

KISSIMMEE CHARTER ACADEMY
(A CHARTER SCHOOL UNDER THE
CITY OF KISSIMMEE, FLORIDA)

INDEPENDENT AUDITOR'S REPORT
for the fiscal year ended JUNE 30, 2021

King & Walker, CPAs, PL

Certified Public Accountants

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KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

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Independent Auditor's Report

To the Board of Directors of Kissimmee Charter Academy
(A Charter School Under the City of Kissimmee, 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 Kissimmee Charter Academy ("School"), a charter school under the City of Kissimmee, Florida ("the City") and included in the operations of the City as the Charter School Special Revenue Fund, 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 Kissimmee Charter Academy, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2021, on our consideration of Kissimmee Charter Academy 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 Kissimmee Charter Academy internal control over financial reporting and compliance.

Respectfully submitted,



September 1, 2021
Tampa, Florida

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Kissimmee Charter Academy (“School”), a charter school under the City of Kissimmee, Florida, 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 shown in the table of contents.

FINANCIAL HIGHLIGHTS

- The School reported an Unrestricted Net Position balance of \$969,787, as shown on the Statement of Net Position.
- For the fiscal year ended June 30, 2021, the School’s revenue exceeded expenses by \$263,294 as shown on the School’s Statement of Activities.

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, may serve as a useful indicator of the School’s financial position.

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 position 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.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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 financial 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 financial 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 financial 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 three funds; a General Fund, a Capital Projects Fund, and a Special Revenue Fund. The School has elected to show each fund as a major fund.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and 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.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position, End of Year

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 886,012	\$ 1,226,890	\$ 340,878
Capital Assets, Net	1,033,815	927,879	(105,936)
Total Assets	1,919,827	2,154,769	234,942
LIABILITIES			
Current Liabilities	285,455	257,103	(28,352)
Total Liabilities	285,455	257,103	(28,352)
NET POSITION			
Net Investment in Capital Assets	1,033,815	927,879	(105,936)
Unrestricted	600,557	969,787	369,230
Total Net Position	\$ 1,634,372	\$ 1,897,666	\$ 263,294

Current assets consist of cash and cash equivalents and amounts due from other agencies. Current assets increased mainly due to the increase in the School's cash and cash equivalents. Liabilities are primarily comprised of salaries and benefits payable and accounts payable.

Total Net Position amounted to \$1,897,666, as of June 30, 2021, representing an increase of \$263,294 over the prior fiscal year.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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	\$ 201,196	\$ 374,874	\$ 173,678
State	5,605,263	5,669,757	64,494
Local and Other	<u>121,835</u>	<u>54,032</u>	<u>(67,803)</u>
Total Revenues	<u>5,928,294</u>	<u>6,098,663</u>	<u>170,369</u>
Expenses:			
Instruction	2,735,725	2,756,168	20,443
Student Support Services	98,288	105,665	7,377
Instruction & Curriculum Development	165,546	63,766	(101,780)
Instructional Staff Training	-	499	499
Board	10,000	10,000	-
School Administration	1,321,511	1,402,753	81,242
Food Services	26,829	5,410	(21,419)
Central Services	4,465	256	(4,209)
Student Transportation	137,086	158,242	21,156
Operation of Plant	1,106,587	1,136,610	30,023
Maintenance of Plant	194,846	184,238	(10,608)
Community Service	<u>54,368</u>	<u>11,762</u>	<u>(42,606)</u>
Total Expenses	<u>5,855,251</u>	<u>5,835,369</u>	<u>(19,882)</u>
Increase/(Decrease) in Net Position	<u>\$ 73,043</u>	<u>\$ 263,294</u>	<u>\$ 190,251</u>

The largest revenue source for the School is the State of Florida (93 percent). 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 concentrations of expenses during the year were for instruction (47 percent) and school administration (24 percent). The expense categories experienced increases and decreases between fiscal years due to general economic conditions and the changing financial needs of the School.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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 \$969,787.

