

SKY ACADEMY VENICE
(A CHARTER SCHOOL AND DIVISION OF
THE YMCA OF SOUTHWEST FLORIDA, INC.)
FINANCIAL STATEMENTS
JUNE 30, 2021

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

FINANCIAL STATEMENTS
JUNE 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position.....	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities.....	15
Notes to the Basic Financial Statements	16-26
REQUIRED SUPPLEMENTARY INFORMATION:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	27
Notes to Required Supplementary Information.....	28
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Nonmajor Governmental Funds	29
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund	31
Capital Project Fund.....	32

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

FINANCIAL STATEMENTS
JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
OTHER INDEPENDENT AUDITOR'S REPORTS	
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 <i>Government Auditing Standards</i>	33 and 34
Independent Auditor's Management Letter	35 and 36
Summary of Prior Audit Findings	37



INDEPENDENT AUDITOR'S REPORT

Board of Directors
SKY Academy Venice
Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, general fund, and the aggregate remaining fund information of SKY Academy Venice (the "Charter School") (a Charter School and Division of The YMCA of Southwest Florida, Inc.) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter 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 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. 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 entity'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 entity'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 opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, and the aggregate remaining fund information of the Charter School as of June 30, 2021, and the respective changes in financial position for the year then 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 and budgetary comparison information on pages 4 through 9, and 27 and 28, respectively, 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 historical 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 the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The combining nonmajor fund financial statements and the budgetary comparison schedules as listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules as listed in the table of contents as other supplementary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and budgetary comparison schedules as listed in the table of contents as other supplemental information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the 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 Charter School's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
October 26, 2021

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

As management of the SKY Academy Venice (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2021.

Readers should review this management's discussion and analysis (MD&A) in addition to the basic financial statements to gain an understanding of the Charter School as an operating entity.

Financial Highlights

The following are highlights of financial activity for the year ended June 30, 2021.

- The year ended June 30, 2021 was the ninth year of operations for the Charter School. Enrollment decreased by 21 students from prior year to an end-of-year student count of 157.
- The Charter School reported a net position of \$220,868 at June 30, 2021, which decreased \$72,406 from June 30, 2020 reported net position of \$293,274.
- As of June 30, 2021, the Charter School's governmental funds reported a combined ending fund balance of \$93,361 compared to \$145,834 reported fund balance as of June 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements, which consist of the statement of net position and the statement of activities, are designed to provide readers with a broad overview of the Charter School's finances in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the Charter School's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Charter School's financial position is improving or deteriorating. However, as a governmental entity, the Charter School's activities are not geared toward generating profit as are the activities of commercial entities. Other factors such as the safety at the Charter School, changes in student base funding level, and quality of education must also be considered in order to reasonably assess the Charter School's overall performance.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The statement of activities presents information showing how the Charter School's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund 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. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the Charter School's most significant funds, not the Charter School as a whole. A fund is a self-balancing set of accounts which the Charter School uses to keep track of sources of funding and spending.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the Charter School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities. The fund financial statements can be found on pages 12 through 15 of this report.

Notes to Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 16 through 26 of this report.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. The following table presents a comparative analysis of the condensed government-wide statements of net position as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
ASSETS			
Current assets	\$ 355,460	\$ 357,204	\$ (1,744)
Capital assets, net	<u>127,507</u>	<u>147,440</u>	<u>(19,933)</u>
Total assets	<u>482,967</u>	<u>504,644</u>	<u>(21,677)</u>
LIABILITIES			
Current liabilities	<u>262,099</u>	<u>211,370</u>	<u>50,729</u>
NET POSITION			
Investment in capital assets	127,507	147,440	(19,933)
Unrestricted	<u>93,361</u>	<u>145,834</u>	<u>(52,473)</u>
Total net position	<u>\$ 220,868</u>	<u>\$ 293,274</u>	<u>\$ (72,406)</u>

