business**

None.

Administrative Items

None.

Personnel Items

PB-1 I recommend that the Board approve the Personnel Actions for the previous month.

PB-2 I recommend that the Board approve the Job Description for Accounting Clerk.

Financial Items

PC-1 I recommend that the Board approve and ratify the monthly financial statements for the month ending February 28, 2021 as required by the Sponsor.

PC-2 I recommend that the Board approve the engagement letter for auditing services between SouthTech Preparatory Academy, Inc. and Keefe, McCullough & Co., LLP.

Emergency Items

None.

- b. Poll Board for Items to be Pulled for Comment or Questions**
- c. Approval of SouthTech Academy Consent Agenda Except for Items Pulled**
- d. Approval of Each Pulled Item**

7. Public Comments on non-Agenda Items

8. Board Comments

9. Motion to Adjourn

**SOUTHTECH CHARTER ACADEMY, INC.
SOUTHTECH PREPARATORY ACADEMY, INC.
SOUTHTECH SUCCESS CENTER, INC.
STA/STPA/STSC Governing Board Regular Meeting Minutes
March 11, 2021**

1. Opening of Meeting

a. Call to Order – 6:10 pm

b. Pledge of Allegiance

c. Roll Call

Present: Roger Dunson, Ayesha Edmond, Russell Feldman, Christina Grenga, Dan Heller, Diane Heinz, Robert Kesten, Suzanne Nicolini, and James Notter

Absent: None

Quorum Confirmed.

d. Open Meeting Act Statement

2. Approval of the Minutes for the STA/STPA/STSC Governing Board Regular Meeting February 11, 2021.

Motion: James Notter

Second: Diane Heinz

All in favor. **Motion passed.**

3. Special Recognition of Kathryn McInerney

4. Reports

a. Treasurer's/Financial Report – Dan Heller

- The Finance Committee met prior to the Governing Board meeting and recommends for Board approval Items C-1 through C-3 and Items PC-1 and PC-2.

b. Executive Director – Carla Lovett

- Tax Referendum Update
- Stairwells at STP
- STA Career Academies
 - 1. Adopt an Academy
 - 2. Draft format for reporting Academy information
- Strategic Plan
 - 1. Status of Current Strategic Plan (2016-2021)
 - 2. Preparing new Strategic Plan (2021-2026)
- New website presentation by Steven Kozak

c. SouthTech Academy Principal – Eileen Turenne

- School Activities and Events
- Intent to Return Survey #4
- Testing Update

d. SouthTech Preparatory Academy Principal – Nicole Handy

- School Activities and Events

e. Committees/Special Reports

○ Policies & By-Laws Committee Report – Russell Feldman

- 1. The committee met and has begun to review the current Policies and By-Laws to determine what changes should be made

2. Process

a. Committee meetings

i. Options

1. Retain the current Policies and By-Laws as they are
2. Edit the current Policies and By-Laws to make any changes needed
3. Compare the students and employee handbooks to the current policies and simply remove those already covered in the handbooks to eliminate redundancy

b. Board Workshop – after all changes are made

c. Legal Review – following the Workshop

d. Bring to the Board – likely August or September

4. Public Comments on Agenda Items – None.

5. SouthTech Academy Consent Agenda

a. Introduction of Consent Agenda for SOUTHTECH ACADEMY:

Old Business

None.

Administrative Items

A-1 I recommend that the Board approve the donations for the period from December 29, 2020 to February 12, 2021.

A-2 I recommend that the Board approve the SY22 SouthTech Academy school calendar.

A-3 I recommend that the Board approve the SouthTech Schools Grades 9-12 Student Progression Plan 2020-2021.

Personnel Items

B-1 I recommend that the Board approve the Personnel Actions for the previous month.

Financial Items

C-1 I recommend that the Board approve and ratify the monthly financial statements for the month ending January 31, 2021 as required by the Sponsor.

C-2 I recommend that the Board approve and ratify the SouthTech Schools Holdings, LLC Balance Sheet and Profit & Loss Report for month ending January 31, 2021.

C-3 I recommend that the Board approve the Food Services Agreement for FY22 with the Sponsor and authorize the Board Chair to sign all related documents.

Emergency Items

None.

b. Poll Board for Items to be Pulled for Comment or Questions

- o Diane Heinz pulled items A-1 and A-3.

c. Approval of SouthTech Academy Consent Agenda Except for Items Pulled

Motion: Suzanne Nicolini

Second: James Notter

All in favor. Motion passed.

d. Approval of Each Pulled Item

- o Item A-1

Motion: James Notter

Second: Dan Heller

Ms. Heinz wanted to know if the Kimmel Community Foundation is the same as the Palm Beach County Community Foundation. Mr. Kozak answered that it is not.

All in favor. **Motion passed.**

○ Item A-3

Motion: James Notter

Second: Ayesha Edmond

Ms. Heinz had a question about SouthTech Academy's admissions criteria. Mrs. Turenne explained that the areas that are reviewed for admission are attendance and disciplinary history, and high school credits to determine if they will be able to meet Graduation requirements.

