

SKY ACADEMY VENICE
(A CHARTER SCHOOL AND DIVISION OF
THE YMCA OF SOUTHWEST FLORIDA, INC.)
FINANCIAL STATEMENTS
JUNE 30, 2022

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

FINANCIAL STATEMENTS
JUNE 30, 2022

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 | 16-25 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund | 26 |
| Notes to Required Supplementary Information | 27 |
| OTHER SUPPLEMENTARY INFORMATION: | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 28 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 29 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund | 30 |
| Capital Project Fund | 31 |

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

FINANCIAL STATEMENTS
JUNE 30, 2022

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> | 32 and 33 |
| Independent Auditor's Management Letter | 34 and 35 |



INDEPENDENT AUDITOR'S REPORT

Board of Directors
SKY Academy Venice
Bradenton, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter School as of June 30, 2022, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary information on pages 4 through 9 and page 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Schools basic financial statements. The accompanying combining and individual 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and the 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 25, 2022, 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, and grant agreements and other matters. The purpose of that report is solely 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 Charter School's 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.



Bradenton, Florida
October 25, 2022

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, 2022.

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, 2022.

- The year ended June 30, 2022 was the tenth year of operations for the Charter School. Enrollment increased by 64 students from the prior year to an end-of-year student count of 221.
- The Charter School reported a net position of \$257,314 at June 30, 2022, which increased \$36,446 from June 30, 2021 reported net position of \$220,868.
- As of June 30, 2022, the Charter School's governmental funds reported a combined ending fund balance of \$268 compared to \$93,361 reported fund balance as of June 30, 2021.

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, 2022 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 25 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:

| | 2022 | 2021 | Variance |
|------------------------------------|-------------------|-------------|-----------------|
| ASSETS | | | |
| Current assets | \$ 505,351 | \$ 355,460 | \$ 149,891 |
| Capital assets, net | 257,046 | 127,507 | 129,539 |
| Total assets | \$ 762,397 | \$ 482,967 | \$ 279,430 |
| LIABILITIES | | | |
| Current liabilities | \$ 505,083 | \$ 262,099 | \$ 242,984 |
| NET POSITION | | | |
| Investment in capital assets | 257,046 | 127,507 | 129,539 |
| Unrestricted | 268 | 93,361 | (93,093) |
| Total net position | 257,314 | 220,868 | 36,446 |
| Total liabilities and net position | \$ 762,397 | \$ 482,967 | \$ 279,430 |

Current assets consist of cash, accounts receivable, and prepaid expenses. Total current assets increased \$149,891 or 42% during 2022. 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 \$505,083 or 93% during 2022. As of June 30, 2022, total net position was \$257,314 compared to \$220,868 as of June 30, 2021.

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, 2022 and 2021 are as follows:

| | <u>2022</u> | <u>2021</u> | Increase (Decrease) |
|---|-------------------|-------------------|------------------------|
| Program revenues: | | | |
| Charges for services | \$ 141,145 | \$ 104,104 | \$ 37,041 |
| Operating grants and contributions | 556,635 | 488,630 | 68,005 |
| Capital grants and contributions | 298,278 | - | 298,278 |
| General revenues: | | | |
| State sources | 1,622,835 | 1,321,113 | 301,722 |
| Local sources | 30,287 | 5,847 | 24,440 |
| Total | <u>2,649,180</u> | <u>1,919,694</u> | <u>729,486</u> |
| Governmental activities: | | | |
| Instruction | 1,133,407 | 958,987 | 174,420 |
| Support services | 1,597 | 24,150 | (22,553) |
| Instruction and curriculum development services | 994 | 27,415 | (26,421) |
| Instruction-related technology | 45,835 | 29,260 | 16,575 |
| Board | 8,040 | - | 8,040 |
| General administration | 27,225 | 2,420 | 24,805 |
| School administration | 295,261 | 247,782 | 47,479 |
| Facilities | 184,392 | 184,937 | (545) |
| Fiscal services | 15,016 | - | 15,016 |
| Food services | 367,311 | 260,765 | 106,546 |
| Central services | 16,968 | 12,393 | 4,575 |
| Transportation | 155,873 | 107,012 | 48,861 |
| Operation of plant | 173,134 | 90,680 | 82,454 |
| Maintenance of plant | 41,602 | 4,843 | 36,759 |
| Administrative technology | - | 11,928 | (11,928) |
| Community services | 146,079 | 29,528 | 116,551 |
| Total | <u>2,612,734</u> | <u>1,992,100</u> | <u>620,634</u> |
| Change in net position | 36,446 | (72,406) | 108,852 |
| Net position at beginning of year | <u>220,868</u> | <u>293,274</u> | <u>(72,406)</u> |
| Net position at end of year | <u>\$ 257,314</u> | <u>\$ 220,868</u> | <u>\$ 36,446</u> |