Current assets consist of cash, accounts receivable, and prepaid expenses. Total current assets decreased \$1,744 or .50% during 2021. Total current liabilities consist of accounts payable, accrued expenses, and amounts due to SKY Academy Englewood and The YMCA of Southwest Florida, Inc. (YMCA). Total current liabilities increased to \$262,099 or 24% during 2021. As of June 30, 2021, total net position was \$220,868 compared to \$293,274 as of June 30, 2020.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

A summary and analysis of the Charter School's revenues and expenses for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	Increase (Decrease)
Program revenues:			
Charges for services	\$ 104,104	\$ 136,490	\$ (32,386)
Operating grants and contributions	488,630	372,132	116,498
Capital grants and contributions	-	135,122	(135,122)
General revenues:			
State sources	1,321,113	1,279,205	41,908
Local sources	5,847	35,555	(29,708)
Total	<u>1,919,694</u>	<u>1,958,504</u>	<u>(38,810)</u>
Governmental activities:			
Instruction	958,987	973,208	(14,221)
Student support services	24,150	53,449	(29,299)
Instruction and curriculum development services	-	25,209	(25,209)
Instructional staff training services	27,415	-	27,415
Instruction-related technology	29,260	24,476	4,784
Board	2,420	-	2,420
General administration	247,782	440	247,342
School administration	184,937	188,104	(3,167)
Facilities	260,765	159,165	101,600
Fiscal services	12,393	-	12,393
Food services	-	246,498	(246,498)
Central services	107,012	11,500	95,512
Transportation	90,680	83,168	7,512
Operation of plant	4,843	65,328	(60,485)
Maintenance of plant	11,928	2,605	9,323
Administrative technology	-	9,857	(9,857)
Community services	29,528	58,529	(29,001)
Total	<u>1,992,100</u>	<u>1,901,536</u>	<u>90,564</u>
Change in net position	(72,406)	56,968	(129,374)
Net position at beginning of year*	293,274	236,306	56,968
Net position at end of year	<u>\$ 220,868</u>	<u>\$ 293,274</u>	<u>\$ (72,406)</u>

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

In March 2021, as the Charter School was on spring break, institutions around the country began to close due to COVID-19. This included the Sarasota County School District and SKY Academy Venice. The building was closed to students; however, the educating of students was expected to continue. SKY Academy Venice switched from in-person instruction to a remote structure. This structure required all our staff members to work from home while providing online instruction to our students five days a week. This platform continued through the end of the 2020-2021 school year which ended in June. During the remote teaching period we no longer ran school busses, aftercare programs, field trips, or interscholastic sports. This reduced our expenses. While during this period we did start a food distribution program, which was reimbursed through government grants and partnered with local businesses to help feed families in need. Staff members continued to be paid and the school building was still being used on a daily basis, but on a much more limited scale. Also, as a result of the programmatic shift, there was a focus on social engagement and remote communication through a series of social media daily announcements. Educating of students for school year 2020-2021 was modified due to the continuing pandemic, allowing choice of personal instruction or online instruction, with online instruction enrollment included in the enrollment count. The educating of students converted fully to in person instruction with continued safety measures for school year 2021-2022, with continued growth in student counts.

For the year ended June 30, 2021, Charter School expenses exceeded revenue, resulting in a decrease in net position of \$72,406. The largest revenue source for the Charter School is the state of Florida (69%). Revenues 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 Charter School. During 2021, the Charter School experienced a decrease in enrollment and an increase in state revenue of \$41,907, although local funds decreased, resulting in a net increase in general revenue sources of \$12,199. Expenses for administrative and facilities was a major contributor of total expenses increasing by \$90,564, compared to the year ended June 30, 2020.

The largest concentrations of expenses were for Instruction related functions for a total of \$958,987 and \$973,208 for the years ended June 30, 2021 and 2020 (48% and 51%, respectively), and Facilities of \$260,765 and \$159,165 for years ended June 30, 2021 and 2020 (13% and 8%), respectively.