All in favor. **Motion passed.**

6. SouthTech Preparatory Academy Consent Agenda

**a. Introduction of Consent Agenda for SOUTHTECH PREPARATORY ACADEMY:
Old Business**

None.

Administrative Items

PA-1 I recommend that the Board approve the donations for the period from February 12, 2021 to February 26, 2021.

PA-2 I recommend that the Board approve the SY22 SouthTech Preparatory Academy school calendar.

Personnel Items

PB-1 I recommend that the Board approve the Personnel Actions for the previous month.

Financial Items

PC-1 I recommend that the Board approve and ratify the monthly financial statements for the month ending January 31, 2021 as required by the Sponsor.

PC-2 I recommend that the Board approve Food Services Agreement for FY22 with the Sponsor and authorize the Board Chair to sign all related documents.

Emergency Items

None.

b. Poll Board for Items to be Pulled for Comment or Questions – None.

c. Approval of SouthTech Academy Consent Agenda Except for Items Pulled

Motion: Suzanne Nicolini

Second: Diane Heinz

All in favor. **Motion passed.**

d. Approval of Each Pulled Item – N/A

7. SouthTech Success Center Consent Agenda

a. Introduction of Consent Agenda for SOUTHTECH SUCCESS CENTER

Old Business

None.

Administrative Items

None.

Personnel Items

None.

Financial Items

None.

Emergency Items
None.

8. Public Comments on non-Agenda Items – None.

9. Board Comments

10. Motion to Adjourn – 7:40 pm

**Board Meeting
April 8, 2021**

**Governing Board of Directors
SouthTech Charter Academy, Inc.**

**Agenda Item
A-1**

Motion:

I recommend that the Board approve the donations for the period from March 1, 2021 through March 31, 2021.

Summary Information:

In following Board Policies 6.104 and 6.1041, these donations are brought forth for Board approval.

Attachments: Donations

Presented By:

Carla Lovett, Executive Director

Financial Impact:

The financial impact for this item varies depending on the various items donated.

South Tech Academy Donations For The Governing Board

Donations

First Name	Last Name	Business	Date	Contribution
Jonathan	Mazurkiewicz		3/31/2021	\$25 Student Computers - Paypal
Allan	Soni		3/31/2021	\$50 Student Computers - Paypal
David	Niknafs		3/31/2021	\$600 Student Computers - Paypal
Christine	Clark		3/31/2021	\$20 Student Computers - Paypal

Non Cash Donations

First Name	Last Name	Business	Date	Contribution
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Motion:

I recommend that the Board approve the Personnel Actions for the previous month

Summary Information:

This item covers Personnel actions for the previous month, including any resignations, terminations, and new hires.

Attachments: Personnel Actions List

Presented By:

Jennifer Melillo, Human Resource Manager

Financial Impact:

**SOUTH TECH ACADEMY
PERSONNEL ACTIONS
April 2021**

<u>Personnel Action</u>	<u>Employee Name</u>	<u>Position</u>	<u>Effective Date</u>
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New Hires/ Transfers

New Hire:

Terry Jacobs	Interim Mathematics Instructor	3/22/2021
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Resignations/Terminations

Retirement/Leave of Absence

**Board Meeting
April 8, 2021**

**Governing Board of Directors
SouthTech Charter Academy, Inc.**

**Agenda Item
B-2**

Motion:

I recommend that the Board approve the Job Description for Accounting Clerk.

Summary Information:

The Accounting Clerk is a newly created position that will perform a variety of duties related to the school's financial operation while interacting with all levels of school staff.

Responsibilities include keeping financial records updated, preparing reports and reconciling accounts.

Attachments: Job Description for Accounting Clerk

Presented By:

Carla Lovett, Executive Director

Financial Impact:

There is no financial impact for this item.

ACCOUNTING CLERK

JOB DESCRIPTION: The Accounting Clerk reports to the Finance Manager. Accounting Clerk responsibilities include keeping financial records updated, preparing reports and reconciling accounts. The Accounting Clerk will also utilize accounting software programs to process business transactions, such as accounts payable, accounts receivable, disbursements, expense vouchers and receipts. The Accounting Clerk should be familiar with all accounting procedures to ensure daily accounting functions run accurately and effectively. The Accounting Clerk will perform a variety of duties related to the school's financial operation while interacting with all levels of school staff.