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

After two challenging years due to COVID-19, the 2021-2022 school year saw a return to a more typical structure for SKY Academy Venice. Remote learning was removed as all students returned to in-person instruction. Most after-school athletics and extracurricular activities returned to normal. With increased student needs and state requirements on youth mental health, additional positions were added to support the students and parents. This included adding a full-time school counselor to address the needed focus on the social and emotional well-being of our students and staff. To support the campus wide need, we developed a PBIS program, which rewards students for making good choices and positively impacting the school community. Students can earn points and redeem them for rewards. The development of this program required added expenses but resulted in an improved school culture, which will continue to build upon for the 2022-2023 school year. During the summer of 2022, the school building underwent a renovation of our boy's and girl's locker rooms and benefited from the addition of a new PA system that covers the span of our campus. These measures help to support the safety and security of the campus and the health and wellbeing of our staff and students. As we enter the 2022-2023 school year, our school's population continues to increase from 220 to 260 students, resulting in the need to build out full instructional teams according to our charter capacity.

For the year ended June 30, 2022, Charter School revenues exceeded expenses, resulting in an increase in net position of \$36,446. The largest revenue source for the Charter School is the state of Florida (61%). 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 2022, the Charter School experienced an increase in enrollment and an increase in state revenue of \$301,722, and local funds increased, resulting in a net increase in general revenue sources of \$729,486. Expenses for instruction, community services and food services were a major contributor of total expenses increasing by \$620,634, compared to the year ended June 30, 2021.

The largest concentrations of expenses were for instruction related functions for a total of \$1,133,407 and \$958,987 for the years ended June 30, 2022 and 2021 (43% and 48%), respectively, school administration for a total of \$295,261 and \$247,782 for the years ended June 30, 2022 and 2021 (11% and 12%), respectively and food services of \$367,311 and \$260,765 for years ended June 30, 2022 and 2021 (14% and 13%), 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, 2022, the Charter School's governmental General Fund reported ending fund balance of \$268 compared to \$91,361 at June 30, 2021.

General Fund Budgetary Highlights

For the year ended June 30, 2022, the SKY Academy Venice, the end-of-year student count was 221. Overall school funding was \$246,305 higher than budget, with the primary source of funding from state sources. Expenses for the Charter School were over budget for the year by \$382,510 primarily in the areas of instruction related technology, transportation and operation of plant.

Capital Assets

The Charter School's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$257,046 (net of accumulated depreciation) compared to \$127,507 as of June 30, 2021. 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. The Charter School is fully operational in fiscal year 2022-2023 with on-site instruction. Enrollment is expected to be 260 students. For the school year 2022-2023, the initial full-time equivalent (FTE) calculation indicates a slight increase in per-student annual charter revenue. The anticipated expenditures for the 2022-2023 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, 2022

