

THE ATHENIAN ACADEMY
(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

A Charter School and Component Unit of the
District School Board of Pinellas County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2021

King & Walker, CPAs, PL

Certified Public Accountants

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THE ATHENIAN ACADEMY
(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

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Independent Auditor's Report

To the Board of Directors of the Athenian Academy
a charter school under The Athenian Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Pinellas County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Athenian Academy (“School”) a charter school under The Athenian Academy, Inc., a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The Athenian Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of The Athenian Academy, Inc. as of June 30, 2021, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as shown in the table of contents, be presented to supplement the 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Respectfully submitted,



September 7, 2021
Tampa, Florida

THE ATHENIAN ACADEMY

(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

A Charter School and Component Unit of the District School Board of Pinellas County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Athenian Academy ("School") a charter school under The Athenian Academy, Inc., provides an overview of the School's activities for the fiscal year ended June 30, 2021.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2021, the School's expenses exceeded revenues as shown on the School's statement of activities by \$158,327.
- The school's combined fund balance as reported in the balance sheet – governmental funds at June 30, 2021, is \$234,143.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of Net Position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

THE ATHENIAN ACADEMY

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A Charter School and Component Unit of the District School Board of Pinellas County, Florida
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds; a General Fund to account for its general operations, a Special Revenue Fund to account for Federal grant programs, and a Capital Projects Fund to account for capital outlay funds. The School has elected to show all funds as major funds.

The School adopts an annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

THE ATHENIAN ACADEMY

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A Charter School and Component Unit of the District School Board of Pinellas County, Florida
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

Net Position, End of Year

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 722,775	\$ 419,953	\$ (302,822)
Capital Assets, Net	341,336	301,571	(39,765)
Total Assets	<u>1,064,111</u>	<u>721,524</u>	<u>(342,587)</u>
LIABILITIES			
Current Liabilities	686,724	185,810	(500,914)
Noncurrent Liabilities	445,000	445,000	-
Total Liabilities	<u>1,131,724</u>	<u>630,810</u>	<u>(500,914)</u>
NET POSITION			
Net Investment in Capital Assets	(103,664)	(143,429)	(39,765)
Restricted for Debt Service	-	-	-
Restricted for Rent Reserve	120,000	120,000	-
Unrestricted	<u>(83,949)</u>	<u>114,143</u>	<u>198,092</u>
Total Net Position	<u>\$ (67,613)</u>	<u>\$ 90,714</u>	<u>\$ 158,327</u>

Assets consist of cash – restricted, cash and cash equivalents, prepaid items and deposits, due from other agencies, accounts receivable, and the School's investment in capital assets net of accumulated depreciation. Liabilities are comprised of accounts payable, salaries and benefits payable, and a long-term note payable. The unrestricted net position balance amounts to \$114,143.

THE ATHENIAN ACADEMY

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A Charter School and Component Unit of the District School Board of Pinellas County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School's change in net position for the current year and prior year:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-20</u>	<u>6-30-21</u>	<u>Increase (Decrease)</u>
Revenues:			
Federal Through State and Local	\$ 8,195	\$ 119,996	\$ 111,801
State	3,767,499	3,722,108	(45,391)
Local and Other	166,440	104,024	(62,416)
Extraordinary Item - Debt Forgiveness	-	478,750	478,750
Total Revenues	<u>3,942,134</u>	<u>4,424,878</u>	<u>482,744</u>
Expenses:			
Instruction	2,064,213	2,128,051	63,838
Student Support Services	91,765	60,550	(31,215)
Instruction & Curriculum Development	118,336	79,668	(38,668)
Instructional Related Technology	13,205	43,496	30,291
Board	100,151	121,616	21,465
General Administration	335,652	358,102	22,450
School Administration	321,224	310,334	(10,890)
Fiscal Services	4,576	4,995	419
Food Services	26,573	27,070	497
Student Transportation	299	41,587	41,288
Operation of Plant	878,095	949,073	70,978
Maintenance of Plant	13,495	48,627	35,132
Community Service	14,990	10,107	(4,883)
Debt Service - Interest	27,632	26,700	(932)
Unallocated Depreciation	67,936	56,575	(11,361)
Total Expenses	<u>4,078,142</u>	<u>4,266,551</u>	<u>188,409</u>
Increase/(Decrease) in Net Position	<u>\$ (136,008)</u>	<u>\$ 158,327</u>	<u>\$ 294,335</u>

The largest revenue source for the School is the State of Florida (94%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses is Instruction related functions, which accounted for 54% of total expenditures, and consists primarily of teachers' salaries and operation of plant, which accounted for 22% of total expenditures and consists primarily of facility rent.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$234,143.