RESPONSIBILITIES:

- Provide accounting and clerical support to the accounting department
- Accurately type, prepare and maintain accounting documents and records
- Prepare bank deposits and general ledger postings
- Reconcile accounts payable statements and internal accounts in a timely manner
- Daily data entry of approved financial transactions in the accounting software
- Research and track accounting or documentation problems and discrepancies
- Compile reports/summaries for the Finance Manager
- Function in accordance with established standards, policies, procedures and applicable laws
- Assures financial security by following internal controls
- Assists in Audit preparation
- Performs other duties as assigned

REQUIREMENTS:

- Proven accounting experience, preferably as an Accounts Payable or Receivable Clerk
- Familiarity with bookkeeping and basic accounting procedures
- Competency in MS Office and accounting software; QuickBooks experience a plus
- Hands-on experience with spreadsheets and financial reports
- Exceptional accuracy and attention to detail
- Ability to perform filing and record keeping tasks
- Proficiency in data entry, excel and word processing skills
- High level of integrity, trustworthiness and confidentiality
- Excellent communication (written and oral) and interpersonal skills
- Prioritizes duties to ensure deadlines
- Well organized and is flexible and adaptive to a variety of job conditions
- High School degree
- College degree or relevant certification a plus

SALARY: Commensurate with qualifications, experience, and South Tech Schools, Inc.'s non-instructional salary schedule range

Motion:

I recommend that the Board approve and ratify the monthly financial statements for month ending February 28, 2021 required by the Sponsor.

Summary Information:

The State statutes and the Palm Beach County School District require charter schools to provide financial statements on a monthly basis in the format that School Districts are required to follow. This format is prescribed by the Governmental Accounting Standards Board (GASB).

The monthly statements include:

1. Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual
2. The combined Statement of Revenues, Expenditures and Changes in Fund Balance
3. A Combined Balance Sheet – All Fund Types

Quarterly, a Statement of Net Assets is also required. This is provided in March, June, September and December.

Attachments: Monthly Financial Statements

Presented By:

Ginger DeKalb, Accounting Manager

Financial Impact:

There is no financial impact for this item.

Governmental Accounting Standards Board (GASB) Monthly Financial Form
South Tech Academy with MSID Number 1571
Palm Beach County, Florida
For the Month Ended February 28, 2021 and For the Year Ending June 30, 2021
February 28, 2021

	<u>Accounts</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	1110	\$ 2,350,324	\$ -	\$ -	\$ -	\$ 2,350,324
Investments	1160					-
Grant receivables	1130	278,062				278,062
Other current assets	12XX	52,834				52,834
Deposits	1210	34,232			-	34,232
Due from other funds	1140					-
Other long-term assets	1400	-				-
Total Assets		<u>\$ 2,715,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,715,452</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	2120	\$ 66,074	\$ -	\$ -	\$ -	\$ 66,074
Salaries, benefits, and payroll taxes payable	2110, 2170, 2330	427,413				427,413
Deferred revenue	2410	-				-
Notes/bonds payable	2180, 2250, 2310, 2320					-
Lease payable	2315					-
Other liabilities	21XX, 22XX, 23XX	72,404				72,404
Total Liabilities		<u>565,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>565,891</u>
Fund Balance						
Nonspendable	2710	87,066				87,066
Restricted	2720					-
Committed	2730					-
Assigned	2740	153,923				153,923
Unassigned	2750	1,908,572				1,908,572
Total Fund Balance		<u>2,149,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,149,561</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 2,715,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,715,452</u>

South Tech Academy with MSID Number (1571)
Palm Beach County, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balance (Unaudited)
For the Month Ended February 28, 2021 and For the Year Ending June 30, 2021

FTE Projected		1,165								
FTE Actual		1,212	104% Percent of Projected							
		General Fund				Special Revenue				
	Account Number	Month/ Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/ Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	
Revenues										
FEDERAL SOURCES										
	Federal direct	3100	\$ -	\$ -	\$ -	%	\$ -	\$ -	-	%
	Federal through state and local	3200					159,907	638,828	717,252	89%
STATE SOURCES										
	FEFP	3310	606,072	4,611,634	7,042,206	65%				
	Capital outlay	3397	10,908	83,535	129,678	64%				
	Class size reduction	3355	87,000	696,000	1,094,583	64%				
	School recognition	3361	-	-	-					
	Other state revenue	33XX	-	71,275	367,280	19%				
LOCAL SOURCES										
	Interest	3430	200	1,600	5,000	32%				
	Local capital improvement tax	3413	#							
	Other local revenue	34XX	16,493	249,995	220,000	114%				
Total Revenues			720,673	5,714,039	8,858,747	65%	159,907	638,828	717,252	89%
Expenditures										
Current Expenditures										
	Instruction	5000	440,946	3,146,033	4,857,233	65%	47,214	474,436	459,041	103%
	Instructional support services	6000	55,791	398,360	689,246	58%	17,745	133,598	258,211	52%
	Board	7100	5,539	69,736	109,076	64%				
	General administration	7200	12,616	95,819	171,488	56%				
	School administration	7300	72,919	487,548	808,150	60%				
	Facilities and acquisition	7400		90,224	-					
	Fiscal services	7500	21,292	143,376	209,168	69%				
	Food services	7600								
	Central services	7700	12,201	103,556	197,946	52%				
	Pupil transportation services	7800	35,793	171,430	675,000	25%	(3,675)	525	-	
	Operation of plant	7900	76,322	410,691	769,459	53%	9,613	70,634	-	
	Maintenance of plant	8100	(9,634)	32,802	51,620	64%				
	Administrative technology services	8200	7,344	57,172	77,924	73%				
	Community services	9100	11,296	83,121	210,000	40%				
	Debt service	9200	1,041	7,515	-					
Total Expenditures			743,466	5,297,383	8,826,310	60%	70,897	679,193	717,252	95%
`			(22,793)	416,656	32,437		89,010	(40,365)	-	
Other Financing Sources (Uses)										
	Transfers in	3600	89,010	-	-		-	40,365		
	Transfers out	9700	-	(40,365)			(89,010)	-		
Total Other Financing Sources (Uses)			89,010	(40,365)	-		(89,010)	40,365	-	
Net Change in Fund Balances										
	Fund balances, beginning		66,217	376,291	32,437		-	-		
	Adjustments to beginning fund balance		2,086,444	1,814,883	2,026,074	90%				
			(3,100)	(41,613)						
Fund Balances, Beginning as Restated			2,083,344	1,773,270	2,026,074	88%	-	-	-	
Fund Balances, Ending			\$ 2,149,561	\$ 2,149,561	\$ 2,058,511	104%	\$ -	\$ -	-	%