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 392,822 |
| Accounts receivable | 112,505 |
| Prepaid expenses | 24 |
| Total current assets | 505,351 |
| Capital assets, net | 257,046 |
| TOTAL ASSETS | \$ 762,397 |
| LIABILITIES AND NET POSITION | |
| Current liabilities | |
| Accounts payable | \$ 169,836 |
| Due to related party | 179,068 |
| Accrued expenses | 156,179 |
| Total liabilities | 505,083 |
| Net position | |
| Investment in capital assets | 257,046 |
| Unrestricted | 268 |
| Total net position | 257,314 |
| TOTAL LIABILITIES AND NET POSITION | \$ 762,397 |

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, 2022

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position - Governmental Activities |
|---|---------------------|----------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities | | | | | |
| Instruction | \$ 1,133,407 | \$ - | \$ 345,755 | \$ - | \$ (787,652) |
| Support services | 1,597 | - | - | - | (1,597) |
| Student support services | - | - | - | - | - |
| Instruction and curriculum development services | 994 | - | - | - | (994) |
| Instruction-related technology | 45,835 | - | - | 127,075 | 81,240 |
| Board | 8,040 | - | - | - | (8,040) |
| General administration | 27,225 | - | - | - | (27,225) |
| School administration | 295,261 | - | - | - | (295,261) |
| Facilities | 184,392 | - | - | 171,203 | (13,189) |
| Fiscal services | 15,016 | - | - | - | (15,016) |
| Food services | 367,311 | 141,145 | 210,880 | - | (15,286) |
| Central services | 16,968 | - | - | - | (16,968) |
| Amortization expense | - | - | - | - | - |
| Transportation | 155,873 | - | - | - | (155,873) |
| Operation of plant | 173,134 | - | - | - | (173,134) |
| Maintenance of plant | 41,602 | - | - | - | (41,602) |
| Administrative services | 0 | - | - | - | - |
| Proceeds from new debt | - | - | - | - | - |
| Community services | 146,079 | - | - | - | (146,079) |
| Total governmental activities | <u>\$ 2,612,734</u> | <u>\$ 141,145</u> | <u>\$ 556,635</u> | <u>\$ 298,278</u> | <u>(1,616,676)</u> |
| General revenues | | | | | |
| State sources | | | | | 1,622,835 |
| Local sources | | | | | 30,287 |
| Total general revenues | | | | | <u>1,653,122</u> |
| Change in net position | | | | | 36,446 |
| Net position at beginning of year | | | | | <u>220,868</u> |
| Net position at end of year | | | | | <u>\$ 257,314</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, 2022

| ASSETS | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|-----------------------------------|--------------------------------|
| Current assets | | | |
| Cash | \$ 392,822 | \$ - | \$ 392,822 |
| Accounts receivable | 112,505 | - | 112,505 |
| Prepaid expenses | 24 | - | 24 |
| TOTAL ASSETS | \$ 505,351 | \$ - | \$ 505,351 |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts payable | \$ 169,836 | \$ - | \$ 169,836 |
| Due to related party | 179,068 | - | 179,068 |
| Accrued expenses | 156,179 | - | 156,179 |
| Total liabilities | <u>505,083</u> | <u>-</u> | <u>505,083</u> |
| Fund balance | | | |
| Nonspendable | | | |
| Prepaid expenses | 24 | - | 24 |
| Unassigned | 244 | - | 244 |
| Total fund balance | <u>268</u> | <u>-</u> | <u>268</u> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 505,351 | \$ - | \$ 505,351 |

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, 2022

Total fund balance per the balance sheet – governmental funds \$ 268

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. The cost of the capital assets is \$846,034 less accumulated depreciation of \$588,988. 257,046