Financial Analysis of the Government's Funds

As noted earlier, the Charter School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the Charter School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Charter School's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the Charter School's operations are accounted for in the General Fund. The majority of the General Fund revenues are distributed to the Charter School by the district through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

As of June 30, 2021, the Charter School's governmental General Fund reported ending fund balance of \$93,361 compared to \$145,834 at June 30, 2020.

General Fund Budgetary Highlights

For the year ended June 30, 2021, the SKY Academy Venice, the end-of-year student count was 157. Overall school funding was \$259,554 lower than budget, with the primary source of funding from state sources. Expenses for the Charter School were under budget for the year by \$203,903 primarily in the areas of food service, facilities and support services.

Capital Assets

The Charter School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$127,507 (net of accumulated depreciation) compared to \$147,440 as of June 30, 2020. These investments in capital assets include furniture, fixtures and equipment, leasehold improvements, and assets under capital lease. Additional information regarding the Charter School's capital assets can be found in the notes to the basic financial statements.

Economic Factors that Will Impact the Future

The economic position of the Charter School continues to be closely tied to that of the State of Florida. It is expected that the Charter School will continue to maintain its present level of services and financial health. Despite the pandemic, the Charter School plans to operate fully in fiscal year 2021-2022 with on-site instruction, and does not plan to provide virtual classrooms. Enrollment is expected to be 210 students. For the school year 2021-2022, the initial fulltime equivalent (FTE) calculation indicates a slight increase in per-student annual charter revenue. The anticipated expenditures for the 2021-2022 school year may increase by an amount greater than the projected revenue, in particular in the areas of instruction and support services; however, any shortfall will be covered by the Charter School's unrestricted net position and contributions from the YMCA. The Charter School charter became effective on July 1, 2011 and was renewed on May 17, 2016 for a period of 15 years. The Charter School is confident that it has the staff and other resources in place to deliver and provide first-rate educational services and is actively seeking new ways to provide a higher level of education as efficiently as possible by managing its cost and being innovative in its approach to providing educational services.

Requests for Information

This financial report is designed to provide a general overview of the Charter School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gene Jones at The YMCA of Southwest Florida, Inc., 701 Center Road, Venice, Florida 34285.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 352,583
Accounts receivable	2,853
Prepaid expenses	24
Total current assets	355,460
Capital assets, net	127,507
TOTAL ASSETS	\$ 482,967
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	\$ 35,450
Due to related party	93,041
Accrued expenses	133,608
Total liabilities	262,099
Net position	
Investment in capital assets	127,507
Unrestricted	93,361
Total net position	220,868
TOTAL LIABILITIES AND NET POSITION	\$ 482,967

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 958,987	\$ -	\$ 243,105	\$ (715,882)
Support services	24,150	-	-	(24,150)
Instruction and curriculum development services	27,415	-	-	(27,415)
Instruction-related technology	29,260	-	-	(29,260)
General administration	2,420	-	-	(2,420)
School administration	247,782	-	-	(247,782)
Facilities	184,937	-	122,609	(62,328)
Food services	260,765	104,104	122,916	(33,745)
Central services	12,393	-	-	(12,393)
Transportation	107,012	-	-	(107,012)
Operation of plant	90,680	-	-	(90,680)
Maintenance of plant	4,843	-	-	(4,843)
Administrative services	11,928	-	-	(11,928)
Community services	29,528	-	-	(29,528)
Total governmental activities	<u>\$ 1,992,100</u>	<u>\$ 104,104</u>	<u>\$ 488,630</u>	<u>(1,399,366)</u>
General revenues				
State sources				1,321,113
Local sources				5,847
Total general revenues				<u>1,326,960</u>
Change in net position				(72,406)
Net position at beginning of year				<u>293,274</u>
Net position at end of year				<u>\$ 220,868</u>