Debt Service			
Month/ Quarter			% of YTD
Actual	YTD Actual	Annual Budget	Actual to Annual Budget

\$ - \$ - \$ - %

- - -

- - -

- - -

- - -

- - -

- - -

\$ - \$ - \$ - %

Capital Outlay			
Month/ Quarter			% of YTD
Actual	YTD Actual	Annual Budget	Actual to Annual Budget

\$ - \$ - \$ - %

- - -

- - -

- - -

- - -

- - -

- - -

\$ - \$ - \$ - %

Total Governmental Funds			
Month/ Quarter			% of YTD
Actual	YTD Actual	Annual Budget	Actual to Annual Budget

- - - %

159,907 638,828 717,252 89%

606,072 4,611,634 7,042,206 65%

10,908 83,535 129,678 64%

87,000 696,000 1,094,583 64%

- - -

- 71,275 367,280 19%

200 1,600 5,000 32%

- - -

16,493 249,995 220,000 114%

880,580 6,352,867 9,575,999 66%

488,160 3,620,469 5,316,274 68%

73,536 531,958 947,457 56%

5,539 69,736 109,076 64%

12,616 95,819 171,488 56%

72,919 487,548 808,150 60%

- 90,224 -

21,292 143,376 209,168 69%

- - -

12,201 103,556 197,946 52%

32,118 171,955 675,000 25%

85,935 481,325 769,459 63%

(9,634) 32,802 51,620 64%

7,344 57,172 77,924 73%

11,296 83,121 210,000 40%

1,041 7,515 -

814,363 5,976,576 9,543,562 63%

66,217 376,291 32,437

89,010 40,365 -

(89,010) (40,365) -

- - -

66,217 376,291 32,437

2,086,444 1,814,883 2,026,074 90%

(3,100) (41,613) -

2,083,344 1,773,270 2,026,074 88%

2,149,561 2,149,561 2,058,511 104%

Motion:

I recommend that the Board approve and ratify the SouthTech Schools Holdings, LLC Balance Sheet and Profit & Loss Report for month ending February 28, 2021.

Summary Information:

Per the Articles of Incorporation, SouthTech Schools Holdings, LLC shall be Member Managed within the meaning of Section 605.0407, Florida Statutes, and have a single member consisting of SOUTH TECH CHARTER ACADEMY, INC., a Florida nonprofit corporation ("the Member").

Attachments: STSH Balance Sheet
STSH Profit & Loss Report

Presented By:

Ginger DeKalb, Accounting Manager

Financial Impact:

There is no financial impact for this item.