BUDGETARY HIGHLIGHTS

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2021, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, the school revised the budgets several times. For the fiscal year ended June 30, 2021, the actual expenditures were equal to the final budget.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$301,571 net of accumulated depreciation. This investment in capital assets includes furniture, fixtures, and equipment, motor vehicles, and leasehold improvements. Additional information regarding the School's capital assets can be found in the Notes to the financial statements.

DEBT

The School has a long-term note payable to finance building improvements in the amount of \$445,000 at June 30, 2021. Additional information regarding the School's short-term and long-term debt is located in the subsequent notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to President, The Athenian Academy, Inc., Clearwater, Florida 33763.

THE ATHENIAN ACADEMY
(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2021

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 72,356
Cash - Restricted	120,000
Due From Other Agencies	17,305
Accounts Receivable	157,037
Prepaid Items & Deposits	53,255
Capital Assets:	
Leasehold Improvements, Net	295,739
Furniture, Fixtures, and Equipment, Net	3,294
Motor Vehicles, Net	2,538
Total Capital Assets	301,571
TOTAL ASSETS	721,524
LIABILITIES	
Salaries and Benefits Payable	169,339
Accounts Payable	16,471
Noncurrent Liabilities:	
Due Within One Year:	
Note Payable	445,000
TOTAL LIABILITIES	630,810
NET POSITION	
Net Investment in Capital Assets	(143,429)
Restricted for Rent Reserve	120,000
Unrestricted	114,143
TOTAL NET POSITION	\$ 90,714

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

THE ATHENIAN ACADEMY
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,128,051	\$ -	\$ 98,650	\$ -	\$ (2,029,401)
Student Support Services	60,550		21,346		(39,204)
Instruction & Curriculum Development	79,668		-		(79,668)
Instructional Related Technology	43,496		-		(43,496)
Board	121,616		-		(121,616)
General Administration	358,102		-		(358,102)
School Administration	310,334		-		(310,334)
Fiscal Services	4,995		-		(4,995)
Food Services	27,070		-		(27,070)
Student Transportation	41,587		-		(41,587)
Operation of Plant	949,073		-	239,891	(709,182)
Maintenance of Plant	48,627		-		(48,627)
Community Service	10,107	90,816			80,709
Debt Service - Interest	26,700		-		(26,700)
Unallocated Depreciation	56,575		-		(56,575)
Total Governmental Activities	\$ 4,266,551	\$ 90,816	\$ 119,996	\$ 239,891	(3,815,848)
General Revenue					
State Sources					3,482,217
Local and Other					13,208
Extraordinary Item - Debt Forgiveness					478,750
Total General Revenues					3,974,175
Change in Net Position					158,327
Net Position - July 1, 2020					(67,613)
Net Position - June 30, 2021					\$ 90,714

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

THE ATHENIAN ACADEMY
(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash & Cash Equivalents	\$ 72,356	\$ -	\$ -	\$ 72,356
Cash - Restricted	120,000	-	-	120,000
Due From Other Agencies	-	-	17,305	17,305
Accounts Receivable	157,037	-	-	157,037
Prepaid Items & Deposits	53,255	-	-	53,255
Due from Other Funds	17,305	-	-	17,305
Total Assets	<u>\$ 419,953</u>	<u>\$ -</u>	<u>\$ 17,305</u>	<u>\$ 437,258</u>
LIABILITIES				
Salaries and Benefits Payable	\$ 169,339	\$ -	\$ -	\$ 169,339
Accounts Payable	16,471	-	-	16,471
Due to Other Funds	-	-	17,305	17,305
Total Liabilities	<u>185,810</u>	<u>-</u>	<u>17,305</u>	<u>203,115</u>
FUND BALANCES				
Nonspendable	53,255	-	-	53,255
Restricted - Rent Reserve	120,000	-	-	120,000
Unassigned	60,888	-	-	60,888
Total Fund Balances	<u>234,143</u>	<u>-</u>	<u>-</u>	<u>234,143</u>
Total Liabilities and Fund Balances	<u>\$ 419,953</u>	<u>\$ -</u>	<u>\$ 17,305</u>	<u>\$ 437,258</u>