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Current assets			
Cash	\$ 352,583	\$ -	\$ 352,583
Accounts receivable	2,853	-	2,853
Prepaid expenses	24	-	24
TOTAL ASSETS	\$ 355,460	\$ -	\$ 355,460
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 35,450	\$ -	\$ 35,450
Due to related party	93,041	-	93,041
Accrued expenses	133,608	-	133,608
Total liabilities	262,099	-	262,099
Fund balance			
Nonspendable			
Prepaid expenses	24	-	24
Unassigned	93,337	-	93,337
Total fund balance	93,361	-	93,361
TOTAL LIABILITIES AND FUND BALANCE	\$ 355,460	\$ -	\$ 355,460

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total fund balance per the balance sheet – governmental funds	\$	93,361
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.		<u>127,507</u>
Total net position - statement of net position	\$	<u><u>220,868</u></u>

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Federal sources	\$ 987	\$ 122,916	\$ 123,903
State sources	1,350,623	82,894	1,433,517
Local sources	322,559	39,715	362,274
Total revenues	<u>1,674,169</u>	<u>245,525</u>	<u>1,919,694</u>
Expenditures			
Instruction	945,277	-	945,277
Support services	24,150	-	24,150
Instruction and curriculum development services	27,415	-	27,415
Instruction-related technology	29,260	-	29,260
General administration	2,420	-	2,420
School administration	246,009	-	246,009
Facilities	62,328	122,609	184,937
Food services	136,657	122,916	259,573
Central services	12,393	-	12,393
Transportation	107,012	-	107,012
Operation of plant	87,422	-	87,422
Maintenance of plant	4,843	-	4,843
Administrative services	11,928	-	11,928
Community services	29,528	-	29,528
Total expenditures	<u>1,726,642</u>	<u>245,525</u>	<u>1,972,167</u>
Net change in fund balance	(52,473)	-	(52,473)
Fund balances at beginning of year	<u>145,834</u>	<u>-</u>	<u>145,834</u>
Fund balances at end of year	<u>\$ 93,361</u>	<u>\$ -</u>	<u>\$ 93,361</u>

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021**

Net change in fund balances - governmental funds **\$ (52,473)**

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

Depreciation expense reported in the statement of activities is not reported as an
expenditure in the statement of revenues, expenditures and changes in fund
balances - governmental funds **(19,933)**

Change in net position - statement of activities **\$ (72,406)**

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: SKY Academy Venice (the “Charter School”) is a division of The YMCA of Southwest Florida, Inc. (the “YMCA”), a Florida not-for-profit organization located in Venice, Florida. The Charter School was organized under Section 1002.33, Florida Statutes, as a public charter middle school to promote pre-adolescent student achievement through a rigorous infusion of wellness and fitness strategies built into the curriculum, and to enable students to live a healthy and productive life.

The YMCA opened the Charter School in 2011. The general operating authority of the Charter School is contained in Section 1002.33, Florida Statutes. The Charter School operated under a charter approved on July 1, 2011 by its sponsor, the School Board of Sarasota County, Florida (the “School Board”). The Charter School's initial charter was effective until June 30, 2016.

The initial charter was renewed on May 17, 2016 for a period of 15 years. The renewed and current charter became effective on July 1, 2016 and is effective through June 30, 2031. The charter may be renewed as provided for in Section 1002.33, Florida Statutes. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the Charter School in writing at least 90 days prior to the charter's termination. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the Charter School with public funds and any unencumbered public funds revert back to the School Board.

The governing body of the Charter School is its Board of Directors, which is composed of six members. The executive director of the YMCA is the executive officer of the Charter School. The Charter School reported, on average, an enrollment of 157 students for the fiscal year ended June 30, 2021.

Average enrollment and grade configuration for the 2020-2021 school year was approximately as follows:

School Name and Address	Grades	Enrollment	Principal
Sky Academy Venice	Sixth	50	Patricia Forcier
705 Center Road	Seventh	58	
Venice, Florida 34285	Eighth	49	

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation: The basic financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

Basic Financial Statements – Government-Wide Statements: In the government-wide statement of net position, the Charter School's governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and other obligations. The Charter School's net position is reported in three parts (as applicable): investment in capital assets; restricted net position; and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Charter School's functions. The functions are also supported by general revenues (majority funded from the sponsoring school board). The statement of activities reduces gross expenses (including depreciation) by related program revenues. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants.