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 and the expected student population for the school year. Over the course of the year, the school revised budgets several times. 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 \$927,879 (net of accumulated depreciation). This investment in capital assets includes improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, vehicles, computer software, IT equipment, and audio-visual materials. Additional information regarding the School's capital assets is presented in a subsequent note to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Kissimmee Charter Academy's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Principal, Kissimmee Charter Academy, 2850 Bill Beck Boulevard, Kissimmee, FL 34744.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA**

STATEMENT OF NET POSITION

June 30, 2021

	<u>Government Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 835,243
Due From Other Agencies	391,647
Capital Assets:	
Buildings & Fixed Equipment, Net	779,166
Improvements Other Than Buildings, Net	50,000
Audio Visual Materials	1,267
Furniture, Fixtures, and Equipment, Net	48,165
Computer Software, Net	124
Vehicles, Net	47,847
IT Equipment, Net	1,310
Total Capital Assets	<u>927,879</u>
TOTAL ASSETS	<u>2,154,769</u>
LIABILITIES	
Salaries and Benefits Payable	223,222
Accounts Payable	33,726
Net Due To/ From Management Company	<u>155</u>
TOTAL LIABILITIES	<u>257,103</u>
NET POSITION	
Net Investment in Capital Assets	927,879
Unrestricted	<u>969,787</u>
TOTAL NET POSITION	<u><u>\$ 1,897,666</u></u>

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

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

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

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 2,756,168	\$ -	\$ 367,050	\$ -	\$ (2,389,118)
Student Support Services	105,665	-	893	-	(104,772)
Instruction & Curriculum Development	63,766	-	-	-	(63,766)
Instructional Staff Training	499	-	-	-	(499)
Board	10,000	-	-	-	(10,000)
School Administration	1,402,753	-	-	-	(1,402,753)
Food Services	5,410	-	-	-	(5,410)
Central Services	256	-	-	-	(256)
Student Transportation	158,242	-	-	-	(158,242)
Operation of Plant	1,136,610	-	6,931	344,523	(785,156)
Maintenance of Plant	184,238	-	-	-	(184,238)
Community Service	11,762	28,997	-	-	17,235
Total Governmental Activities	\$ 5,835,369	\$ 28,997	\$ 374,874	\$ 344,523	(5,086,975)
General Revenue					
State Sources					5,325,234
Local and Other					25,035
Total General Revenues					5,350,269
Change in Net Position					263,294
Net Position - July 1, 2020					1,634,372
Net Position - June 30, 2021					\$ 1,897,666

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

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	\$ 835,243	\$ -	\$ -	\$ 835,243
Due From Other Agencies	391,647	-	-	391,647
Total Assets	\$ 1,226,890	\$ -	\$ -	\$ 1,226,890
LIABILITIES				
Salaries and Benefits Payable	\$ 223,222	\$ -	\$ -	\$ 223,222
Accounts Payable	33,726	-	-	33,726
Net Due To/ From Management Company	155	-	-	155
Total Liabilities	257,103	-	-	257,103
FUND BALANCES				
Assigned				
Technology	300,000	-	-	300,000
Instructional Materials	200,000	-	-	200,000
Employee Compensation	200,000	-	-	200,000
Buses	60,000	-	-	60,000
Unassigned	209,787	-	-	209,787
Total Fund Balances	969,787	-	-	969,787
Total Liabilities and Fund Balances	\$ 1,226,890	\$ -	\$ -	\$ 1,226,890

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

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Fund Balances - Governmental Funds	\$ 969,787
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	<u>927,879</u>
Total Net Position - Governmental Activities	<u><u>\$ 1,897,666</u></u>

