

APOGEE GEORGIA SCHOOL CHOICE
SCHOLARSHIP FUND

FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

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APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND

FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Apogee Georgia School Choice Scholarship Fund
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Apogee Georgia School Choice Scholarship Fund (a nonprofit organization), which comprise the statements of financial position as of April 30, 2023 and 2022, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Apogee Georgia School Choice Scholarship Fund as of April 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Apogee Georgia School Choice Scholarship Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Apogee Georgia School Choice Scholarship Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Apogee Georgia School Choice Scholarship Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Apogee Georgia School Choice Scholarship Fund 's ability to continue as a going concern for a reasonable period of time.

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

Stephen M. Berman & Associates, LLC

Atlanta, Georgia
December 21, 2023

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash		
Cash restricted for scholarship and tuition grants		
TOTAL ASSETS		

NET ASSETS

Net assets		
Without donor restrictions		
With donor restrictions		
Total net assets		
TOTAL LIABILITIES AND NET ASSETS	<u> </u>	<u> </u>

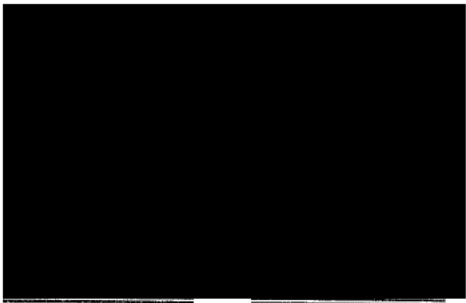
APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES:						
Contributions						
Transfer of awards to other SSO						
Administrative revenue						
Interest and dividends						
Net assets released from restrictions - Scholarship and tuition grants:						
TOTAL REVENUES						
EXPENSES:						
Program						
Management & General						
TOTAL EXPENSES						
CHANGE IN NET ASSETS FROM OPERATIONS						
NET ASSETS, BEGINNING OF YEAR						
NET ASSETS, END OF YEAR						

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

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase in net assets		
Net cash provided by operating activities		
Beginning cash		
Ending cash		



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

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

1. Nature of organization and significant accounting policies:

Nature of organization

The Apogee Georgia School Choice Scholarship Fund (The Fund) is a nonprofit trust formed on May 28, 2008 in the State of Georgia. The Fund was established in order to solicit donations from Georgia residents and corporations for the purpose of creating and awarding scholarships for private school tuition to Georgia residents currently attending primary or secondary public school in the State of Georgia. The Fund is a Student Scholarship Organization (SSO) as defined by the State of Georgia. The Fund operates in a manner that enables Georgia taxpayers to secure the Qualified Education Expense Credit available under Official Code of Georgia Annotated (O.C.G.A.) Section 48-7-29-16 for their charitable contributions to the Fund.

Basis of Presentation

The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require Apogee Georgia School Choice Scholarship Fund to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. These net assets may be used at the discretion of Apogee Georgia School Choice Scholarship Fund's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor-imposed restrictions are temporary in nature; those restrictions will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

Use of Estimates

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

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

1. Nature of organization and significant accounting policies, continued:

Contributions

Under generally accepted accounting principles for not-for-profit organizations, contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions.

The Fund reports contributions as with donor restriction support to the extent that the donor obligates such contributions for the provision of scholarships or tuition grants. Effective July 1, 2021, with respect to the first \$1.5 million of its annual revenue received from donations for scholarships or tuition grants, the Fund must obligate at least 92% of such revenue; with respect to its annual revenue in excess of \$1.5 million and up to and including \$10 million, must obligate at least 94% of such revenue; with respect to its annual revenue received in excess of \$10 million and up to and including \$20 million, must obligate at least 95% of such revenue.