The net costs, by function, are normally covered by general revenue funding from the sponsoring school district and state grant funding.

The government-wide financial statement focus is more on the sustainability of the Charter School as an entity and the change in the Charter School's financial position resulting from the current year's activities.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements: The Charter School's financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both 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. For this purpose, the Charter 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. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

The Charter School reports the following major governmental fund:

General Fund – This is the Charter School's primary operating fund. It accounts for all financial activity not required to be accounted for in another fund.

Additionally, the Charter School reports the following fund types:

Special Revenue Fund – Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for specific purpose and to provide a single source of accountability for all the monies received.

Capital Outlay Fund – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for those particular purposes such as acquisition or construction of facilities, other capital assets or lease payments.

Current accounting guidance defines the different types of fund balances that a governmental entity must use for financial reporting purposes and requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- *Nonspendable:* fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Examples include inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Restricted:* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- *Committed:* fund balance includes amounts that can be used only for the specific purposes determined by a formal vote of the School Board (the Charter School's highest level of decision-making authority). Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- *Assigned:* fund balance is intended to be used by the Charter School for specific purposes but that do not meet the criteria to be classified as restricted or committed. The Board of Directors has authorized the CFO to assign fund balance.
- *Unassigned:* fund balance is the residual classification for the Charter School's General Fund and includes all spendable amounts not contained in the other classifications.

The Charter School's policy is to apply expenditures in the following order; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

The Charter School's policy is to consider restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Basis of Accounting: Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements are reported using the economic resources measurement focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. 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 a qualifying expenditure is incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash: Amounts reported as cash consists of cash in demand deposit accounts. Cash deposits of the Charter School are held by banks qualified as public depositories under Florida law.

Capital Assets: Capital assets are recorded at cost or the fair market value at the date of donation. Expenditures in excess of \$5,000 with an estimated useful life greater than one year are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life is not capitalized. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the change in net position for the respective period.

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

Office equipment and computers	5-7 years
Furniture and machinery	3-10 years
Automobiles	5 years
Leasehold improvements	10-30 years

Revenue Sources: Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and Section 1002.33 (18)(b), Florida Statutes, the Charter School reports the number of fulltime equivalent (FTE) students and related data to the School Board, which in turn reports this information to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Charter School is adjusted monthly to reflect the revised calculations by the FDOE under the FEFP based upon the actual weighted FTE students reported by the Charter School during the designated student survey periods.

The Charter School receives federal and state awards for capital outlay expenditures and enhancements for various educational programs. The grant awards are based on applications submitted to and approved by the state of Florida or federal agencies. For awards in which a claim to grant proceeds is based upon incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

Additionally, other revenues are derived from various fundraising activities and contributions.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes: The Charter School is not a separate entity for tax purposes. The Charter School is a division of the YMCA, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been recorded in the accompanying basic financial statements.

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Revenue Sources: For the year ended June 30, 2021, approximately 94% of the Charter School's revenue was derived from grants from the federal government passed through the State of Florida Department of Education, and state and local funds passed through the School District. The level of the Charter School's operations and program services may be impacted if funding is not renewed.

Allocation of Indirect Costs: Depreciation expense in the government-wide financial statements is allocated to a function based on the function's usage of the related capital asset.

