

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA**

**FINANCIAL STATEMENTS AND REQUIRED INFORMATION**

**YEAR ENDED JUNE 30, 2022**



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**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS**  
**A CHARTER SCHOOL AND RESTRICTED FUND OF**  
**STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA**  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
State College of Florida Collegiate School - Venice Campus  
Venice, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the State College of Florida Collegiate School - Venice Campus (the Charter School), 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter School, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the 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 Auditors' 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.

#### ***Emphasis of Matters***

As discussed in Note 1, the financial statements of the Charter School are intended to present the financial position, and the changes in financial position, of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the State College of Florida that is attributable to the transactions of the Charter School. They do not purport to, and do not, present fairly the financial position of the State College of Florida, as of June 30, 2022, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Effective July 1, 2021, the Charter School adopted GASB Statement No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

***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.

***Auditors' 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 auditors' 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 GAAS 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 GAAS 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.


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 the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 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.



**CliftonLarsonAllen LLP**

Tampa, Florida  
October 22, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
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STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

Management's discussion and analysis (MD&A) provides an overview of the financial position for the fiscal years ended June 30, 2022 and June 30, 2021 and the activities of the State College of Florida Collegiate School (the Charter School) for the fiscal year ended June 30, 2022. This discussion has been prepared by Venice Campus management and the information contained in the MD&A is intended to highlight significant transactions, events and conditions, and should be read in conjunction with the Charter School's financial statements and notes thereto. Responsibility for the completeness and fairness of this information rests with the Charter School's management. This discussion and analysis contain financial activities of the Charter School as a restricted fund of the State College of Florida, Manatee-Sarasota (the College).

### **FINANCIAL HIGHLIGHTS**

For the year ended June 30, 2022, the Charter School's revenues exceeded expenses by \$638,664. The Charter School conducted operations for the 2021-22 academic year with revenues of \$2,008,711.

The Charter School commenced operations during the year beginning July 1, 2019. Start-up activities began in fiscal year 2018-19, and students first enrolled during the 2019-20 academic year. For the year ended June 30, 2021, the Charter School's expenses exceeded revenues by \$229,289 resulting in an ending net position of \$151,709. The Charter School conducted operations for the 2020-21 academic year with revenues of \$1,327,987.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The Charter School's basic financial statements consists of three components:

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

The Charter School is a public charter school sponsored by the School District of Sarasota County, Florida. The initial charter became effective July 1, 2019 and continues until June 30, 2034. The Charter School is organized pursuant to Section 1002.33, Florida Statutes, and is governed by the District Board of Trustees of the State College of Florida, Manatee-Sarasota, who are appointed by the Governor of the State of Florida, and confirmed by the Senate in regular session.

The Charter School is operated by the College and is housed on the College's Venice Campus. It is designed to provide students with the opportunity to graduate simultaneously with a high school diploma and an Associate in Arts (AA) degree. Students will explore their potential, discover the importance of higher education, and receive personalized attention in a close-knit school setting.

The Charter School is recognized as a separate restricted fund in the accounting system of the College. The State of Florida Auditor General's Office audits the College's financial statements. The College adheres to internal control procedures contained in the Board of Trustees Rules and the Accounting Manual of the Florida College System. As a restricted fund of the College, the Charter School is subject to the same internal control procedures as the College, and in addition, to the standards contained in the Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book) and other stipulated guidelines for Charter Schools.

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YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

**Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the Charter 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 primary government presented on the accrual basis of accounting.

The statement of net position provides information about the Charter School's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the Charter School. The statement of activities presents information about the change in the Charter School's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the Charter School's financial health is improving or deteriorating.

All of the Charter School's activities and services are reported in the government-wide financial statements as governmental activities. The Charter School's governmental activities include instruction, student support services, instructional support services, administrative support, facility maintenance, and student transportation services. Revenues for current operations are received primarily from the Sponsor pursuant to the funding provisions included in the charter.

**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. The Charter School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the Charter School's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity wide perspective contained in the government-wide statements. All of the operations of the Charter School are presented in governmental funds only.

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

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The governmental fund statements provide a detailed short-term view that may be used to evaluate the Charter 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 funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the Charter School's governmental funds. The Charter School's major funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

The Charter School adopts an annual appropriated budget for its governmental funds.