Total net position - statement of net position \$ 257,314

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, 2022**

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|------------------|-----------------------------------|--------------------------------|
| Revenues | | | |
| Federal sources | \$ 4,415 | \$ 210,880 | \$ 215,295 |
| State sources | 1,777,113 | 116,278 | 1,893,391 |
| Local sources | 485,569 | 54,925 | 540,494 |
| Total revenues | <u>2,267,097</u> | <u>382,083</u> | <u>2,649,180</u> |
| Expenditures | | | |
| Instruction | 1,133,407 | - | 1,133,407 |
| Support services | 1,597 | - | 1,597 |
| Instruction and curriculum development services | 994 | - | 994 |
| Instruction-related technology | 172,910 | - | 172,910 |
| Board | 8,040 | - | 8,040 |
| General administration | 27,225 | - | 27,225 |
| School administration | 295,261 | - | 295,261 |
| Facilities | 13,189 | 171,203 | 184,392 |
| Fiscal services | 15,016 | - | 15,016 |
| Food services | 156,431 | 210,880 | 367,311 |
| Central services | 16,968 | - | 16,968 |
| Transportation | 155,873 | - | 155,873 |
| Operation of plant | 173,134 | - | 173,134 |
| Maintenance of plant | 23,864 | - | 23,864 |
| Administrative services | 20,202 | - | 20,202 |
| Community services | 146,079 | - | 146,079 |
| Total expenditures | <u>2,360,190</u> | <u>382,083</u> | <u>2,742,273</u> |
| Net change in fund balance | (93,093) | - | (93,093) |
| Fund balances at beginning of year | <u>93,361</u> | <u>-</u> | <u>93,361</u> |
| Fund balances at end of year | <u>\$ 268</u> | <u>\$ -</u> | <u>\$ 268</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, 2022**

| | |
|---|--------------------------------|
| Net change in fund balances - governmental funds | \$ (93,093) |
| 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 | (30,167) |
| Capital outlays are reported in the 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. | <u>159,706</u> |
| Change in net position - statement of activities | <u><u>\$ 36,446</u></u> |

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 221 students for the fiscal year ended June 30, 2022.

Average enrollment and grade configuration for the 2021-2022 school year was approximately as follows:

| School Name and Address | Grades | Enrollment | Principal |
|-------------------------|---------|------------|------------------|
| Sky Academy Venice | Sixth | 78 | Patricia Forcier |
| 705 Center Road | Seventh | 78 | |
| Venice, Florida 34285 | Eighth | 65 | |

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 full-time 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.

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.

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)

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, 2022, approximately 95% 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.

Implemented Accounting Pronouncements: Effective July 1, 2021, the Charter School implemented Governmental Accounting Standards Board Statement 87 (GASB 87), *Leases*. This standard requires the Charter School to recognize a lease liability and an intangible right-to-use lease asset in the financial statements. The Charter School recognizes lease liabilities with an initial, individual value of \$5,000. Upon implementation, management determined there were no leases that met the definition under GASB 87 that would require recognition in the financial statements. All leases not meeting the standard will continue to be recognized as an operating lease.

NOTE 2. CASH

All Charter School bank balances are fully insured or collateralized as required by Chapter 280, Florida Statutes. At June 30, 2022, the bank balance of the Charter School's deposits in financial institutions totaled \$413,271.

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, 2022 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------------|-------------|-------------------|
| Capital assets: | | | | |
| Furniture and machinery | \$ 296,749 | \$ - | \$ - | \$ 296,749 |
| Office equipment and computers | 210,852 | 151,239 | - | 362,091 |
| Leasehold improvements | 125,036 | 8,467 | - | 133,503 |
| Automobiles | 53,691 | - | - | 53,691 |
| | <u>686,328</u> | <u>159,706</u> | <u>-</u> | <u>846,034</u> |
| Less accumulated depreciation and amortization: | | | | |
| Furniture and machinery | 275,270 | 6,628 | - | 281,898 |
| Office equipment and computers | 199,289 | 18,546 | - | 217,835 |
| Leasehold improvements | 30,571 | 4,993 | - | 35,564 |
| Automobiles | 53,691 | - | - | 53,691 |
| | <u>558,821</u> | <u>30,167</u> | <u>-</u> | <u>588,988</u> |
| | <u>\$ 127,507</u> | <u>\$ 129,539</u> | <u>\$ -</u> | <u>\$ 257,046</u> |

Depreciation expense was \$30,167 for the year ended June 30, 2022. Depreciation was charged to functions as follows:

| | |
|--------------------------|------------------|
| Governmental activities: | |
| Instruction | \$ 18,535 |
| Food service | 2,162 |
| School administration | 4,327 |
| Operation of plant | 5,143 |
| Total | <u>\$ 30,167</u> |

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, 2022, the amount due to the YMCA totaled \$149,174. 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, 2022, the contract provided for annual fees of \$485,000.