South Tech Schools Holdings LLC

Balance Sheet

As of February 28, 2021

	Feb 28, 21
ASSETS	
Current Assets	
Checking/Savings	
1110 · Operating Account 9074	179,637.44
1112 · 2020A Interest Acct - 6001	94,292.03
1115 · 2020A Reserve Acct - 6004	702,759.70
1116 · 2020B Interest Acct - 6005	2,275.00
1117 · 2020B Principal Acct - 6006	52,500.28
1119 · Administration Fund - 6008	1,250.02
1123 · 2020A Project Acct - 6012	521,756.73
1124 · 2020A Cost of Issuance - 6013	25.39
1125 · 2020B Cost of Issuance - 6014	4,289.24
Total Checking/Savings	1,558,785.83
Other Current Assets	
1230 · Prepaid Expenses	40,238.55
Total Other Current Assets	40,238.55
Total Current Assets	1,599,024.38
Fixed Assets	
1310 · Land	1,820,527.51
1325 · Buildings	
1330 · Buildings	8,229,751.99
1335 · Accumulated Depreciation	-97,973.24
Total 1325 · Buildings	8,131,778.75
Total Fixed Assets	9,952,306.26
Other Assets	
1400 · Unamortized Bond Issue Costs	471,049.68
Total Other Assets	471,049.68
TOTAL ASSETS	12,022,380.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	1,845.95
Total Accounts Payable	1,845.95
Other Current Liabilities	
2201 · Miscellaneous Payables	30,603.23
2220 · Prepaid Rental Income	73,929.16
2300 · Accrued Bond Interest	96,566.66
Total Other Current Liabilities	201,099.05
Total Current Liabilities	202,945.00
Long Term Liabilities	
2320 · Bonds Payable	11,575,000.00
2324 · Premium on Bonds Payable	
2325 · Premium on Bonds Payable	179,672.45
2326 · Amortization-PremiumBondPayable	-1,711.16
Total 2324 · Premium on Bonds Payable	177,961.29
2710 · LT Deposits Payable	105,335.52
Total Long Term Liabilities	11,858,296.81
Total Liabilities	12,061,241.81

1:52 PM

03/30/21

Accrual Basis

South Tech Schools Holdings LLC

Balance Sheet

As of February 28, 2021

	Feb 28, 21
Equity	
Net Income	<u>-38,861.49</u>
Total Equity	<u>-38,861.49</u>
TOTAL LIABILITIES & EQUITY	<u><u>12,022,380.32</u></u>

2:05 PM

03/30/21

Accrual Basis

South Tech Schools Holdings LLC

Profit & Loss

February 2021

	Feb 21	Jul '20 - Feb 21
Income		
3425 · Rental Income - 1325 Gateway	43,079.16	171,654.68
3426 · CAM Income - 1325 Gateway	7,200.00	28,800.00
3427 · Rental Income - 1275 Gateway	20,350.00	87,503.23
3428 · CAM Income - 1275 Gateway	3,300.00	13,200.00
3431 · Interest Income	5.69	17.78
Total Income	73,934.85	301,175.69
Expense		
110-E · Expenditures		
5100 · Office Supplies	0.00	194.58
7100 · Legal Expense	0.00	630.00
7300 · Account Hosting	0.00	300.00
7500 · Bank Service Charge	51.04	174.16
7700 · Insurance Expense	4,872.22	19,488.88
7800 · Management Admin Fee	4,958.68	4,958.68
7900 · Landscaping	855.00	3,310.00
9100 · Depreciation Expense	24,493.31	97,973.24
9200 · Bond Interest Expense	47,855.54	178,546.60
9210 · Bond Issue Cost Expense	1,132.33	4,529.32
9220 · Annual Issuer Fees	1,250.00	5,000.00
9221 · Trustee Fees	520.83	2,567.70
9300 · Water - Storm Drainage	1,845.95	1,845.95
9400 · Property Taxes	20,518.07	20,518.07
Total 110-E · Expenditures	108,352.97	340,037.18
Total Expense	108,352.97	340,037.18
Net Income	-34,418.12	-38,861.49

Motion:

I recommend that the Board approve the engagement letter for auditing services between SouthTech Charter Academy, Inc. and Keefe, McCullough & Co., LLP.

Summary Information:

The sponsor requires that the charter school engage an auditing firm each year to audit the financial statements of the school. Keefe, McCullough & Co., LLP auditing firm services is recommended for years ended June 2022 and June 2023.

Attachments: Engagement letter

Presented By:

Carla Lovett, Executive Director

Financial Impact:

SY21 Budget was \$15,375. The new cost is \$15,800 annually (an increase of \$425 per year). Form 990 was at \$1300. The cost remained the same each year.



March 8, 2021

Members of the Board of Directors and the
Management of South Tech Charter Academy, Inc.
South Tech Charter Academy, Inc.
6161 W. Woolbright Road
Boynton Beach, FL 33437

Dear Members of the Board of Directors and Management:

We are pleased to confirm our understanding of the services we are to provide South Tech Charter Academy, Inc. (the "Academy") for the years ended June 30, 2022 and 2023. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Academy as of and for the years ended June 30, 2022 and 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement South Tech Charter Academy, Inc.'s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to South Tech Charter Academy Inc.'s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Pension Schedules – Retirement System.
3. Budgetary Comparison Schedule – General Fund
4. Budgetary Comparison Schedule – Special Revenue Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the Academy's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the governing board of the Academy. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.



Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Academy's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements and related notes of the Academy in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also prepare the Academy's annual income tax return (Form 990). These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will also prepare the Organization's federal information return for the years ended June 30, 2022 and 2023. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services and preparation of the returns previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.