Fiduciary Fund: A custodial fund is used to report assets held in a fiduciary capacity for the benefit of external parties, such as parent teacher organization. The custodial fund is not reflected in the government-wide statements because the resources are not available to support the Charter School's own programs. In its fiduciary capacity, the Charter School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

**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.

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YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the Charter School's net position as of June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 933,144	\$ 256,338
Accounts Receivable	28,644	8,475
Right to use Assets, Net of Accumulated Amortization	74,168	-
Capital Assets, Nondepreciable	597,196	39,176
Capital Assets, Net of Accumulated Depreciation	<u>40,130</u>	<u>14,050</u>
Total Assets	<u>1,673,282</u>	<u>318,039</u>
<b>LIABILITIES</b>		
Accounts Payable	-	544
Accrued Wages and Benefits	80,851	16,711
Due to State College of Florida	698,533	128,151
Lease Liability - Current	75,281	-
Compensated Absences - Current	2,260	1,674
Compensated Absences - Noncurrent	<u>25,984</u>	<u>19,250</u>
Total Liabilities	<u>882,909</u>	<u>166,330</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	15,260	2,655
Restricted - Capital Projects	620,953	50,571
Unrestricted	<u>154,160</u>	<u>98,483</u>
Total Net Position	<u>790,373</u>	<u>151,709</u>
	<u><u>\$ 1,673,282</u></u>	<u><u>\$ 318,039</u></u>

Unrestricted net position may be used to meet the Charter School's ongoing obligations to students, employees, and creditors.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**  
**(UNAUDITED)**

The key elements of the changes in the Charter School's net position for the fiscal year ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Federal through State and Local	\$ 90,011	\$ 397,738
Florida Education Finance Program	1,262,931	879,621
Charter School Capital Outlay	65,252	-
Dues and Donations	19,571	-
Interest Earnings	564	57
Contributions from State College of Florida	570,382	50,571
Total Revenues	<u>2,008,711</u>	<u>1,327,987</u>
<b>EXPENSES</b>		
Instruction	607,366	551,871
Student Support Services	234,468	183,902
Instructional Media Support	545	1,882
Instruction and Curriculum Development	890	173,946
Instructional Staff Training	1,779	11,395
Instruction-Related Technology	15,859	18,000
School Administration	243,406	1,413
Facilities Acquisition and Construction	91,056	-
Fiscal Services	20,448	26,125
Food Services	32	-
Central Services	-	126,564
Student Transportation	81,060	3,600
Operation of Plant	70,041	-
Administrative Technology Services	3,097	-
Total Expenses	<u>1,370,047</u>	<u>1,098,698</u>
<b>INCREASE IN NET POSITION</b>	638,664	229,289
Net Position - Beginning of Year	<u>151,709</u>	<u>(77,580)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 790,373</u>	<u>\$ 151,709</u>

The Charter School's 2021-22 net position increased by \$638,664. This increase is due increasing revenue and reducing operating expenses.

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
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YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

The largest revenue source is the funds received by the School District (63 percent). The primary source of these funds comes from the State of Florida and flows through the School District on behalf of the Charter School. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts including Charter Schools.

### **FINANCIAL ANALYSIS OF THE CHARTER SCHOOL'S FUNDS**

#### **Major Governmental Funds**

The General Fund is the chief operating fund of the Charter School. At the end of the current fiscal year, unassigned fund balance is \$177,790 and the assigned balance is \$4,614.

The Special Revenue Fund is a fund restricted for the use of federal grant monies received. At the end of the current year, the unassigned fund balance is (\$9,772).

The Capital Project Fund has a total fund balance of zero. Any fund balance would be restricted for acquisition, construction, leasing, and maintenance of capital assets.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Budget revisions are due primarily to changes in estimated State funding levels and corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance. Actual State and Local revenues are \$98,101 or 7.1 percent less than the budgeted amount. Actual expenditures are \$5,514 or 0.4 percent greater than the budgeted amount.

### **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The Charter School's economic condition is 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 initial contract of fifteen (15) years between the School District of Sarasota County, Florida, and the District Board of Trustees of State College of Florida, Manatee-Sarasota commenced operations in the 2019-20 year. At this time, enrollment is approximately 123 students.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of finances for those who may be interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Vice President for Finance and Administrative Services, State College of Florida, Manatee-Sarasota, 5840 26<sup>th</sup> Street West, Bradenton, Florida 34207.