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 (CONTINUED)

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. No amounts have been recorded in the accompanying statement of activities for the year ended June 30, 2022, 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 Charter School incurred expenses of \$180,000 for the year ended June 30, 2022 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, 2022 totaled approximately \$120,990 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, 2022.

The Charter School at times owes SKY Academy Englewood reimbursement of funds for grants the Charter School received on behalf of both schools or amounts paid by Sky Academy Englewood for both schools. There was \$29,894 due to SKY Academy Englewood from the Charter School as of June 30, 2022.

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, 2022. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6. STATE REVENUE

A major source of the District's revenue is received from the State of Florida, who provided approximately 71% of total revenues in fiscal year 2021-2022. State revenue sources are as follows for the year ended June 30, 2022:

| | |
|---|--------------|
| State revenues: | |
| Florida Education Finance Program | \$ 1,348,802 |
| State categorical instructional materials | 21,356 |
| Workforce development | 5,093 |
| Transportation | 25,812 |
| Class size reduction | 150,160 |
| Excellent Teaching Program | 27,202 |
| Reading programs | 8,937 |
| Classrooms First Program | 55,162 |
| Public education capital outlay | 116,278 |
| Other miscellaneous state revenue | 134,589 |
| Total state revenue | \$ 1,893,391 |

NOTE 7. OPERATING LEASES

Leases that do not meet the recognition requirements of GASB 87 are recorded as operating leases in the financial statements. 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 \$180,000, 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. Rent expense was \$180,000 for the year ended June 30, 2022.

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.

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 (CONTINUED)

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 year ended June 30, 2022 was \$79,789.

NOTE 9. SUBSEQUENT EVENTS

The Charter School has evaluated all subsequent events through October 25, 2022 the date the financial statements were available to be issued.

The Charter School entered into a building lease agreement on July 1, 2022. The lease provides for minimum annual payments of \$180,000, paid in equal monthly installments. This contract is set to expire July 1, 2023.

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, 2022

| | Budget | | Actual | Variance |
|---|-------------------|-------------------|------------------|-------------------|
| | Original | Final | | |
| Revenues | | | | |
| Federal sources | \$ 146,000 | \$ 146,000 | \$ 4,415 | \$ (141,585) |
| State sources | 1,480,136 | 1,480,136 | 1,777,113 | 296,977 |
| Local sources | <u>394,656</u> | <u>394,656</u> | <u>485,569</u> | <u>90,913</u> |
| Total revenues | <u>2,020,792</u> | <u>2,020,792</u> | <u>2,267,097</u> | <u>246,305</u> |
| Expenditures | | | | |
| Instruction | 1,071,123 | 1,071,123 | 1,133,407 | 62,284 |
| Support services | 54,239 | 54,239 | 1,597 | (52,642) |
| Instruction and curriculum development services | 19,679 | 19,679 | 994 | (18,685) |
| Instruction-related technology | 42,400 | 42,400 | 172,910 | 130,510 |
| Board | - | - | 8,040 | 8,040 |
| General administration | 2,520 | 2,520 | 27,225 | 24,705 |
| School administration | 215,542 | 215,542 | 295,261 | 79,719 |
| Facilities | 180,000 | 180,000 | 13,189 | (166,811) |
| Fiscal services | - | - | 15,016 | 15,016 |
| Food services | 211,502 | 211,502 | 156,431 | (55,071) |
| Central services | 12,360 | 12,360 | 16,968 | 4,608 |
| Transportaion | 43,580 | 43,580 | 155,873 | 112,293 |
| Operation of plant | 58,604 | 58,604 | 173,134 | 114,530 |
| Maintenance of plant | 4,800 | 4,800 | 23,864 | 19,064 |
| Administrative services | - | - | 20,202 | 20,202 |
| Community services | <u>61,331</u> | <u>61,331</u> | <u>146,079</u> | <u>84,748</u> |
| Total expenditures | <u>1,977,680</u> | <u>1,977,680</u> | <u>2,360,190</u> | <u>382,510</u> |
| Net change in fund balance | 43,112 | 43,112 | (93,093) | 628,815 |
| Fund balance at beginning of year | <u>93,361</u> | <u>93,361</u> | <u>93,361</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 136,473</u> | <u>\$ 136,473</u> | <u>\$ 268</u> | <u>\$ 628,815</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.