When a scholarship or tuition grant is paid, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Although the Fund does not rely extensively on volunteers who directly provide services to the Fund in promoting the state income tax credit opportunity and scholarship opportunities provided through the program, the Fund indirectly benefits from the development, admissions, and financial aid services rendered by staff at the private schools participating with the Fund. If donated services received require specialized skills which would need to be purchased if not donated, the value of those donated services is recognized as contributions.

Administrative Revenue

The Fund is allowed an administrative fee on all contributions. In conformance with the Fund's policy to allocate to the provision of scholarships all administrative fees not needed to fund operations, the Board of Trustees of the Fund has approved a fee of [REDACTED] to fund operations for fiscal year 2023, which is below the allowable legal limit. The revenue recognition policy for the administrative revenue is consistent with revenue recognition for contributions.

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

1. Nature of organization and significant accounting policies, continued:

Assets Obligated for Scholarships

The Fund had [REDACTED] held both interest and non-interest bearing bank accounts for the years ended April 30, 2023 and 2022.

These monies are obligated under the provisions of Georgia law relating to the operation of student scholarship organizations under O.C.G.A. 20-2A. In addition, under O.C.G.A. 20-2A the Fund is required to maintain two separate accounts for operating and scholarship funds.

Scholarships

In the course of fulfilling its mission and purpose, each year the Fund authorizes distribution of certain program funds for student scholarships at participating schools. The authorized distributions are recorded as program expenses in the financial statements of the Fund when the scholarships are approved.

Functional Allocation of Expenses

The costs of providing the program and activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and management and general expenses. The allocation of functional expenses is detailed in Note 3.

Direct allocation is used for both program and management cost. Management fees are allocated based on the estimated time spent on program versus management activities.

Cash

Cash consists of demand deposits with financial institutions. The balances in the Fund's bank accounts (as reflected in the bank's records) are generally insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation. The Fund does not believe that it is exposed to significant credit risk as deposits are maintained in high quality financial institutions.

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

1. Nature of organization and significant accounting policies, continued:

Income Tax Status

The Fund is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Fund has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Internal Revenue Service has ruled that the Fund qualifies as an exempt private foundation as described in Section 501(c)(3) of the Internal Revenue Code.

Management of the Fund considers the likelihood of changes by taxing authorities and recognizes a liability or discloses potential significant changes that management believes are more likely than not to occur, including changes in the Fund's status as a nonprofit entity.

Revenue from Contracts with Customers

In September 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 supersedes the current revenue recognition guidance, including industry-specific guidance. The guidance introduces a five-step model to achieve its core principal of the entity in recognizing revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updated guidance is effective for annual periods beginning after December 15, 2018. Management has evaluated the Fund's revenue streams and has determined that there was no impact on the financial statements given the Fund's revenue consists entirely of contributions, which are considered nonreciprocal transactions, for which FASB Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, still applies.

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

1. Nature of organization and significant accounting policies, continued:

Leases

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 requires that lease arrangements longer than 12 months result in the entity recognizing an asset and a liability. The updated guidance is in effect for annual periods beginning after December 15, 2021, and early adoption is permitted. [REDACTED]

Subsequent Events

Management has evaluated subsequent events through December 21, 2023 which is the date the financial statements were available to be issued. All subsequent events requiring recognition or disclosure as of April 30, 2023 have been incorporated into these financial statements.

2. Related Party Transactions:

The Fund paid fees of [REDACTED] for the year ended April 30, 2023 and 2022 to members of the Board of Trustees for accounting services and legal services.