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

THE ATHENIAN ACADEMY
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

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

June 30, 2021

Total Fund Balances - Governmental Funds	\$	234,143
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		301,571
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Note Payable	(445,000)	(445,000)
Total Net Position - Governmental Activities		\$ 90,714

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

THE ATHENIAN ACADEMY
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

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

For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ -	\$ 119,996	\$ -	\$ 119,996
State	3,482,217	-	239,891	3,722,108
Local and Other	104,024	-	-	104,024
Total Revenues	<u>3,586,241</u>	<u>119,996</u>	<u>239,891</u>	<u>3,946,128</u>
Expenditures				
Current - Education:				
Instruction	2,029,401	98,650	-	2,128,051
Student Support Services	39,204	21,346	-	60,550
Instruction & Curriculum Development	79,668	-	-	79,668
Instructional Related Technology	43,496	-	-	43,496
Board	121,616	-	-	121,616
General Administration	358,102	-	-	358,102
School Administration	310,334	-	-	310,334
Fiscal Services	4,995	-	-	4,995
Food Services	27,070	-	-	27,070
Student Transportation	41,587	-	-	41,587
Operation of Plant	709,182	-	239,891	949,073
Maintenance of Plant	48,627	-	-	48,627
Community Service	10,107	-	-	10,107
Fixed Capital Outlay:				
Other Capital Outlay	16,810	-	-	16,810
Debt Service:				
Interest	26,700	-	-	26,700
Total Expenditures	<u>3,866,899</u>	<u>119,996</u>	<u>239,891</u>	<u>4,226,786</u>
Excess/(Deficiency) of Revenues				
Over Expenditures	<u>(280,658)</u>	<u>-</u>	<u>-</u>	<u>(280,658)</u>
Extraordinary Item - Debt Forgiveness	<u>478,750</u>	<u>-</u>	<u>-</u>	<u>478,750</u>
Total Other Financing Sources (Uses)	<u>478,750</u>	<u>-</u>	<u>-</u>	<u>478,750</u>
Net Change in Fund Balances	198,092	-	-	198,092
Fund Balances, July 1, 2020	<u>36,051</u>	<u>-</u>	<u>-</u>	<u>36,051</u>
Fund Balances, June 30, 2021	<u>\$ 234,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,143</u>

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

THE ATHENIAN ACADEMY
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
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RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Governmental Funds		\$ 198,092
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="padding-left: 40px;">Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital Outlays	16,810	
Depreciation Expense	<u>(56,575)</u>	<u>(39,765)</u>
Change in Net Position - Governmental Activities		<u><u>\$ 158,327</u></u>

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

THE ATHENIAN ACADEMY

(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

A Charter School and Component Unit of the District School Board of Pinellas County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

The Athenian Academy (“School”) a charter school under The Athenian Academy, Inc., is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of The Athenian Academy, Inc. as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Pinellas County, Florida, (“District”). The current charter is effective until June 30, 2022, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the District. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

THE ATHENIAN ACADEMY

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A Charter School and Component Unit of the District School Board of Pinellas County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of Net Position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for federal grant programs.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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June 30, 2021

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Deposits**

The School's deposits must be placed with banks and savings and loans which are qualified as public depositories, prior to receipt of public monies, under Chapter 280, Florida statutes and the School's policy. The School maintains its cash accounts with one qualified public depository. The accounts routinely exceed the federally insured limit of \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the bank's pledging securities with the state treasurer in the collateral pool. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit or custodial risk.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	3-5 years
Motor Vehicles	5-7 years
Leasehold Improvements	10 years

➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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June 30, 2021

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

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Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 475.00 unweighted FTE and 507.65 Weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School may receive federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, are reflected as restricted Net Position and

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June 30, 2021

reserved fund balance in the accompanying statement of Net Position and balance sheet – governmental fund, respectively, to the extent that they remain unexpended.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

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June 30, 2021

3. DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of Net Position and balance sheet consists of funds due from the Pinellas County District School Board for Charter School Capital Outlay. This receivable is considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

4. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2021, the Capital Projects Fund owed the General Fund \$17,305 for expenditures awaiting reimbursement from other agencies. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position and the statement of activities.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ 471,228	\$ 16,810	\$ -	\$ 488,038
Furniture, Fixtures and Equipment	181,775	-		181,775
Motor Vehicles	17,505	-		17,505
Total Capital Assets	<u>670,508</u>	<u>16,810</u>	<u>-</u>	<u>687,318</u>
Less Accumulated Depreciation for:				
Leasehold Improvements	(143,982)	(48,317)		(192,299)
Furniture, Fixtures and Equipment	(171,673)	(6,808)		(178,481)
Motor Vehicles	(13,517)	(1,450)		(14,967)
Total Accumulated Depreciation	<u>(329,172)</u>	<u>(56,575)</u>	<u>-</u>	<u>(385,747)</u>
Governmental Activities Capital Assets, net	<u>\$ 341,336</u>	<u>\$ (39,765)</u>	<u>\$ -</u>	<u>\$ 301,571</u>

Depreciation expense of \$56,575 was charged to Unallocated Depreciation Expense.

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June 30, 2021

6. NOTE PAYABLE

All long-term debt represents amounts to be repaid from governmental activities. As of June 30, 2021, the Schools long-term debt consisted of the following:

	Balance at 6-30-21
Note Payable - Building Hope Hercules, Inc.	<u>445,000</u>
Unsecured loan to finance building improvements. Monthly payments of \$2,225 interest only at an interest rate of 6% per year. Note is due on the earlier of the closing of the financing on phase 2 improvements, or the date of the closing of the financing for the tenant to exercise the option. The School can exercise the option at any time. In event of default, all payments are due and payable. A closing is scheduled for October, 2021 and this note will be paid at the time of closing.	<u>445,000</u>
Total Note Payable	<u><u>\$ 445,000</u></u>

Future amounts payable for the note follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2022	<u>\$ 445,000</u>	<u>\$ 445,000</u>	<u>\$ -</u>
Total	<u><u>\$ 445,000</u></u>	<u><u>\$ 445,000</u></u>	<u><u>\$ -</u></u>

7. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Notes Payable	<u>\$ 445,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,000</u>	<u>\$ 445,000</u>
Total Governmental Activities	<u><u>\$ 445,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 445,000</u></u>	<u><u>\$ 445,000</u></u>

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June 30, 2021

8. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior year.

9. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2021, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 2,899,563
Categorical Programs:	
Class Size Reduction	569,454
Charter School Capital Outlay	239,891
Miscellaneous	13,200
Total State Revenue	<u>\$ 3,722,108</u>

As provided in the charter school contract, the District has charged the School an administrative fee of \$89,104.

11. DEBT FORGIVENESS

The School was granted a loan from Wells Fargo in May 2020 in the amount of \$478,750, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act. The School met the qualifications for loan forgiveness under the PPP and was provided repayment forgiveness in June 2021. Revenue was recorded in the statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds of \$478,750.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

12. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2021:

	General Fund
Fund Balances	
Nonspendable:	
Prepaid Items	\$ 53,255
Restricted:	
Rent Reserve	120,000
Unassigned	60,888
Total Fund Balance	<u>\$ 234,143</u>

13. OPERATING AGREEMENTS

Services Agreement – The School entered into a management agreement commencing July 1, 2018 with CHOICE Charter School Services, LLC (the “Company”). The term of this agreement shall be for the duration of the School’s charter. Thereafter the agreement will renew with any renewals to the School’s charter. The contract calls for the Company to professionally operate the School. The Company is to provide services in the areas of Finance, Board of Directors, Grant Solicitation, Annual Reporting, School Board Representation and Facility Identification, Expansion, Design and Development. The agreement includes various other responsibilities of the Company involving school operations and reporting requirements. The contract provides for a base fee of 10 percent of the full time equivalent (FTE) per annum. Under this contract, the School incurred \$358,102 of expense for the 2020-21 fiscal year. The Company owes the School \$97,667 and this amount is included in accounts receivable.

14. FACILITY LEASE

The School leased certain property under an operating lease. The lease requires the School to pay insurance and other costs. Rental expenses for the year ended June 30, 2021, totaled \$600,000.

An amendment to the lease was signed on November 21, 2017, and effective August 15, 2017. The School acknowledges that the landlord paid for improvements in the amount of \$445,000. The amendment requires the School to repay the landlord according to the following terms. The School shall pay monthly installments of interest at a rate of six percent per annum starting December 1, 2017 and ending when the entire amount is paid. The tenant shall pay to landlord the entire amount of the costs of such improvements. The amount of the note is due at the earlier of the date of the closing of financing for Tenant’s phase 2 improvements, or the date of the closing of the financing for the Tenant to exercise the Option. A closing is scheduled to exercise the option in October 2021. The amount of the improvements has been considered a note payable which is discussed in Note 7 to the financial statements. The amount of interest paid on

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June 30, 2021

this note was \$26,700 which is included as interest expense. Per the lease agreement \$120,000 (twenty percent of the aggregate rent) is reserved in the fund balance.