Management Responsibilities

Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan, if applicable.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the State of Florida and the School District of Palm Beach County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Keefe McCullough and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to any Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Keefe McCullough personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the any Oversight Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit May, of each fiscal end (specific dates will be coordinated) and to issue our reports no later than the immediate subsequent September 20th of each fiscal year end. Kenneth G. Smith, C.P.A. is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services for June 2022 and 2023 will be \$ 15,800 for each year. Our fee for the preparation of form 990 (tax return for an Organization Exempt from Tax) will be \$ 1,300 each year. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additionally, this agreement can be mutually extended under similar terms with fee increases of no more than the annual consumer price index.

We appreciate the opportunity to be of service to South Tech Charter Academy, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

KEEFE McCULLOUGH



Kenneth G. Smith, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of SOUTH TECH CHARTER ACADEMY, INC.

Governance signature

Title

Date

Motion:

I recommend that the Board approve the engagement letter for auditing services between SouthTech Schools Holdings, LLC and Keefe, McCullough & Co., LLP.

Summary Information:

The sponsor requires that the charter school engage an auditing firm each year to audit the financial statements of the school. Keefe, McCullough & Co., LLP auditing firm services is recommended for years ended June 2021, 2022, and 2023.

Attachments: Engagement letter

Presented By:

Carla Lovett, Executive Director

Financial Impact:

The cost for the audit is \$8,000 annually.
The cost for the Form 990 is \$1300 annually.



March 8, 2021

Members of the Board of Directors and the
Management of South Tech Charter Academy, Inc.,
South Tech Preparatory Academy, Inc. and
South Tech Schools Holdings, LLC
6161 W. Woolbright Road
Boynton Beach, FL 33437

Dear Members of the Board of Directors and Management

We are pleased to confirm our understanding of the services we are to provide for South Tech Charter Academy, Inc., South Tech Preparatory Academy, Inc. and South Tech Schools Holdings, LLC, (collectively, the "Organization"), for the years ended June 30, 2021, 2022 and 2023.

We will audit the financial statements of Organization, which comprise the statement(s) of financial position as of June 30, 2021, 2022 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Combining schedule of financial position
2. Combining schedule of activities

The objectives of our audit 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 issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and their environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Other Services

We will prepare the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

The service is limited to the financial statement previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to financial accounting principles and disclosures, but management must make all decisions with regard to those matters.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Kenneth G. Smith, C.P.A., is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for the audit and other services will be \$ 8,000 for each 2021, 2022 and 2023. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to Members of the Board of Directors of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

KEEFE McCULLOUGH



Kenneth G. Smith, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of South Tech Charter Academy, Inc., South Tech Preparatory Academy, Inc. and South Tech Schools Holdings, LLC.

Governance signature

Title

Date

**Board Meeting
April 8, 2021**

**Governing Board of Directors
SouthTech Preparatory Academy, Inc.**

**Agenda
Item PB-1**

Motion:

I recommend that the Board approve the Job Description for Accounting Clerk.

Summary Information:

The Accounting Clerk is a newly created position that will perform a variety of duties related to the school's financial operation while interacting with all levels of school staff.

Responsibilities include keeping financial records updated, preparing reports and reconciling accounts.

Attachments: Job Description for Accounting Clerk

Presented By:

Carla Lovett, Executive Director

Financial Impact:

There is no financial impact for this item.

ACCOUNTING CLERK

JOB DESCRIPTION: The Accounting Clerk reports to the Finance Manager. Accounting Clerk responsibilities include keeping financial records updated, preparing reports and reconciling accounts. The Accounting Clerk will also utilize accounting software programs to process business transactions, such as accounts payable, accounts receivable, disbursements, expense vouchers and receipts. The Accounting Clerk should be familiar with all accounting procedures to ensure daily accounting functions run accurately and effectively. The Accounting Clerk will perform a variety of duties related to the school's financial operation while interacting with all levels of school staff.

RESPONSIBILITIES:

- Provide accounting and clerical support to the accounting department
- Accurately type, prepare and maintain accounting documents and records
- Prepare bank deposits and general ledger postings
- Reconcile accounts payable statements and internal accounts in a timely manner
- Daily data entry of approved financial transactions in the accounting software
- Research and track accounting or documentation problems and discrepancies
- Compile reports/summaries for the Finance Manager
- Function in accordance with established standards, policies, procedures and applicable laws
- Assures financial security by following internal controls
- Assists in Audit preparation
- Performs other duties as assigned

REQUIREMENTS:

- Proven accounting experience, preferably as an Accounts Payable or Receivable Clerk
- Familiarity with bookkeeping and basic accounting procedures
- Competency in MS Office and accounting software; QuickBooks experience a plus
- Hands-on experience with spreadsheets and financial reports
- Exceptional accuracy and attention to detail
- Ability to perform filing and record keeping tasks
- Proficiency in data entry, excel and word processing skills
- High level of integrity, trustworthiness and confidentiality
- Excellent communication (written and oral) and interpersonal skills
- Prioritizes duties to ensure deadlines
- Well organized and is flexible and adaptive to a variety of job conditions
- High School degree
- College degree or relevant certification a plus

SALARY: Commensurate with qualifications, experience, and South Tech Schools, Inc.'s non-instructional salary schedule range

Motion:

I recommend that the Board approve and ratify the monthly financial statements for month ending February 28, 2021 required by the Sponsor.