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

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal Through State and Local State	\$ -	\$ 374,874	\$ -	\$ 374,874
State	5,325,234	-	344,523	5,669,757
Local and Other	54,032	-	-	54,032
Total Revenues	<u>5,379,266</u>	<u>374,874</u>	<u>344,523</u>	<u>6,098,663</u>
Expenditures				
Current - Education:				
Instruction	2,381,384	367,050	-	2,748,434
Student Support Services	104,772	893	-	105,665
Instruction & Curriculum Development	63,766	-	-	63,766
Instructional Staff Training	499	-	-	499
Board	10,000	-	-	10,000
School Administration	1,386,644	-	-	1,386,644
Food Services	5,410	-	-	5,410
Central Services	256	-	-	256
Student Transportation	158,242	-	-	158,242
Operation of Plant	674,820	6,931	344,523	1,026,274
Maintenance of Plant	184,238	-	-	184,238
Community Service	11,762	-	-	11,762
Fixed Capital Outlay:				
Other Capital Outlay	28,243	-	-	28,243
Total Expenditures	<u>5,010,036</u>	<u>374,874</u>	<u>344,523</u>	<u>5,729,433</u>
Net Change in Fund Balances	369,230	-	-	369,230
Fund Balances, July 1, 2020	600,557	-	-	600,557
Fund Balances, June 30, 2021	<u>\$ 969,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 969,787</u>

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

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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	\$	369,230
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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	28,243		
Depreciation Expense	(134,179)		(105,936)

Change in Net Position - Governmental Activities	\$	263,294
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The accompanying notes to the financial statements are an integral part of this statement.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Kissimmee Charter Academy (“School”) is a charter school under the City of Kissimmee, Florida (“the City”) and is included in the operations of the City as the Charter School Special Revenue Fund. The School’s charter is held by the City of Kissimmee, Florida. The governing body of the School is the City of Kissimmee Commission. The City created the School Advisory Board, which is comprised of seven members, to oversee the activities of the School.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to and do not present fairly the financial position of the City of Kissimmee, Florida as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. The School is presented in the City’s Comprehensive Annual Financial Report (“CAFR”) as a separate special revenue fund.

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 Osceola County, Florida, (“District”). The current charter is effective until June 30, 2025, and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a division of the Charter holder; 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.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

➤ **Basis of Presentation**

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

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

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

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for federal grant programs and food service operations.
- 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.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 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 are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **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>
Improvements Other Than Buildings	7 - 25 years
Buildings and Fixed Equipment	15 - 30 years
Furniture, Fixtures, and Equipment	5 - 7 years
Vehicles	5 years
Computer Software	3 - 5 years
IT Equipment	4 - 7 years
Audio Visual Materials	5 - 7 years

Current year information relative to changes in capital assets is described in a subsequent note.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

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.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position is 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 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.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the City of Kissimmee Commission.
- 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 funds.

➤ **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 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 District receives a 2.5% administrative fee from the School, which is reflected in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Legislature.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 734.17 unweighted FTE and 785.3295 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 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 receives federal and 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 also receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections. 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. A schedule of revenue sources for the current year is presented in a subsequent note.

➤ **Income Taxes**

The School is a charter school included in the financial operations of the City of Kissimmee, Florida, and is, therefore, exempt from income tax. The School falls under the City of Kissimmee's exemption. 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.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

➤ **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.