NOTE 2. CASH

All Charter School bank balances are fully insured or collateralized as required by Chapter 280, Florida Statutes. At June 30, 2021, the Charter School's deposits in financial institutions totaled \$352,583.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets:				
Furniture and machinery	\$ 296,749	\$ -	\$ -	\$ 296,749
Office equipment and computers	210,852	-	-	210,852
Leasehold improvements	125,036	-	-	125,036
Automobiles	53,691	-	-	53,691
	<u>686,328</u>	<u>-</u>	<u>-</u>	<u>686,328</u>
Less accumulated depreciation and amortization:				
Furniture and machinery	270,261	5,009	-	275,270
Office equipment and computers	186,703	12,586	-	199,289
Leasehold improvements	28,233	2,338	-	30,571
Automobiles	53,691	-	-	53,691
	<u>538,888</u>	<u>19,933</u>	<u>-</u>	<u>558,821</u>
	<u>\$ 147,440</u>	<u>\$ (19,933)</u>	<u>\$ -</u>	<u>\$ 127,507</u>

Depreciation expense was \$19,933 for the year ended June 30, 2021. Depreciation was charged to functions as follows:

Governmental activities:	
Instruction	\$ 13,710
Food service	1,192
School administration	1,773
Operation of plant	3,258
Total	<u>\$ 19,933</u>

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4. RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

As described in Note 1, the Charter School is a division of the YMCA. From time to time, there may be amounts due to the YMCA that represent amounts advanced by the YMCA on behalf of the Charter School for operating costs in excess of amounts repaid by the Charter School.

The YMCA pays for the payroll and related payroll liabilities (taxes, insurance, retirement, etc.) on behalf of the Charter School and the Charter School reimburses the YMCA monthly. As of June 30, 2021, the amount due to the YMCA totaled \$93,041. In addition, the YMCA provides various management and professional services to the Charter School under a management services contract. During the year ended June 30, 2021, the contract provided for annual fees of \$485,000. The contract also provides that if, for any reason, the Charter School cannot remit payments due under the contract, the YMCA will allow for reductions and may waive its fees. During the year ended June 30, 2021, the YMCA waived management fees totaling \$485,000. No amounts have been recorded in the accompanying statement of activities for the year ended June 30, 2021, related to the waived fees.

The Charter School also rents its facilities from the YMCA under a lease agreement (see Note 7). In accordance with the lease agreement, future minimum payments due under the lease may be reduced at the discretion of the YMCA to help the cash flows of the Charter School. The YMCA reduced rent by \$76,140 for the year ended June 30, 2021. The Charter School incurred expenses of \$180,000 for the year ended June 30, 2021 under this agreement.

Additionally, the Charter School provides food service for the preschool and after-school programs of YMCA in exchange for a fee. Total fees earned for the year ended June 30, 2021 totaled approximately \$92,233 and are included in local revenues in the statement of activities.

The Charter School and SKY Academy Englewood, a charter school and division of The YMCA of Southwest Florida, Inc., receive funding for the national school lunch program and the summer food service program. The funding comes directly to the Charter School, and SKY Academy Englewood is reimbursed for its share. There were no amounts due to SKY Academy Englewood from the Charter School as of June 30, 2021.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. CONTRIBUTED MATERIALS, EQUIPMENT, AND SERVICES

Contributed property and materials and equipment, if any, are recorded in the accompanying financial statements at their fair value at the date of receipt. The Charter School did not receive any donated property or equipment for the year ended June 30, 2021. A number of volunteers have donated significant amounts of time to the Charter School's administrative services and its fundraising campaigns during the year; however, these donated services are not reflected in the financial statements.

NOTE 6. STATE REVENUE

A major source of the District's revenue is received from the State of Florida, who provided approximately 75% of total revenues in fiscal year 2020-2021. State revenue sources are as follows for the year ended June 30, 2021:

State Revenues:	
Florida Education Finance Program	\$ 1,104,193
State Categorical Instructional Materials	19,529
School Lunch Supplemental Revenue	93
Transportation	22,632
Excellent Teaching Program	29,511
Reading Programs	7,588
Classrooms First Program	167,077
Public Education Capital Outlay	82,894
Total State Revenue	<u>\$ 1,433,517</u>

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7. LEASES

Lease Agreements: The Charter School leases its premises from the YMCA under an operating lease that expires on June 30, 2022. The lease provides for annual payments of \$256,140, paid in monthly installments. In accordance with the lease agreement, future payments due under the lease may be reduced at the discretion of the YMCA to help the cash flows of the Charter School.