## **BASIC FINANCIAL STATEMENTS**

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 933,144
Accounts Receivable	28,644
Right to use Assets, Net of Accumulated Amortization	74,168
Capital Assets, Nondepreciable	597,196
Capital Assets, Net of Accumulated Depreciation	<u>40,130</u>
Total Assets	<u><u>1,673,282</u></u>
 <b>LIABILITIES</b>	
Accrued Wages and Benefits	80,851
Due to State College of Florida	698,533
Lease Liability - Current	75,281
Compensated Absences - Current	2,260
Compensated Absences - Noncurrent	<u>25,984</u>
Total Liabilities	<u><u>882,909</u></u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	15,260
Restricted - Capital Projects	620,953
Unrestricted	<u>154,160</u>
Total Net Position	<u><u>790,373</u></u>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <u><u>\$ 1,673,282</u></u>

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
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STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

		Program Revenues			
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions		Net Revenue (Expense) and Change in Net Position
Governmental Activities:					
Instruction	\$ 607,366	\$ 45,349	\$ -		\$ (562,017)
Student Support Services	234,468	6,125	-		(228,343)
Instructional Media Support	545	7,626	-		7,081
Instruction and Curriculum Development	890	-	-		(890)
Instructional Staff Training	1,779	-	-		(1,779)
Instruction-Related Technology	15,859	30,412	-		14,553
School Administration	243,406	499	-		(242,907)
Facilities Acquisition and Construction	91,056	-	-		(91,056)
Fiscal Services	20,448	-	-		(20,448)
Food Services	32	-	-		(32)
Student Transportation	81,060	-	-		(81,060)
Operation of Plant	70,041	-	65,252		(4,789)
Administrative Technology Services	3,097	-	-		(3,097)
Total Governmental Activities	\$ 1,370,047	\$ 90,011	\$ 65,252		\$ (1,214,784)
General Revenues:					
					1,262,931
State through School Board of Sarasota County					19,571
Dues and Donations					564
Unrestricted Investment Earnings					570,382
Contributions from State College of Florida					1,853,448
<b>CHANGE IN NET POSITION</b>					638,664
Net Position - Beginning of Year					151,709
<b>NET POSITION - END OF YEAR</b>					<b>\$ 790,373</b>

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS**  
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**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 319,287	\$ -	\$ 613,857	\$ 933,144
Accounts Receivable	-	21,548	7,096	28,644
Due from Other Funds	21,548	-	-	21,548
Total Assets	<u>340,835</u>	<u>21,548</u>	<u>620,953</u>	<u>983,336</u>
<b>LIABILITIES</b>				
Accrued Wages and Benefits	80,851	-	-	80,851
Due to Other Funds	-	21,548	-	21,548
Due to State College of Florida	77,580	-	620,953	698,533
Total Liabilities	<u>158,431</u>	<u>21,548</u>	<u>620,953</u>	<u>800,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grant Reimbursement	-	9,772	-	9,772
Total Deferred Inflows of Resources	<u>-</u>	<u>9,772</u>	<u>-</u>	<u>9,772</u>
<b>FUND BALANCES</b>				
Assigned	4,614	-	-	4,614
Unassigned	177,790	(9,772)	-	168,018
Total Fund Balance	<u>182,404</u>	<u>(9,772)</u>	<u>-</u>	<u>172,632</u>
 Total Liabilities and Fund Balances	 <u>\$ 340,835</u>	 <u>\$ 21,548</u>	 <u>\$ 620,953</u>	 <u>\$ 983,336</u>