3. DUE FROM OTHER AGENCIES

The amounts Due From Other Agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of amounts due from the Osceola County District School Board for FEFP and transportation funds. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is accrued.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Computer Software	\$ 58,765	\$ -	\$ -	\$ 58,765
Improvements Other Than Buildings	183,430	-	-	183,430
Furniture, Fixtures and Equipment	336,666	-	-	336,666
Buildings & Fixed Equipment	1,464,111	-	-	1,464,111
Vehicles	57,506	28,243	-	85,749
IT Equipment	714,347	-	-	714,347
Audio Visual Materials	6,911	-	-	6,911
Total Capital Assets	<u>2,821,736</u>	<u>28,243</u>	<u>-</u>	<u>2,849,979</u>
Less Accumulated Depreciation for:				
Computer Software	(55,704)	(2,937)	-	(58,641)
Improvements Other Than Buildings	(124,462)	(8,968)	-	(133,430)
Furniture, Fixtures and Equipment	(267,045)	(21,456)	-	(288,501)
Buildings & Fixed Equipment	(600,076)	(84,869)	-	(684,945)
Vehicles	(25,449)	(12,453)	-	(37,902)
IT Equipment	(709,858)	(3,179)	-	(713,037)
Audio Visual Materials	(5,327)	(317)	-	(5,644)
Total Accumulated Depreciation	<u>(1,787,921)</u>	<u>(134,179)</u>	<u>-</u>	<u>(1,922,100)</u>
Governmental Activities Capital Assets, net	<u>\$ 1,033,815</u>	<u>\$ (105,936)</u>	<u>\$ -</u>	<u>\$ 927,879</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Instruction	\$ 7,734
School Administration	16,109
Operation of Plant	110,336
Total governmental activities depreciation expense	<u>\$ 134,179</u>

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

5. NET DUE TO/FROM MANAGEMENT COMPANY

The School has entered into an agreement with the management company as described in Note 11 of the notes to financial statements. The ending balance of \$155 represents due to Management Company, and consists of the following:

	Net due (to)/from management company
Balance due (to)/from at July 1, 2020	\$ (2,094)
Payments	833,170
Invoiced	(831,231)
Balance due (to)/from at June 30, 2021	\$ (155)

6. SCHOOL RESERVE FUND

Per the management agreement between the School and the City of Kissimmee, the City will hold a school reserve fund in its bank account for (a) payment or prepayment of the City Debt, (b) the establishment of the reasonable reserves for the payment of the Facilities Use Fee, and (c) the establishment of the reasonable reserves for renewal and replacement of the School Facility. The current year transfer by the School to the reserve fund held by the City amounted to \$85,557. At June 30, 2021, the total balance of the School reserve fund held by the City is \$1,571,920.

7. FUND BALANCE CLASSIFICATION

For the year ended June 30, 2021, the breakout of the fund balance is shown below:

	Total Governmental Funds
Assigned	
Technology	\$ 300,000
Instructional Materials	200,000
Employee Compensation	200,000
Buses	60,000
Unassigned	209,787
Total Fund Balance	\$ 969,787

8. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District and to the City, then to the School, 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.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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	\$ 4,566,171
Categorical Programs:	
Class Size Reduction	746,698
Charter School Capital Outlay	344,523
Miscellaneous	12,365
Total State Revenue	\$ 5,669,757

As provided in the charter school contract, the District has charged the School an administrative fee of available funds from the Florida Education Finance Program and categorical funding for which charter students may be eligible. The administrative fee for the fiscal year amounted to \$45,353.

10. RETIREMENT PLAN

The School participates in a 401(k) Retirement Savings Plan for employees. 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. Contributions made by the School totaled \$70,311 for the year ended June 30, 2021. The School is currently making matching contributions up to 5% for participating employees. The rate of contribution is set annually by the Management Company.

11. OPERATING AGREEMENT

The School entered into a management service agreement with Imagine Schools, Inc., commencing July 1, 2017, and effective until June 30, 2019, and may be cancelled or terminated pursuant to the terms and conditions set forth in the charter. This agreement has been renewed and is effective until June 30, 2024.

This agreement calls for an Indirect Cost Allocation, for performance of its responsibilities, equal to eight percent (8%) of State revenue. The Indirect Cost Allocation shall be paid monthly in an amount equal to one-twelfth of the annual budgeted allocation. Additionally, the agreement provides for the payment of various incentive fees to the management company if specific benchmarks are achieved. If at the end of the fiscal year there are not sufficient funds to pay the management fee, then the management company shall forgive the unpaid balance. Current year Indirect Cost Allocation fees charged to operations totaled \$541,628.

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

12. FACILITY USE FEE

The City provides the facility used for the operation of the School, and the School is assessed an annual facility use fee. The amount of the fee is related to the debt service payments of the \$9,400,000 City of Kissimmee, Florida, Charter School Improvement Revenue Note – Series 2000A (the “Notes”), dated December 8, 2000. The proceeds were used by the City to finance the construction of the School facilities.

