

**ADVANTAGE ACADEMY OF
PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF
MATH AND SCIENCE**

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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**ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**

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Independent Auditor's Report

To the Board of Directors of Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”), 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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, and Note to Required Supplementary Information, as listed 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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science'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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science's internal control over financial reporting and compliance.

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

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE

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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”) 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 revenues exceeded expenses as shown on the School’s statement of activities by \$1,276,481.
- Total assets were \$21,529,377 and total liabilities were \$18,035,847, resulting in a total net position balance of \$3,493,530 as of June 30, 2021.

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.

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE

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 four funds; a General Fund, Special Revenue Fund, Debt Service Fund, and a Capital Projects Fund. The School has elected to show each fund as a major fund.

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.

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE

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

Net position may serve over time as a useful indicator of a government’s financial position. The following is a summary of the School’s net position as of June 30, 2020, and June 30, 2021:

Net Position, End of Year

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 5,309,415	\$ 6,083,586	\$ 774,171
Capital Assets, Net	15,772,022	15,445,791	(326,231)
Total Assets	21,081,437	21,529,377	447,940
LIABILITIES			
Current Liabilities	478,920	539,203	60,283
Noncurrent Liabilities	18,385,468	17,496,644	(888,824)
Total Liabilities	18,864,388	18,035,847	(828,541)
NET POSITION			
Net Investment in Capital Assets	(1,724,622)	(2,050,853)	(326,231)
Restricted for Debt Service	1,285,221	1,285,443	222
Unrestricted	2,656,450	4,258,940	1,602,490
Total Net Position	\$ 2,217,049	\$ 3,493,530	\$ 1,276,481

Assets consist of current assets, primarily cash and cash equivalents and the School’s investment in capital assets, net of accumulated depreciation. Current liabilities are comprised primarily of salaries and benefits payable. Long-term liabilities consist of bonds payable. The total net position balance amounts to \$3,493,530.

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE

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	\$ -	\$ 240,681	\$ 240,681
State	6,565,247	6,967,623	402,376
Local and Other	420,378	267,344	(153,034)
Extraordinary Item - Debt Forgiveness	643,835		(643,835)
Total Revenues	<u>7,629,460</u>	<u>7,475,648</u>	<u>(153,812)</u>
Expenses:			
Instruction	3,091,211	3,383,982	292,771
Student Support Services	7,530	19,336	11,806
Instruction & Curriculum Development	52,946	39,013	(13,933)
Instructional Staff Training	4,672	1,731	(2,941)
Instructional Related Technology	108,145	108,415	270
Board	55,198	55,962	764
General Administration	326,309	351,328	25,019
School Administration	483,333	420,311	(63,022)
Facilities Acquisition & Construction	59,365	19,000	(40,365)
Fiscal Services	304,141	322,124	17,983
Central Services	3,030	3,274	244
Student Transportation	-	1,023	1,023
Operation of Plant	591,362	538,822	(52,540)
Maintenance of Plant	74,069	90,355	16,286
Administrative Technology Services	-	5,533	5,533
Community Service	193,916	160,018	(33,898)
Debt Service - Interest	985,120	870,323	(114,797)
Unallocated Depreciation	443,871	452,452	8,581
Total Expenses	<u>6,784,218</u>	<u>6,843,002</u>	<u>58,784</u>
Increase/(Decrease) in Net Position	<u>\$ 845,242</u>	<u>\$ 632,646</u>	<u>\$ (212,596)</u>

The largest revenue source for the School is the State of Florida (86%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School. The largest concentration of expenses is Instruction related functions (52%) and consists primarily of teachers’ salaries. Debt Service represents the bonded debt expenses (13%).

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE

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

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 \$5,544,383.

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 the Federal grant programs for the school year. Over the course of the year, the school revised the budgets as necessary. For the fiscal year ended June 30, 2021, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$15,445,791 (net of accumulated depreciation). This includes land, buildings and fixed equipment, furniture, fixtures and equipment, and improvements other than buildings. Additional information regarding the School's capital assets can be found in subsequent notes to the financial statements.