The following is a schedule, by years, of the School's future minimum rental payments required under operating leases that have remaining non-cancelable lease terms in excess of one year:

Fiscal Year Ending June 30:	Minimum Lease Payments
2022	\$ 630,000
2023	661,500
2024	694,575
2025	729,304
2026	765,769
2027-31	4,442,925
2032-35	4,423,066
Total	<u>\$ 12,347,139</u>

15. PENSION PLAN

The School participates in a defined contribution tax sheltered annuity 401(k) plan for employees with more than one year of service with the School. Contributions made by the School totaled \$8,602 for the year ended June 30, 2021, which were computed at 1.5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

16. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget-based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

17. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

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DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

	General Fund				Special Revenue Fund		
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original/Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:							
Intergovernmental:							
Federal Through State and Local	\$	\$ -	\$ -	\$ -	\$ 119,996	\$ 119,996	\$ -
State	3,632,796	3,482,217	3,482,217	-	-	-	-
Local and Other	219,934	104,024	104,024	-	-	-	-
Total Revenues	<u>3,852,730</u>	<u>3,586,241</u>	<u>3,586,241</u>	<u>-</u>	<u>119,996</u>	<u>119,996</u>	<u>-</u>
Expenditures:							
Current - Education:							
Instruction	2,127,984	2,029,401	2,029,401	-	98,650	98,650	-
Student Support Services	49,707	39,204	39,204	-	21,346	21,346	-
Instruction & Curriculum Development	119,399	79,668	79,668	-	-	-	-
Instructional Related Technology	17,565	43,496	43,496	-	-	-	-
Board	116,968	121,616	121,616	-	-	-	-
General Administration	343,847	358,102	358,102	-	-	-	-
School Administration	280,853	310,334	310,334	-	-	-	-
Facilities Acquisition & Construction	3,681	-	-	-	-	-	-
Fiscal Services	4,853	4,995	4,995	-	-	-	-
Food Services	37,842	27,070	27,070	-	-	-	-
Student Transportation	20,254	41,587	41,587	-	-	-	-
Operation of Plant	602,175	709,182	709,182	-	-	-	-
Maintenance of Plant	12,278	48,627	48,627	-	-	-	-
Community Service	208	10,107	10,107	-	-	-	-
Fixed Capital Outlay:							
Other Capital Outlay		16,810	16,810	-	-	-	-
Debt Service:							
Interest	26,700	26,700	26,700	-	-	-	-
Total Expenditures	<u>3,764,314</u>	<u>3,866,899</u>	<u>3,866,899</u>	<u>-</u>	<u>119,996</u>	<u>119,996</u>	<u>-</u>
Excess (Deficiency) of Revenues							
Over Expenditures	88,416	(280,658)	(280,658)	-	-	-	-
Other Financing Sources (Uses):							
Extraordinary Item - Debt Forgiveness		478,750	478,750	-	-	-	-
Total Other Financing Sources (Uses)	-	478,750	478,750	-	-	-	-
Net Change in Fund Balance	88,416	198,092	198,092	-	-	-	-
Fund Balance, July 1, 2020	36,051	36,051	36,051	-	-	-	-
Fund Balance, June 30, 2021	<u>\$ 124,467</u>	<u>\$ 234,143</u>	<u>\$ 234,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

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(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

A Charter School and Component Unit of the District School Board of Pinellas County, Florida

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

Members:
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of the Athenian Academy
a charter school under The Athenian Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Pinellas County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Athenian Academy (“School”) a charter school under The Athenian Academy, Inc., a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

September 7, 2021
Tampa, Florida

Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of The Athenian Academy
a charter school under The Athenian Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Pinellas County, Florida

Report on the Financial Statements

We have audited the financial statements of the Athenian Academy (“School”) a charter school under The Athenian Academy, Inc., a Charter School and Component Unit of the District School Board of Pinellas County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 7, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 7, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are the Athenian Academy, 527151.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the District School Board of Pinellas County and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 7, 2021
Tampa, Florida