The Charter School had expenditure variances in the Special Revenue Fund of \$64,880 and in the Capital Project Fund of \$96,803. The expenditures are associated with activities funded from federal, state and local funding to Sarasota County School District and passed through to the Charter School. Funding is based on student counts and available federal, state, and local funding. The expenditures in excess of appropriations are funded by additional revenues received.

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, 2022

| ASSETS | Special Revenue Fund | Capital Project Fund | Total Nonmajor Governmental Funds |
|---|-------------------------|-------------------------|---|
| Current assets | | | |
| Cash | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - |
| Prepaid expenses | - | - | - |
| TOTAL ASSETS | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 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 | <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.)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022**

| | Special Revenue Fund | Capital Project Fund | Total Nonmajor Governmental Funds |
|------------------------------------|-------------------------|-------------------------|---|
| Revenues | | | |
| Federal sources | \$ 210,880 | \$ - | \$ 210,880 |
| State sources | - | 116,278 | 116,278 |
| Local sources | - | 54,925 | 54,925 |
| Total revenues | <u>210,880</u> | <u>171,203</u> | <u>382,083</u> |
| Expenditures | | | |
| Facilities | - | 171,203 | 171,203 |
| Food services | 210,880 | - | 210,880 |
| Total expenditures | <u>210,880</u> | <u>171,203</u> | <u>382,083</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, 2022**

| | Budgeted Amounts | | Actual | Final |
|------------------------------------|------------------|----------------|----------------|-----------------|
| | Original | Final | | |
| Revenues | | | | |
| Federal sources | \$ 146,000 | \$ 146,000 | \$ 210,880 | \$ 64,880 |
| Total revenues | <u>146,000</u> | <u>146,000</u> | <u>210,880</u> | <u>64,880</u> |
| Expenditures | | | | |
| Food services | 146,000 | 146,000 | 210,880 | (64,880) |
| Total expenditures | <u>146,000</u> | <u>146,000</u> | <u>210,880</u> | <u>(64,880)</u> |
| Net change in fund balances | - | - | - | - |
| Fund balances at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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, 2022**

| | Budgeted Amounts | | Actual | Final |
|------------------------------------|------------------|---------------|----------------|-----------------|
| | Original | Final | | |
| Revenues | | | | |
| State sources | \$ 74,400 | \$ 74,400 | \$ 116,278 | \$ 41,878 |
| Local sources | - | - | 54,925 | 54,925 |
| Total revenues | <u>74,400</u> | <u>74,400</u> | <u>171,203</u> | <u>96,803</u> |
| Expenditures | | | | |
| Facilities | <u>74,400</u> | <u>74,400</u> | <u>171,203</u> | <u>(96,803)</u> |
| Total expenditures | <u>74,400</u> | <u>74,400</u> | <u>171,203</u> | <u>(96,803)</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, 2022, 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 25, 2022.

Report on 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 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.

Report on 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 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 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 Charter School'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 25, 2022



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, 2022, and have issued our report thereon dated October 25, 2022.

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 25, 2022, 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 findings and recommendations in the prior year audit report.

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 school code assigned by the Florida Department of Education of the entity are SKY Academy Englewood; 0117.

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 Charter School has met one or more 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 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 attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
October 25, 2022