DEBT

In the 2018-19 fiscal year, the School issued bonds totaling \$17,890,000 to finance the acquisition of the educational facilities. The remaining balance of these bonds, net of the unamortized bond premium, is \$17,496,644 at June 30, 2021. Additional information regarding the School's debt is located in subsequent notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Charter School Associates, Inc., 5471 N. University Drive Coral Springs, FL 33067.

**ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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	\$ 4,648,808
Investments - Restricted	1,305,766
Due From Other Agencies	82,155
Accounts Receivable	19,642
Prepaid Items & Deposits	27,215
Capital Assets:	
Land	4,273,016
Buildings & Fixed Equipment, Net	10,933,069
Improvements Other Than Buildings, Net	103,637
Furniture, Fixtures, and Equipment, Net	136,069
Total Capital Assets	15,445,791
TOTAL ASSETS	21,529,377
LIABILITIES	
Salaries and Benefits Payable	321,170
Accounts Payable	216,933
Deferred Revenue	1,100
Noncurrent Liabilities:	
Due Within One Year:	
Bonds Payable	230,000
Due After One Year:	
Bonds Payable	17,266,644
TOTAL LIABILITIES	18,035,847
NET POSITION	
Net Investment in Capital Assets	(2,050,853)
Restricted for Debt Service	1,285,443
Unrestricted	4,258,940
TOTAL NET POSITION	\$ 3,493,530

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

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 3,383,982	\$ -	\$ 199,565	\$ -	\$ (3,184,417)
Student Support Services	19,336		768		(18,568)
Instruction & Curriculum Development	39,013		-		(39,013)
Instructional Staff Training	1,731		-		(1,731)
Instructional Related Technology	108,415		-		(108,415)
Board	55,962		-		(55,962)
General Administration	351,328		-		(351,328)
School Administration	420,311		-		(420,311)
Facilities Acquisition & Construction	19,000		-		(19,000)
Fiscal Services	322,124		-		(322,124)
Central Services	3,274		-		(3,274)
Student Transportation	1,023		-		(1,023)
Operation of Plant	538,822		32,828		(505,994)
Maintenance of Plant	90,355		7,520		(82,835)
Administrative Technology Services	5,533		-		(5,533)
Community Service	160,018	232,510	-		72,492
Debt Service - Interest	870,323		-	472,017	(398,306)
Unallocated Depreciation	452,452		-		(452,452)
Total Governmental Activities	\$ 6,843,002	\$ 232,510	\$ 240,681	\$ 472,017	(5,897,794)
General Revenue					
State Sources					6,495,606
Local and Other					34,834
Extraordinary Item-Debt Forgiveness					643,835
Total General Revenues					7,174,275
Change in Net Position					1,276,481
Net Position - July 1, 2020					2,217,049
Net Position - June 30, 2021					\$ 3,493,530

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash & Cash Equivalents	\$ 4,586,157	\$ 62,651	\$ -	\$ -	\$ 4,648,808
Investments - Restricted	-	-	-	1,305,766	1,305,766
Due From Other Agencies	-	41,703	40,452	-	82,155
Accounts Receivable	19,642	-	-	-	19,642
Prepaid Items & Deposits	27,215	-	-	-	27,215
Due from Other Funds	41,703	500	-	94,677	136,880
Total Assets	<u>\$ 4,674,717</u>	<u>\$ 104,854</u>	<u>\$ 40,452</u>	<u>\$ 1,400,443</u>	<u>\$ 6,220,466</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 321,170	\$ -	\$ -	\$ -	\$ 321,170
Accounts Payable	101,933	-	-	115,000	216,933
Deferred Revenue	1,100	-	-	-	1,100
Due to Other Funds	54,725	41,703	40,452	-	136,880
Total Liabilities	<u>478,928</u>	<u>41,703</u>	<u>40,452</u>	<u>115,000</u>	<u>676,083</u>
FUND BALANCES					
Nonspendable	27,215	-	-	-	27,215
Restricted	-	63,151	-	1,285,443	1,348,594
Unassigned	4,168,574	-	-	-	4,168,574
Total Fund Balances	<u>4,195,789</u>	<u>63,151</u>	<u>-</u>	<u>1,285,443</u>	<u>5,544,383</u>
Total Liabilities and Fund Balances	<u>\$ 4,674,717</u>	<u>\$ 104,854</u>	<u>\$ 40,452</u>	<u>\$ 1,400,443</u>	<u>\$ 6,220,466</u>