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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Total Fund Balance for Governmental Funds	\$ 172,632
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	637,326
Compensated absences are not due and payable in the current period; therefore, are not reported in the fund statements.	(28,244)
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	74,168
Deferred inflows of resources related to grant revenue reimbursement is not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.	9,772
Lease liabilities are not due and payable in the current period; therefore, are not reported in the fund statements.	(75,281)
Total Net Position of Governmental Activities	<u>\$ 790,373</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>REVENUES</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ 80,239	\$ -	\$ 80,239
State Sources:				
Florida Education Finance Program	1,262,931	-	-	1,262,931
Charter School Capital Outlay	-	-	65,252	65,252
Local Sources:				
Dues and Donations	19,571	-	-	19,571
Interest Earnings	564	-	-	564
Contributions from State College of Florida	-	-	570,382	570,382
Total Revenues	<u>1,283,066</u>	<u>80,239</u>	<u>635,634</u>	<u>1,998,939</u>
<b>EXPENDITURES</b>				
Instruction	555,579	45,349	-	600,928
Student Support Services	226,407	6,125	-	232,532
Instruction and Curriculum Development	890	-	-	890
Instructional Staff Training	1,779	-	-	1,779
Instruction-Related Technology	7,568	3,867	-	11,435
School Administration	240,840	499	-	241,339
Fiscal Services	20,448	-	-	20,448
Food Services	32	-	-	32
Student Transportation	81,060	-	-	81,060
Operation of Plant	70,041	-	12,362	82,403
Administrative Technology Services	3,097	-	-	3,097
Debt Service:				
Principal	11,609	-	61,447	73,056
Interest and Other Charges	719	-	3,805	4,524
Capital Outlay	23,572	34,171	682,785	740,528
Total Expenditures	<u>1,243,641</u>	<u>90,011</u>	<u>760,399</u>	<u>2,094,051</u>
Excess (deficiency) of revenues over expenditures	39,425	(9,772)	(124,765)	(95,112)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Right to Use Lease Obligations	<u>23,572</u>	<u>-</u>	<u>124,765</u>	<u>148,337</u>
Net Change in Fund Balance	<u>62,997</u>	<u>(9,772)</u>	<u>-</u>	<u>53,225</u>
Fund Balance - Beginning of the Year	119,407	-	-	119,407
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 182,404</u>	<u>\$ (9,772)</u>	<u>\$ -</u>	<u>\$ 172,632</u>

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balance - Governmental Funds \$ 53,225

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

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for the compensated absences. This is the net amount of compensated absences used (earned) in excess of the amount earned (paid) in the current period. (7,320)

Capital assets 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 in the current period. The difference is comprised of:

Capital Asset Additions	740,528	
Depreciation Expense	<u>(8,091)</u>	732,437

Right to use assets 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 amortization expense in the current period. The difference is comprised of:

Amortization Expense	<u>(74,169)</u>	(74,169)
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The issue of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has an effect on net position.

The difference is comprised of:

Proceeds from Financed Purchase Obligations	(148,337)	
Principal Payments	<u>73,056</u>	(75,281)

Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.

9,772

Change in Net Position of Governmental Activities \$ 638,664

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS**  
**A CHARTER SCHOOL AND RESTRICTED FUND OF**  
**STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2022**

	Custodial Fund
<b>ASSETS</b>	
Cash	\$ 2,402
Total Assets	2,402
<b>FIDUCIARY NET POSITION</b>	
Restricted for:	
Individuals and organizations	2,402
Total Net Fiduciary Position	\$ 2,402

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2022**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Membership Dues and Donations	\$ 2,827
Total Additions	2,827
<b>DEDUCTIONS</b>	
PTO Event Expenses	425
Total Deductions	425
Beginning Fiduciary Net Position	-
Change in Fiduciary Net Position	2,402
Fiduciary Net Postion - Ending	\$ 2,402

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS**  
**A CHARTER SCHOOL AND RESTRICTED FUND OF**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The State College of Florida Collegiate School - Venice Campus (the Charter School) is a restricted fund of State College of Florida, Manatee-Sarasota (the College). As such, the financial statements of the Charter School are intended to present the financial position, the changes in financial position of only that portion of the activities of the State College of Florida that is attributable to the Charter School. The general operating rules of the Charter School are contained in Section 1002.33, Florida Statutes. The Charter School operates under a charter with the sponsoring school district, the School District of Sarasota County, Florida (Sponsor). The initial charter is effective July 1, 2019 through June 30, 2034. The charter may be renewed pursuant to Section 1002.33, Florida Statutes, for such duration as may be established by mutual written consent of the parties and by successful completion of the renewal process. At the end of the term of the charter, the Sponsor may choose not to renew the charter, in which case, the Sponsor is required to notify the Charter School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown. The Charter School shall notify the Sponsor in writing at least 90 days prior to the expiration of the charter as to its intent to renew or not renew.

**Basis of Presentation**

The financial statements of the Charter School have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the Charter School's accounting policies are described below.

**Government-Wide Financial Statements**

The government-wide financial statements, including the statement of net position and the statement of activities, present information about the Charter School as a whole. These statements include the nonfiduciary financial activity of the Charter School and report only governmental activities as the Charter School does not engage in any business type activities.

The 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 Charter 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 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 Charter School.

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements**

The fund financial statements report detailed information about the Charter School in the governmental fund. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The Charter School reports the following major governmental funds:

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 financial resources that are provided by federal grants and are legally restricted to be expended for specific current purposes.