The Charter School also leases a copier under an operating lease expiring in 2021. The lease requires monthly payments of \$658.

Future lease commitments are as follows:

Years ending June 30:	
2022	\$ 260,087
Total	<u>\$ 260,087</u>

Rent expense was \$180,000 for the year ended June 30, 2021.

Insurance: The Charter School maintains general liability, errors and omissions and automobile liability insurance. There have not been any significant reductions in insurance coverage during the year. Additionally, no claims have been settled in excess of insurance coverage in the past two years.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8. RETIREMENT PLAN

The Charter School employees participate in The YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986 as amended; and The YMCA Retirement Fund Tax – Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the Code. Both plans are sponsored by The Young Men’s Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions to the YMCA Retirement Fund are a percentage of the participating employees' qualified compensation. The basic YMCA retirement plan is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts on either a tax-deferred or an after-tax basis. The Charter School's contributions charged to retirement costs for the fiscal years ended June 30, 2021 was \$83,095.

NOTE 9. RISKS AND UNCERTAINTIES

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties continue which may impact the Charter School's revenues and operations. This includes federal and state funding which could be impacted for the upcoming year. Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty at this time. Other financial impact could occur, though such potential impact is unknown at this time.

NOTE 10. SUBSEQUENT EVENTS

The Charter School has evaluated all subsequent events through October 26, 2021, the date the financial statements were available to be issued.

On September 1, 2021, the YMCA of Southwest Florida, Inc. entered into an agreement to lease four school buses, which will be utilized by the Charter School, as well as SKY Academy Englewood. The Charter School and SKY Academy Englewood have agreed to fund the payments in the amount of \$3,967 and \$3,812, respectively, for a total of \$7,779 per month, for a period of 60 months/five years.

REQUIRED SUPPLEMENTARY INFORMATION

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance
	Original	Final		
Revenues				
Federal sources	\$ 72,498	\$ 72,498	\$ 987	\$ (71,511)
State sources	1,378,833	1,378,833	1,350,623	(28,210)
Local sources	482,391	482,391	322,559	(159,832)
Total revenues	<u>1,933,722</u>	<u>1,933,722</u>	<u>1,674,169</u>	<u>(259,553)</u>
Expenditures				
Instruction	969,317	969,317	945,277	(24,040)
Support services	90,475	90,475	24,150	(66,325)
Instruction and curriculum development services	33,045	33,045	27,415	(5,630)
Instruction-related technology	28,400	28,400	29,260	860
General administration	-	-	2,420	2,420
School administration	194,025	194,025	246,009	51,984
Facilities	129,996	129,996	62,328	(67,668)
Food services	254,183	254,183	136,657	(117,526)
Central services	10,920	10,920	12,393	1,473
Transportation	83,258	83,258	107,012	23,754
Operation of plant	73,395	73,395	87,422	14,027
Maintenance of plant	2,200	2,200	4,843	2,643
Administrative services	-	-	11,928	11,928
Community services	61,331	61,331	29,528	(31,803)
Total expenditures	<u>1,930,545</u>	<u>1,930,545</u>	<u>1,726,642</u>	<u>(203,903)</u>
Net change in fund balance	3,177	3,177	(52,473)	(463,456)
Fund balance at beginning of year	145,834	145,834	145,834	-
Fund balance at end of year	<u>\$ 149,011</u>	<u>\$ 149,011</u>	<u>\$ 93,361</u>	<u>\$ (463,456)</u>

See notes to required supplemental information.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGETARY INFORMATION

Budgetary Basis 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). Budgets are prepared and the Board of Directors adopts original budgets annually. Budget amendments must be approved by the Board of Directors. No budget amendments were made during the year.