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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		\$ 5,544,383
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		15,445,791
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Bonds Payable	(17,496,644)	(17,496,644)
Total Net Position - Governmental Activities		\$ 3,493,530

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

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ -	\$ 240,681	\$ -	\$ -	\$ 240,681
State	6,495,606	-	472,017	-	6,967,623
Local and Other	254,126	12,996	-	222	267,344
Total Revenues	<u>6,749,732</u>	<u>253,677</u>	<u>472,017</u>	<u>222</u>	<u>7,475,648</u>
Expenditures					
Current - Education:					
Instruction	3,184,417	199,565	-	-	3,383,982
Student Support Services	18,568	768	-	-	19,336
Instruction & Curriculum Development	39,013	-	-	-	39,013
Instructional Staff Training	1,731	-	-	-	1,731
Instructional Related Technology	108,415	-	-	-	108,415
Board	50,462	-	-	5,500	55,962
General Administration	351,328	-	-	-	351,328
School Administration	420,311	-	-	-	420,311
Facilities Acquisition & Construction	19,000	-	-	-	19,000
Fiscal Services	322,124	-	-	-	322,124
Central Services	3,274	-	-	-	3,274
Student Transportation	1,023	-	-	-	1,023
Operation of Plant	505,994	32,828	-	-	538,822
Maintenance of Plant	82,835	7,520	-	-	90,355
Administrative Technology Services	5,533	-	-	-	5,533
Community Service	143,870	16,148	-	-	160,018
Fixed Capital Outlay:					
Other Capital Outlay	126,221	-	-	-	126,221
Debt Service:					
Principal	667,697	-	-	220,000	887,697
Interest	-	-	472,017	399,433	871,450
Total Expenditures	<u>6,051,816</u>	<u>256,829</u>	<u>472,017</u>	<u>624,933</u>	<u>7,405,595</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>697,916</u>	<u>(3,152)</u>	<u>-</u>	<u>(624,711)</u>	<u>70,053</u>
Other Financing Sources (Uses):					
Extraordinary Item-Debt Forgiveness	643,835	-	-	-	643,835
Transfers In	-	66,303	-	624,933	691,236
Transfers Out	<u>(691,236)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(691,236)</u>
Total Other Financing Sources (Uses)	<u>(47,401)</u>	<u>66,303</u>	<u>-</u>	<u>624,933</u>	<u>643,835</u>
Net Change in Fund Balances	650,515	63,151	-	222	713,888
Fund Balances, July 1, 2020	<u>3,545,274</u>	<u>-</u>	<u>-</u>	<u>1,285,221</u>	<u>4,830,495</u>
Fund Balances, June 30, 2021	<u>\$ 4,195,789</u>	<u>\$ 63,151</u>	<u>\$ -</u>	<u>\$ 1,285,443</u>	<u>\$ 5,544,383</u>

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**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 \$ 713,888

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital Outlays	126,221	
Depreciation Expense	<u>(452,452)</u>	(326,231)

The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

887,697

Expenses in the statement of activities that do not require the use of current financial resources are not reported in governmental funds:

Amortization of bond premium		<u>1,127</u>
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Change in Net Position - Governmental Activities \$ 1,276,481

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

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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**

Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”) 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 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, 2031, and may be renewed by mutual written 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.

➤ **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

NOTES TO FINANCIAL STATEMENTS
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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.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Special Revenue Fund – to account for federal grants and internal account activities.
- 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.

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

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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.

➤ **Cash and Cash Equivalents**

Cash deposits consist of demand deposits at local financial institutions. Cash equivalents are highly liquid short-term investments with remaining maturities at the purchase date of three months or less. Cash equivalents include investments in money market funds that are carried at cost plus accrued interest, which approximates fair value.