Summary Information:

The State statutes and the Palm Beach County School District require charter schools to provide financial statements on a monthly basis in the format that School Districts are required to follow. This format is prescribed by the Governmental Accounting Standards Board (GASB).

The monthly statements include:

1. Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual
2. The combined Statement of Revenues, Expenditures and Changes in Fund Balance
3. A Combined Balance Sheet – All Fund Types

Quarterly, a Statement of Net Assets is also required. This is provided in March, June, September and December.

Attachments: Monthly Financial Statements

Presented By:

Ginger DeKalb, Accounting Manager

Financial Impact:

There is no financial impact for this item.

Governmental Accounting Standards Board (GASB) Monthly Financial Form
South Tech Prep Academy with MSID Number 3441
Palm Beach County, Florida
For the Month Ended February 28, 2021 and For the Year Ending June 30, 2021
February 28, 2021

	<u>Accounts</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	1110	\$ 785,934	\$ -	\$ -	\$ -	\$ 785,934
Investments	1160					-
Grant receivables	1130	22,336				22,336
Other current assets	12XX	53,583				53,583
Deposits	1210	87,400				87,400
Due from other funds	1140	39,413				39,413
Other long-term assets	1400					-
Total Assets		<u>\$ 988,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,666</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	2120	\$ 16,246	\$ -	\$ -	\$ -	\$ 16,246
Salaries, benefits, and payroll taxes payable	2110, 2170, 2330	29,754				29,754
Deferred revenue	2410					-
Notes/bonds payable	2180, 2250, 2310, 2320					-
Lease payable	2315					-
Other liabilities	21XX, 22XX, 23XX					-
Total Liabilities		<u>45,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,999</u>
Fund Balance						
Nonspendable	2710	140,983				140,983
Restricted	2720					-
Committed	2730					-
Assigned	2740	118,840				118,840
Unassigned	2750	682,844				682,844
Total Fund Balance		<u>942,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942,666</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 988,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,666</u>

South Tech Prep Academy with MSID Number (3441)
Palm Beach County, Florida
Statement of Revenue, Expenditures, and Changes in Fund Balance (Unaudited)
For the Month Ended February 28, 2021 and For the Year Ending June 30, 2021

FTE Projected FTE Actual	535								
	526	98% Percent of Projected							
		General Fund				Special Revenue			
	Account Number	Month/ Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget	Month/ Quarter Actual	YTD Actual	Annual Budget	% of YTD Actual to Annual Budget
Revenues									
FEDERAL SOURCES									
	3100	\$ -	\$ -	\$ -	%	\$ -	\$ -	-	%
	3200					71,206	276,141	268,844	103%
STATE SOURCES									
	3310	290,475	2,209,747	3,225,366	69%				
	3397			-					
	3355	41,132	329,056	498,505	66%				
	3361								
	33XX	-	7,040	37,770	19%				
LOCAL SOURCES									
	3430	65	492	1,100	45%				
	3413								
	34XX	8,587	47,916	334,429	14%				
Total Revenues		340,259	2,594,251	4,097,170	63%	71,206	276,141	268,844	103%
Expenditures									
Current Expenditures									
	5000	179,338	993,331	1,795,488	55%	20,505	175,464	174,749	100%
	6000	13,665	177,303	263,908	67%	15,896	93,016	94,095	99%
	7100	2,020	31,467	33,082	95%				
	7200	12,395	93,104	145,163	64%				
	7300	41,888	271,350	422,951	64%				
	7400								
	7500	7,859	60,312	92,483	65%				
	7600								
	7700	4,678	41,051	61,357	67%				
	7800	29,230	132,654	315,000	42%				
	7900	68,609	528,570	1,000,172	53%	1,428	17,216	-	
	8100	4,106	30,997	55,523	56%				
	8200	6,636	44,379	65,316	68%				
	9100	4,228	38,480	100,000	38%				
	9200								
Total Expenditures		374,652	2,442,998	4,350,443	56%	37,829	285,696	268,844	106%
Excess (Deficiency) of Revenues Over Expenditures		(34,393)	151,253	(253,273)	-60%	33,377	(9,555)	-	
Other Financing Sources (Uses)									
	3600	55,535	187,843	361,000		-	9,555		
	9700	-	(9,555)			(33,377)	-		
Total Other Financing Sources (Uses)		55,535	178,288	361,000	49%	(33,377)	9,555	-	
Net Change in Fund Balances									
		21,142	329,541	107,727		-	-	-	
		921,524	614,559	724,704	85%				
		-	(1,434)						
Fund Balances, Beginning as Restated		921,524	613,125	724,704	85%	-	-	-	
Fund Balances, Ending		\$ 942,666	\$ 942,666	832,431	113%	\$ -	\$ -	-	%