Capital Project Fund – to account for financial resources that are to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, leasing facilities and debt service payments on capital leases for relocatable school buildings.

Additionally, the Charter School reports the following fiduciary fund type:

Custodial Fund – to account for resources of the school internal funds which are used to administer moneys collected in connection with parent-teacher organization fund-raisers. This fund was established in the current year as related activities and fundraising continue to expand.

**Basis of Accounting**

Basis of accounting refers to when revenues, expenses and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the economic resources measurement focus and 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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

The governmental fund financial statements are prepared using the current financial resources measurement focus and 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 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. 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, postemployment healthcare benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

**Cash and Cash Equivalents**

Amounts reported as cash consist of cash on hand and cash in demand deposit accounts. Cash deposits of the Charter School are held by banks qualified as public depositories under Florida law. All such deposits are insured by federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

The Charter School considers all highly liquid investments with original maturities of three months or less when purchased, as well as investment in the Charter School's cash and investment pool, to be cash equivalents.

Further discussion of cash and cash equivalents are continued in Note 3.

**Capital Assets**

The Charter School uses the policies of the College for capitalization and depreciation. The Charter School has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for improvements other than buildings. All capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets are depreciated using group depreciation and the straight-line method over the following useful lives of the asset group:

Other Structures and Improvements	40 Years
Furniture	7 Years
Vehicles, Office Machines, Educational Equipment	5 Years
Computer Equipment	3 Years
Right to Use Assets	Lease Term

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

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations. Net position not reported as net investment in capital assets or restricted is reported as unrestricted net position. When both restricted and unrestricted amounts of net position are available for use for expenses incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed.

**Fund Balance**

The Charter School follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". Accordingly, in the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

**Nonspendable Fund Balance** – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale, the corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. There was no nonspendable fund balance reported as of June 30, 2022.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. There was no restricted fund balance reported as of June 30, 2022.

**Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Trustees, the Charter School's highest level of decision-making authority. Commitments may be changed or lifted only by the Board of Trustees taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category. There was no committed fund balance reported as of June 30, 2022.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

Assigned Fund Balance – Includes spendable fund balance amounts established by the administration of the Charter School that are intended to be used for specific purposes that are neither considered restricted nor committed. Assigned fund balance consists of \$4,614 in the General Fund as of June 30, 2022.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for governmental funds if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. Unassigned fund balance consists of \$177,790 in the General Fund as of June 30, 2022.

The Charter School expends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Charter School would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

In the Special Revenue Fund, there is an unassigned fund deficit of (\$9,772) as of June 30, 2022. This deficit balance is due to unavailable grant revenues during the current period. The Charter School is reimbursed from grant funding entities for expenditures incurred. When reimbursement for these funds has not been received within 60 days of the current period, those funds are considered unavailable resources for the current period.

**Due to and Due from Other Funds**

Amounts reported as due to and due from other funds are for interfund loans between General Fund and Special Revenue Fund.

**Revenue Sources**

Revenue for current operations is received primarily from the School District of Sarasota County, Florida, pursuant to the funding provisions included in the Charter. In accordance with the funding provisions of the Charter and Section 1002.33(18)(b), Florida Statutes, the Charter School reports its student enrollment to the Sponsor. Under provisions of Section 1011.62, Florida Statutes, the Sponsor reports the number of student enrollments and related data to the Florida Department of Education (DOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Charter School is adjusted during the year to reflect revised calculations of actual student enrollment. The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The DOE generally requires that categorical educational program revenues be accounted for in the General Fund.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Sources (Continued)**

The Charter School may receive federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures are incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs. During 2021-22, the Charter School received additional fund contributions from State College of Florida, Manatee-Sarasota.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 REPORTING CHANGES**

The Charter School implemented GASB Statement No. 87, *Leases*. The statement addresses accounting and financial reporting for leases. This statement requires the Charter School to recognize certain lease assets and liabilities for leases that were previously classified as operating lease and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement a lessee is required to recognize a lease liability and an intangible right to use the leased asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the Charter School's leasing activities.

Please see additional details in Note 5 related to the lease asset and Note 12 related to the lease liability.