OTHER SUPPLEMENTARY INFORMATION

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Current assets			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Prepaid expenses	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to related party	-	-	-
Accrued expenses	-	-	-
Total liabilities	-	-	-
Fund balance			
Restricted	-	-	-
Total fund balance	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues			
Federal sources	\$ 122,916	\$ -	\$ 122,916
State sources	-	82,894	82,894
Local sources	-	39,715	39,715
Total revenues	<u>122,916</u>	<u>122,609</u>	<u>245,525</u>
Expenditures			
Facilities	-	122,609	122,609
Food services	122,916	-	122,916
Total expenditures	<u>122,916</u>	<u>122,609</u>	<u>245,525</u>
Net change in fund balances	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Final
	Original	Final		
Revenues				
Federal sources	\$ 70,000	\$ 70,000	\$ 122,916	\$ 52,916
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>122,916</u>	<u>52,916</u>
Expenditures				
Food services	70,000	70,000	122,916	(52,916)
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>122,916</u>	<u>(52,916)</u>
Net change in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Final
	Original	Final		
Revenues				
State sources	\$ 85,200	\$ 85,200	\$ 82,894	\$ (2,306)
Local sources	46,260	46,260	39,715	(6,545)
Total revenues	<u>131,460</u>	<u>131,460</u>	<u>122,609</u>	<u>(8,851)</u>
Expenditures				
Facilities	131,460	131,460	122,609	8,851
Total expenditures	<u>131,460</u>	<u>131,460</u>	<u>122,609</u>	<u>8,851</u>
Net change in fund balances	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



**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**

Board of Directors
SKY Academy Venice
Venice, 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 SKY Academy Venice (the "Charter School") (A Charter School and Division of The YMCA of Southwest Florida, Inc.), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated October 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Charter 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
October 26, 2021



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors
SKY Academy Venice
Venice, Florida

Report on the Financial Statements

We have audited the financial statements of SKY Academy Venice (the "Charter School") (A Charter School and Division of The YMCA of Southwest Florida, Inc.) as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated October 26, 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 Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if any, which is dated October 26, 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. Corrective actions were taken to address findings 2020-001 accrued payroll and 2020-002 financial close and reconciliation process. See Summary of Prior Audit Findings.

Official Title and School Code

Section 10.854(1)(e)5, Rules of the Auditor General, requires 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 SKY Academy Venice; 0110.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the Charter 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 Charter 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 Charter School. It is management's responsibility to monitor the Charter School's financial condition, and our financial condition assessment was based in part on representations made by management and the 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 Charter School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Charter School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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 School Board of Sarasota County and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
October 26, 2021

Mauldin & Jenkins, LLC

SKY ACADEMY VENICE
(A Charter School and Division of The YMCA of Southwest Florida, Inc.)

SUMMARY OF PRIOR AUDIT FINDINGS

Finding No. 2020-001 – Accrued Payroll – Material Weakness

Condition: The Charter School did not record accrued payroll for teachers for amounts to be paid in July and August who had fulfilled their contract term as of the end of the fiscal year. Additionally, the Charter School did not record accrued payroll for employees whose pay period spanned over the fiscal year. The Charter School restated beginning fund balance/net position to correct these errors from prior years.

Cause: The Charter School previously did not record accrued payroll related to employees whose pay period spanned over the fiscal year since management previously identified the amount as not material. The Charter School did not record the unpaid portion of teacher's contracts due to an oversight.

Current Status: No such findings were noted during the current year audit and all entries were properly posted to financial records.

Finding No. 2020-002 – Financial Close and Reconciliation Process – Significant Deficiency

Condition: The Charter School experienced turnover and other matters out of their control related to COVID-19 and therefore did not perform a timely review of the year-end close of the 2020 fiscal year-end, resulting in several transactions and balances that were incorrectly posted, and intercompany accounts that were not properly reconciled.

Cause: The Charter School did not have an effective process in place during the year or at year-end to have periodic reviews performed of the accounting records to provide for the preparation and fair presentation of its financial statements without several adjustments being recorded. Also, it does not appear that sufficient resources were available to be allocated to the oversight and review of the financial accounting records to identify these matters on a timely basis.

Current Status: No such findings were noted during the current year audit and all entries were properly posted to the financial records.