On December 18, 2008, the City refinanced the Notes at a variable interest rate. The City last refinanced the Notes on February 4, 2016 at a fixed interest rate of 1.55%.

The City takes into account the debt service due on the notes through the expiration of the charter when determining the facility use fee. Upon expiration of the charter, including renewals, if any, possession of the School facilities will revert to the City who will be liable for future payments.

The facility use fee for the year ended June 30, 2021, totaled \$661,272.

Aggregate remaining commitments on the facility use fee at June 30, 2021, until the end of the School’s current charter are estimated as follows:

Fiscal Year Ending June 30:	Minimum Lease Payments
2022	\$ 661,272
2023	661,272
2024	661,272
2025	661,272
Total Minimum Lease Payments	\$ 2,645,088

13. 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.

14. 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.

**KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND 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 Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local	\$ -	\$ -	\$ -	\$ -	\$ 198,549	\$ 374,874	\$ 374,874	\$ -
State	5,266,877	5,325,234	5,325,234	-	-	-	-	-
Local and Other	148,090	54,032	54,032	-	-	-	-	-
Total Revenues	<u>5,414,967</u>	<u>5,379,266</u>	<u>5,379,266</u>	<u>-</u>	<u>198,549</u>	<u>374,874</u>	<u>374,874</u>	<u>-</u>
Expenditures:								
Current - Education:								
Instruction	2,831,163	2,381,384	2,381,384	-	198,549	367,050	367,050	-
Student Support Services	147,988	104,772	104,772	-	-	893	893	-
Instruction & Curriculum Development	-	63,766	63,766	-	-	-	-	-
Instructional Staff Training	-	499	499	-	-	-	-	-
Board	10,000	10,000	10,000	-	-	-	-	-
School Administration	1,363,754	1,386,644	1,386,644	-	-	-	-	-
Food Services	26,634	5,410	5,410	-	-	-	-	-
Central Services	1,818	256	256	-	-	-	-	-
Student Transportation	167,022	158,242	158,242	-	-	-	-	-
Operation of Plant	706,387	674,820	674,820	-	-	6,931	6,931	-
Maintenance of Plant	71,165	184,238	184,238	-	-	-	-	-
Community Service	79,493	11,762	11,762	-	-	-	-	-
Fixed Capital Outlay:								
Other Capital Outlay	9,542	28,243	28,243	-	-	-	-	-
Total Expenditures	<u>5,414,966</u>	<u>5,010,036</u>	<u>5,010,036</u>	<u>-</u>	<u>198,549</u>	<u>374,874</u>	<u>374,874</u>	<u>-</u>
Net Change in Fund Balances	1	369,230	369,230	-	-	-	-	-
Fund Balances, July 1, 2020	600,557	600,557	600,557	-	-	-	-	-
Fund Balances, June 30, 2021	<u>\$ 600,558</u>	<u>\$ 969,787</u>	<u>\$ 969,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL UNDER THE CITY OF KISSIMMEE, 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.



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

To the Board of Directors of the Kissimmee Charter Academy
(A Charter School Under the City of Kissimmee, 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 Kissimmee Charter Academy ("School"), a charter school under the City of Kissimmee, Florida ("the City") and included in the operations of the City as the Charter School Special Revenue Fund, 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 1, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

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

September 1, 2021
Tampa, Florida



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

To the Board of Directors of the Kissimmee Charter Academy
(A Charter School Under the City of Kissimmee, Florida)

Report on the Financial Statements

We have audited the financial statements of Kissimmee Charter Academy (“School”), a charter school under the City of Kissimmee, Florida (“the City”), and included in the operations of the City as the Charter School Special Revenue Fund, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 1, 2021.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 1, 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 is Kissimmee Charter Academy, 490866.

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)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 Osceola County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



September 1, 2021
Tampa, Florida