Debt Service				Capital Outlay				Total Governmental Funds			
Month/ Quarter			% of YTD	Month/ Quarter			% of YTD	Month/ Quarter			% of YTD
Actual	YTD Actual	Annual Budget	Actual to Annual Budget	Actual	YTD Actual	Annual Budget	Actual to Annual Budget	Actual	YTD Actual	Annual Budget	Actual to Annual Budget
\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	-	-	-	%
								71,206	276,141	268,844	103%
								290,475	2,209,747	3,225,366	69%
				22,158	187,843	264,784	71%	22,158	187,843	264,784	71%
								41,132	329,056	498,505	66%
								-	-	-	
								-	7,040	37,770	19%
								65	492	1,100	45%
							%	-	-	-	
								8,587	47,916	334,429	14%
-	-	-		22,158	187,843	264,784	71%	433,623	3,058,235	4,630,798	66%
								199,843	1,168,795	1,970,237	59%
								29,561	270,319	358,003	76%
								2,020	31,467	33,082	95%
								12,395	93,104	145,163	64%
								41,888	271,350	422,951	64%
								-	-	-	
								7,859	60,312	92,483	65%
								-	-	-	
								4,678	41,051	61,357	67%
								29,230	132,654	315,000	42%
								70,037	545,786	1,000,172	55%
								4,106	30,997	55,523	56%
								6,636	44,379	65,316	68%
								4,228	38,480	100,000	38%
								-	-	-	
-	-	-		-	-	-		412,481	2,728,694	4,619,288	59%
-	-	-		22,158	187,843	264,784	71%	21,142	329,541	11,511	2863%
				(22,158)	(187,843)	(361,000)		55,535	197,398	361,000	
								(55,535)	(197,398)	(361,000)	
-	-	-		(22,158)	(187,843)	(361,000)		-	-	-	
-	-	-		-	-			21,142	329,541	11,511	
								921,524	614,559	724,704	85%
								-	(1,434)	-	
-	-	-		-	-	-		921,524	613,125	724,704	85%
\$ -	\$ -	\$ -	%	\$ -	\$ -	\$ -	%	\$ 942,666	\$ 942,666	\$ 736,215	128%

**Board Meeting
April 8, 2021**

**Governing Board of Directors
SouthTech Preparatory Academy, Inc.**

**Agenda Item
PC-2**

Motion:

I recommend that the Board approve the engagement letter for auditing services between SouthTech Preparatory Academy, Inc. and Keefe, McCullough & Co., LLP.

Summary Information:

The sponsor requires that the charter school engage an auditing firm each year to audit the financial statements of the school. Keefe, McCullough & Co., LLP auditing firm services is recommended for years ended June 2022 and June 2023.

Attachments: Engagement letter

Presented By:

Carla Lovett, Executive Director

Financial Impact:

SY21 Budget was \$8,000. The annual cost remained the same.
Form 990 was at \$1,300. The annual cost remained the same.



March 8, 2021

Members of the Board of Directors and the
Management of South Tech Preparatory Academy, Inc.
South Tech Preparatory Academy, Inc.
6161 W. Woolbright Road
Boynton Beach, FL 33437

Dear Members of the Board of Directors and Management:

We are pleased to confirm our understanding of the services we are to provide South Tech Preparatory Academy, Inc. (the "Academy") for the years ended June 30, 2022 and 2023. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Academy as of and for the years ended June 30, 2022 and 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement South Tech Preparatory Academy, Inc.'s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to South Tech Preparatory Academy Inc.'s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Pension Schedules – Retirement System.
3. Budgetary Comparison Schedule – General Fund
4. Budgetary Comparison Schedule – Special Revenue Fund

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Academy and other procedures we consider necessary to enable us to express such opinions.

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We will issue a written report upon completion of our audit of the Academy's financial statements. Our report will be addressed to the Board of Directors of the Academy. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Academy is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Academy in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will also prepare the Organization's federal information return for the years ended June 30, 2022 and 2023. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services and preparation of the returns previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported.

Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the State of Florida and the School District of Palm Beach County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Keefe McCullough and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to any Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Keefe McCullough personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the any Oversight Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit May of each fiscal year end (specific dates will be coordinated) and to issue our reports no later than the immediate subsequent September 20th of each fiscal year end. Kenneth G. Smith, C.P.A. is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services for June 2022 and 2023 will be \$ 8,500 each year. Our fee for the preparation of form 990 (tax return for an Organization Exempt from Tax) will be \$ 1,300 each year. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Additionally, this agreement can be mutually extended under similar terms with fee increases of no more than the annual consumer price index.

We appreciate the opportunity to be of service to South Tech Preparatory Academy, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

KEEFE McCULLOUGH



Kenneth G. Smith, C.P.A.

RESPONSE:

This letter correctly sets forth the understanding of SOUTH TECH PREPARATORY ACADEMY, INC.

Governance signature

Title

Date

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