The School's deposits are 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 \$1,000. 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fixed Equipment	30 years
Furniture, Fixtures and Equipment	5 years
Improvements Other Than Buildings	10 years

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

➤ **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.

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Capital improvement debt is reported net of unamortized premium. The School amortizes debt premiums over the life of the debt using the straight-line method.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Changes in long-term liabilities for the current year are reported in a subsequent note.

➤ **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.”

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

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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.

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

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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 898.97 unweighted FTE and 954.91 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 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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

➤ **Recently Issued Accounting Principles**

The School implemented GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether an entity is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

School internal funds are those funds received on behalf of students in connection with school, athletic, class, and club activities. The School's control over these funds precludes the School from reporting these activities in a Custodial Fund. Guidance provided by the Florida DOE requires these activities be reported in a Special Revenue Fund. As such, all internal fund transactions have been reported in the special revenue fund beginning in the fiscal year 2020-2021.

➤ **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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3. DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds are amounts due for Charter School Capital Outlay and Federal grant funds for expenditures already paid and awaiting reimbursement in the Capital Projects Fund and Special Revenue Fund, respectively. These receivables are considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

4. INVESTMENTS

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the School’s recurring fair value measurements as of June 30, 2021, are valued using quoted market prices (Level 1 inputs).

The School’s investments at June 30, 2021, are reported as follows:

Investment	Amount
BB&T Trust Deposit Program - Money Market	\$ 1,305,766
Total	\$ 1,305,766

This is reported as investments-restricted for financial statement reporting purposes.

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>				
Land	\$ 4,273,016	\$ -	\$ -	\$ 4,273,016
Buildings & Fixed Equipment	11,926,984	-		11,926,984
Improvements Other than Buildings	29,835	86,353		116,188
Furniture, Fixtures and Equipment	349,013	39,868		388,881
Total Capital Assets	16,578,848	126,221	-	16,705,069
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(596,349)	(397,566)		(993,915)
Improvements Other than Buildings	(5,470)	(7,081)		(12,551)
Furniture, Fixtures and Equipment	(205,007)	(47,805)		(252,812)
Total Accumulated Depreciation	(806,826)	(452,452)	-	(1,259,278)
Governmental Activities Capital Assets, net	\$ 15,772,022	\$ (326,231)	\$ -	\$ 15,445,791

Depreciation expense of \$452,452 was charged to Unallocated Depreciation Expense.

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June 30, 2021

6. INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS

At June 30, 2021, the Special Revenue Fund owed the General Fund \$41,703 for expenditures awaiting reimbursement from other agencies; the General Fund and the Capital Projects Fund owed the Debt Service Fund \$54,225 and \$40,452, respectfully for principal and interest payments due on bonds; and the General Fund owed the Special Revenue Fund \$500. These amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

The School's General fund transferred \$66,303 to the Special Revenue Fund for money held from the School's internal accounts as prescribed by new accounting pronouncement GASB 84 which requires school internal accounts be accounted for in a special revenue fund. These amounts are netted together and not reported in the statement of activities. The School's General Fund transferred \$624,933 to finance the School's interest payments owed on long-term debt and to meet the Bond Reserve Fund requirement. The amounts of interfund transfers are netted together and not reported on the statement of activities.

7. BONDS PAYABLE

Bonds payable at June 30, 2021, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Series 2018A	\$ 17,390,000	4.125 - 5.125%	2053
Series 2018-B	70,000	5.75%	2021
Unamortized Bond Premium	36,644		
	<u>\$ 17,496,644</u>		

Revenue Bonds Series 2018A and 2018B – On December 6, 2018, the Advantage Academy of Pinellas, Inc. issued tax-exempt revenue bonds (Series 2018A) for \$17,390,000 and taxable revenue bonds (Series 2018B) for \$70,000 secured by a mortgage on the property and buildings. The bonds were issued to finance the acquisition of facilities to be used as a nonprofit charter school educational facility.

