

**Knoble, LePew & Associates, LLP**  
*Creating Clients for Life™*

114 E Main St Ste 101  
Rock Hill, SC 29730-5195

**Walnut Grove Christian School**  
1036 Maxwell Mill Road  
Fort Mill, SC 29708

Knoble, LePew & Associates, LLP  
Creating Clients for Life™  
114 E Main St Ste 101  
Rock Hill, SC 29730-5195  
803-324-8880

November 17, 2014

**CONFIDENTIAL**

Walnut Grove Christian School  
1036 Maxwell Mill Road  
Fort Mill, SC 29708

*Thank you!*

Dear Laura:

We have prepared the enclosed returns from information provided by you without verification or audit.

Return of Organization Exempt From Income Tax (Form 990)

We suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements.

**Federal Filing Instructions**

Your Form 990 for the year ended 6/30/14 shows no balance due. No failure to file penalty is due.

You are using a Personal Identification Number (PIN) for signing your return electronically. Sign the IRS e-file Authorization and mail it as soon as possible to:

Knoble, LePew & Associates, LLP  
114 E Main St Ste 101  
Rock Hill, SC 29730-5195

Initial and date the copies of the IRS e-file Signature Authorization and the Form 990. Retain them for your records. If previously signed and returned no further action is required for Form 8879-EO.

Your return is being filed electronically with the IRS and is not required to be mailed. Mailing a paper copy of your return to the IRS will delay the processing of your return.

Also enclosed is any material you furnished for use in preparing the returns. If the returns are examined, requests may be made for supporting documentation. Therefore, we recommend that you retain all pertinent records for at least seven years.

\* Please note that based on the current policies you have in place, the employees are allowed a 50% tuition discount for their children to attend Walnut Grove Christian School. Additionally, you have allowed the headmaster, also the founder, a lifetime 100% tuition discount. Because Mr. Boyd is still employed, we believe the first 50% of his tuition discount falls under the employee program and is a fringe benefit, not taxable. As such, we did not include these amounts in his compensation reported on the 990. However, we believe the last 50% of Mr. Boyd's tuition discount falls under the lifetime letter you have given him. This would appear to

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be a taxable benefit.

We suggest that you consider amending your Organization employee program to provide any headmaster with a 100% tuition discount. We further suggest you revoke the lifetime letter you have issued to Mr. Boyd. Should Mr. Boyd cease employment and still have children in the school, you could issue the equivalent letter at that time. The key to understand is that any tuition discounts given to Mr. Boyd, outside of the employee discount, are not tax-free fringe benefits.

Please call us if you have questions surrounding this.

We prepared the returns from information you provided without verification. Per our engagement letter with you, you agreed to review your tax return or other filing information for any items that appear to be incorrect, inconsistent or unusual. If you notice any such items, please bring them to our attention immediately so that any necessary adjustments can be made. Upon examination of the returns by taxing authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such an examination.

We are enclosing the documents you gave us to assist in the preparation of the returns. Also enclosed are copies of the returns for your files. We suggest that you retain these copies indefinitely, but at least for seven years from the time of filing.

If you are not filing your tax return electronically, we have enclosed mailing envelopes for your convenience in filing the returns. We recommend that you send the returns to the taxing authorities by certified mail with a request for a return receipt. Please retain the receipt as a proof of timely filing.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

Thank you for placing your trust in our firm. Our goal is to provide you with nothing less than outstanding service. If you believe we can improve your experience in any way, we welcome your feedback.

Our business can only grow with your help. If you know of someone else that can benefit from our firm, we would be grateful for the referral.

Best Regards,  
Knoble, LePew & Associates, LLP



David M. Knoble, CPA

For our Privacy Policy, see: [http://www.knoblecpa.com/home/privacy\\_policy.html](http://www.knoblecpa.com/home/privacy_policy.html)

## Forms 990 / 990-EZ Return Summary

For calendar year 2013, or tax year beginning **07/01/13** , and ending **06/30/14**

57-1119849

### Walnut Grove Christian School

<b>Net Asset / Fund Balance at Beginning of Year</b>		<u>835,599</u>
<b>Revenue</b>		
Contributions	<u>18,971</u>	
Program service revenue	<u>826,644</u>	
Investment income	<u>          </u>	
Capital gain / loss	<u>          </u>	
Fundraising / Gaming:		
Gross revenue	<u>4,424</u>	
Direct expenses	<u>713</u>	
Net income	<u>3,711</u>	
Other income	<u>0</u>	
<b>Total revenue</b>		<u>849,326</u>
<b>Expenses</b>		
Program services	<u>860,335</u>	
Management and general	<u>26,616</u>	
Fundraising	<u>          </u>	
<b>Total expenses</b>		<u>886,951</u>
<b>Excess / (deficit)</b>		<u>-37,625</u>
Changes		
		<u>          </u>
<b>Net Asset / Fund Balance at End of Year</b>		<u><u>797,974</u></u>

Reconciliation of Revenue	
Total revenue per financial statements	<u>                          </u>
Less:	
Unrealized gains	<u>                          </u>
Donated services	<u>                          </u>
Recoveries	<u>                          </u>
Other	<u>                          </u>
Plus:	
Investment expenses	<u>                          </u>
Other	<u>                          </u>
<b>Total revenue per return</b>	<u><u>849,326</u></u>

Reconciliation of Expenses	
Total expenses per financial statements	<u>                          </u>
Less:	
Donated services	<u>                          </u>
Prior year adjustments	<u>                          </u>
Losses	<u>                          </u>
Other	<u>                          </u>
Plus:	
Investment expenses	<u>                          </u>
Other	<u>                          </u>
<b>Total expenses per return</b>	<u><u>886,951</u></u>

Balance Sheet			
	Beginning	Ending	Differences
Assets	<u>1,629,657</u>	<u>1,784,311</u>	
Liabilities	<u>794,058</u>	<u>986,337</u>	
Net assets	<u><u>835,599</u></u>	<u><u>797,974</u></u>	<u><u>-37,625</u></u>

**Miscellaneous Information**

Amended return \_\_\_\_\_

Return / extended due date 11/17/14

Failure to file penalty \_\_\_\_\_

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

Form 8879-EO

For calendar year 2013, or fiscal year beginning 7/01, 2013, and ending 6/30, 2014

2013

Department of the Treasury Internal Revenue Service

Do not send to the IRS. Keep for your records.

Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.

Name of exempt organization

Walnut Grove Christian School

Employer identification number

57-1119849

Name and title of officer

Kyle Boyd Headmaster

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

Table with 5 rows (1a-5a) and 2 columns (b, amount). Row 1a: Form 990 check here [X] b Total revenue, if any (Form 990, Part VIII, column (A), line 12) 1b 849,326

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize Knoble, LePew & Associates, LLP to enter my PIN 19849 as my signature. Enter five numbers, but do not enter all zeros.

on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature

Date 11/14/14

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

57780700114

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature

David M. Knoble

Date 11/14/14

ERO Must Retain This Form—See Instructions

Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form.

Form 8879-EO (2013)