3. Availability and Liquidity:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position. The Organization had [REDACTED] of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents and the unrestricted portion of the Organization's investments. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's financial assets available within one year of the balance sheet date for designated expenditures are as follows:

Cash and cash equivalents [REDACTED]

Total assets available within one year [REDACTED]

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

4. Functional Expenses:

	2023		2022	
	Program	Management & General	Program	Management & General
Scholarships and tuition grants				
Management Fees				
Charitable contributions				
Professional Fees				
Office Expenses				
Total				

5. Contributions

Under Georgia law, each SSO must report to the Georgia Department of Revenue the total number and dollar value of contributions received and tax credits approved. The reconciliation between the amounts reported to the Georgia Department of Revenue and the financial statements is as follows:

Georgia IT-QEE-SSO2 December 31, 2022 and 2021	
Other SSO (contributions) transfers of receipts	
Adjustment for SSO transfers of 2023 receipts	
Amount of contributions from January 1 to April 30, 2023	
Amount of contributions from January 1 to April 30, 2022	
Amount of contributions from January 1 to April 30, 2021	
Adjustment to remove repayment of unused scholarships	
Other	
Total Contributions April 30, 2023 and 2022	

The Georgia IT-QEE-SSO2 is reported on calendar year receipts while the fiscal year end for the Fund is April 30, therefore the above reconciliation contains adjustments to reconcile to the calendar year reported amounts.

In 2023 and 2022, transfers were made from other SSOs due to contributions received by those SSOs which were designated for schools that are working with the Fund under the program.

The Fund (contributed) transferred [REDACTED] in 2023 and 2022, respectively, to other SSOs in prior and current year contributions. These transfers were made due to contributions received by the Fund that were designated for schools that moved their relationships to other SSOs.

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APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2023 AND 2022

6. Risks and Uncertainties

In March 2020, the World Health Organization officially designated COVID-19 as a pandemic, and as a result, businesses across the country and the world have had to take steps to protect their employees, and employees of companies with whom they do business. As a result of the pandemic, the Organization began having employees work from home instead of in the office. The pandemic is ongoing as of the report date and management is presently unable to predict what short-term and long-term impact this level of disruption may have on the Organization. There can be no assurances that a significant impact to the Organization will not take place. There have been no adjustments to these financial statements as a result of this uncertainty.

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INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

To the Board of Trustees
Apogee Georgia School Choice Scholarship Fund
Atlanta, Georgia

We have audited the financial statements of Apogee Georgia School Choice Scholarship Fund as of and for the year ended April 30, 2023, and have issued our report thereon dated December 21, 2023, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on those financial statements as a whole. The supplemental information on page 14 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the rules of the Department of Revenue Income Tax Division of Georgia under chapter 560-7-8-.47(4). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stephen M. Berman & Associates, LLC

Atlanta, Georgia

December 21, 2023

APOGEE GEORGIA SCHOOL CHOICE SCHOLARSHIP FUND
 SUPPLEMENTAL INFORMATION
 FOR THE YEAR ENDED APRIL 30, 2023

The following supplemental information is provided as required by O.C.G.A. 20-2A-2 and 20-2A-3

1. Revenues and Allocation - The SSO must obligate 92% of its annual revenues up to \$1.5M; 94% from \$1.5M to \$10M; and 95% from \$10M to \$20M.

Annual revenue for scholarships for the year ended April 30, 2023:	\$	
Required obligation:	_____	
Actual amount obligated:	_____	
Excess amount obligated in FY 2023:	\$	

2. Funds - The SSO must maintain separate accounts for scholarship funds and operating funds.

Accounts for scholarship funds at April 30, 2023:	_____	
Accounts for operating funds at April 30, 2023:	_____	
Total	\$	

3. The Georgia Department of Education lists the Organization as an approved SSO regarding their intent to participate.

4. Audit Report

Date of the audit report	D
120 days following year end (April 30, 2023)	

5. Report to Department of Revenue

Amount of contributions reported to the Department of Revenue for the year ended December 31, 2022:	\$	
Amount of contributions reported for the year ended April 30, 2023:		
Less: Amount of contributions from January 1, 2023 to April 30, 2023:		
Plus: Amount of contributions from January 1, 2022 to April 30, 2022:		
Transfer of receipts to other SSO		
Adjustment to remove transfer of 2023 receipts to other SSO		
Other		
Contributions for the year ended December 31, 2022:	_____	
Difference	\$	