Series 2018A bonds are term bonds paying interest semi-annually at a rate of 4.125% to 5.125% with maturities starting December 15, 2028, and ending December 15, 2053. Series 2018B bonds are term bonds paying interest semi-annually at a rate of 5.75% with a maturity date of December 15, 2021.

As required by the bond resolution, the School has established a reserve account and has accumulated and maintained adequate resources in the account. The School is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement. The minimum debt service coverage ratio required is 1.1 to 1 as of June 30, 2021. The School's debt service coverage ratio as calculated was 2.38. Further, the School agrees to have cash on hand at each June 30 until the bonds are no

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longer outstanding in amount not less than 60 days cash on hand. As of June 30, 2021, the Schools number of days cash on hand was 266.

In the event of default for non-payment of principal or interest on the bonds, the outstanding amounts will become due and payable.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2021, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2022	\$ 1,085,991	\$ 230,000	\$ 855,991
2023	1,085,688	240,000	845,688
2024	1,085,581	250,000	835,581
2025	1,085,062	260,000	825,062
2026	1,089,028	275,000	814,028
2027-2031	5,426,944	1,545,000	3,881,944
2032-2036	5,414,594	1,955,000	3,459,594
2037-2041	5,401,094	2,495,000	2,906,094
2042-2046	5,379,969	3,180,000	2,199,969
2047-2051	5,357,316	4,060,000	1,297,316
2052-2054	3,203,444	2,970,000	233,444
<i>Unamortized Bond Premium</i>	36,644	36,644	-
Total	<u>\$35,651,355</u>	<u>\$ 17,496,644</u>	<u>\$18,154,711</u>

8. 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:					
Bonds Payable	\$ 17,680,000	\$ -	\$ (220,000)	\$ 17,460,000	\$ 230,000
Unamortized Bond Premium	37,771		(1,127)	36,644	-
Total Bonds Payable	17,717,771	-	(221,127)	17,496,644	230,000
Loan Payable	667,697	-	(667,697)	-	-
Total Governmental Activities	<u>\$ 18,385,468</u>	<u>\$ -</u>	<u>\$ (888,824)</u>	<u>\$ 17,496,644</u>	<u>\$ 230,000</u>

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June 30, 2021

9. SCHEDULE OF STATE REVENUE SOURCES

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

Source	Amount
Florida Education Finance Program	\$ 5,443,463
Categorical Programs:	
Class Size Reduction	1,052,143
Charter School Capital Outlay	472,017
Total State Revenue	\$ 6,967,623

As provided in the charter school contract, the District has charged the School an administrative fee of \$88,044.

10. DEBT FORGIVENESS

The School was granted a loan from Bank of America in April 2020 in the amount of \$667,697, 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 the amount of \$644,055 in March 2021. The School, prior to the forgiveness, paid principal on the loan of \$23,862. Revenue was recorded as an extraordinary item-debt forgiveness in the statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds for the remaining debt outstanding of \$644,055.

11. 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.

12. 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.

NOTES TO FINANCIAL STATEMENTS
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13. RELATED PARTY TRANSACTIONS

Included in the accounts receivable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a receivable of \$19,642 due from The Charter School at Waterstone, a charter school operated under the same management company. The School expects to receive full payment within one year from the financial statement date and no allowance for uncollectible accounts has been established.

Included in the accounts payable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a payable of \$16,270 as a result of shared expenditures paid by Valrico Lake Advantage Academy (\$10,825), Hillsborough Academy of Math and Science (\$2,056), Bell Creek Academy (\$1,372), Advantage Academy of Hillsborough (\$789), The Charter School at Waterstone (\$682) and Independence Academy School (\$546), charter schools operated under the same management company. Amounts are expected to be paid within one year.

14. OPERATING AGREEMENT

The School entered into a contract with Charter School Associates (CSA) effective through June 30, 2021. The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal recruiting; and general development and management of the School's operations. An annual fee is to be 9% of the School's FEFP operating revenue less the School's administrative fee, to be paid in monthly installments. Fees under this agreement incurred to CSA during the fiscal year amounted to \$583,663.

15. SCHOOL FOOD SERVICE AGREEMENT

In July 2017, the School entered into an agreement with The Charter School at Waterstone (Waterstone), a charter school under the same management company, to operate the School's food service operations. Waterstone records all revenues and expenses and reimburses the School for the employee costs associated with food service meal preparation, limited to the revenues generated by the School.

16. PENSION PLAN

The School participates in a defined contribution tax sheltered annuity 401(k) plan for participating employees. Contributions made by the School totaled \$12,335 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.

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17. 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.

18. 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 years.

19. 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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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND & SPECIAL REVENUE 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	\$	\$ -	\$ -	\$ -	\$ 240,681	\$ 240,681	\$ -
State	6,379,260	6,495,606	6,495,606	-	-	-	-
Local and Other	405,820	254,126	254,126	-	12,996	12,996	-
Total Revenues	<u>6,785,080</u>	<u>6,749,732</u>	<u>6,749,732</u>	<u>-</u>	<u>253,677</u>	<u>253,677</u>	<u>-</u>
Expenditures:							
Current - Education:							
Instruction	3,399,670	3,184,417	3,184,417	-	199,565	199,565	-
Student Support Services	8,530	18,568	18,568	-	768	768	-
Instruction & Curriculum Development	53,142	39,013	39,013	-	-	-	-
Instructional Staff Training	4,719	1,731	1,731	-	-	-	-
Instructional Related Technology	124,190	108,415	108,415	-	-	-	-
Board	37,117	50,462	50,462	-	-	-	-
General Administration	339,568	351,328	351,328	-	-	-	-
School Administration	510,464	420,311	420,311	-	-	-	-
Facilities Acquisition & Construction	315,841	19,000	19,000	-	-	-	-
Fiscal Services		322,124	322,124	-	-	-	-
Central Services	3,060	3,274	3,274	-	-	-	-
Student Transportation		1,023	1,023	-	-	-	-
Operation of Plant	624,400	505,994	505,994	-	32,828	32,828	-
Maintenance of Plant	65,936	82,835	82,835	-	7,520	7,520	-
Administrative Technology Services	101	5,533	5,533	-	-	-	-
Community Service	239,943	143,870	143,870	-	16,148	16,148	-
Fixed Capital Outlay:						-	
Other Capital Outlay		126,221	126,221	-	-	-	-
Debt Service:						-	
Principal		667,697	667,697	-	-	-	-
Total Expenditures	<u>5,726,681</u>	<u>6,051,816</u>	<u>6,051,816</u>	<u>-</u>	<u>256,829</u>	<u>256,829</u>	<u>-</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>1,058,399</u>	<u>697,916</u>	<u>697,916</u>	<u>-</u>	<u>(3,152)</u>	<u>(3,152)</u>	<u>-</u>
Other Financing Sources (Uses):							
Extraordinary Item-Debt Forgiveness		643,835	643,835	-	-	-	-
Transfers In/(Out)		(691,236)	(691,236)	-	66,303	66,303	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(47,401)</u>	<u>(47,401)</u>	<u>-</u>	<u>66,303</u>	<u>66,303</u>	<u>-</u>
Net Change in Fund Balances	1,058,399	650,515	650,515	-	63,151	63,151	-
Fund Balances, July 1, 2020	3,545,274	3,545,274	3,545,274	-	-	-	-
Fund Balances, June 30, 2021	<u>\$ 4,603,673</u>	<u>\$ 4,195,789</u>	<u>\$ 4,195,789</u>	<u>\$ -</u>	<u>\$ 63,151</u>	<u>\$ 63,151</u>	<u>\$ -</u>

See Independent Auditor's Report

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
A Charter School and Component Unit of the District School Board of Pinellas County, Florida

NOTE 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.

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 Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”), 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, flowing style.

September 7, 2021
Tampa, Florida

**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 Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”), 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 on 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 Pinellas Academy of Math and Science, 527291.

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 District School Board of Pinellas County, Florida 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