**NOTE 3 CASH AND CASH EQUIVALENTS**

Cash and investments consisted of the following at June 30, 2022:

Bank Deposits	\$ 686,599
Florida State Board of Administration - Local Government Investment Pool	\$ 248,947
Total Cash and Cash Equivalents	<u>\$ 935,546</u>

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS**  
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**NOTE 4 CASH AND CASH EQUIVALENTS (CONTINUED)**

The Charter School does not currently maintain individual accounts with either financial institutions or brokerages titled under its name. Cash and cash equivalents as presented in these financial statements reflects the Charter School's equity in the College's pooled cash and cash equivalent balances. The Charter School does not have its own investment policy.

The Charter School's excess deposits are invested entirely in the State of Florida State Board Administration (SBA) Local Government Investment Pool (LGIP). This external investment pool, Florida PRIME, qualifies for making the election to measure all of its investments at amortized cost for financial reporting purposes. The pool's participants also measure their investments in this external investment pool at amortized cost for financial reporting purposes. Thus, the Charter School's position in Florida PRIME is measured at amortized cost. Florida PRIME is rated by Standard & Poor's with a current rating of AAAM. The investment policy of Florida PRIME is to manage the weighted average maturity to 50 days as of June 30, 2022.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

At June 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME.

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**NOTE 5 CAPITAL ASSETS**

Capital asset activity at June 30, 2022, was as follows:

<u>Governmental Activities</u>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets - Nondepreciable:				
Construction in Progress	\$ 39,176	\$ 558,020	\$ -	\$ 597,196
Capital Assets - Depreciable:				
Furniture, Fixtures, and Equipment	15,611	34,171	-	49,782
Right to Use Leased Building		148,337		148,337
Total Depreciable Capital Assets	15,611	182,508	-	198,119
Accumulated Depreciation:				
Furniture, Fixtures, and Equipment	(1,561)	(8,091)	-	(9,652)
Total Accumulated Depreciation	(1,561)	(8,091)	-	(9,652)
Accumulated Amortization:				
Right to Use Leased Building	-	(74,169)	-	(74,169)
Total Accumulated Amortization	-	(74,169)	-	(74,169)
Total Depreciable Capital Assets, Net	14,050	100,248	-	114,298
Total Capital Assets, Net	\$ 53,226	\$ 658,268	\$ -	\$ 711,494

**Governmental Activities**

Depreciation expense totaling \$8,091 for the year ended June 30, 2022 was allocated to governmental activities, specifically Instruction. Amortization expense for the right to use leased building asset totaled \$74,169 for the year ended June 30, 2022 and was allocated to Capital Outlay.

**NOTE 6 COMPENSATED ABSENCES**

The following is a summary of changes in compensated absences for the year ended June 30, 2022.

<u>Governmental Activities</u>	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated Absences Payable	\$ 20,924	\$ 26,239	\$ (18,919)	\$ 28,244	\$ 2,260

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**NOTE 6 COMPENSATED ABSENCES (CONTINUED)**

Charter School employees accrue vacation and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The Charter School reports a liability for the accrued leave; however, State appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the Charter School expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. As of June 30, 2022, the estimated liability for compensated absences totaled \$28,244. Of this amount, \$2,260 is estimated to be paid in the coming fiscal year. For governmental activities, compensated absences are generally liquidated with resources of the General Fund.

**NOTE 7 ENCUMBRANCES**

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

Fund balances are restricted, committed, or assigned at fiscal year-end to report an amount likely to be expended from the 2021-22 fiscal year budget as a result of purchase orders outstanding at June 30, 2022. At June 30, 2022, \$4,614 was accounted for in assigned fund balance for purchase orders.

Because revenues of grants accounted for in the General Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no reserve for encumbrances is reported for grant funds.

**NOTE 8 SCHEDULE OF STATE REVENUE SOURCES**

As stated in a prior note, the Charter School receives revenue for current operations primarily from the State of Florida through the Sponsor. The following is a schedule of the revenue for the 2021-22 fiscal year.

Source	Amount
Florida Education Finance Program	\$ 1,262,931
Charter School Capital Outlay	65,252
Total State Revenues	\$ 1,328,183

Accounting policies relating to certain State revenue sources are described in Note 1.

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**NOTE 9 STATE RETIREMENT PLANS**

***General Information about the Florida Retirement System (FRS)***

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees of State colleges. Chapter 112, Florida Statutes, established the Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the College are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

Charter School contributions to the FRS totaled \$62,439 for the year ending June 30, 2022. The liability and expense for pension benefits are reported in the financial statements of the State College of Florida Manatee-Sarasota.

**NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The Charter School provides post-employment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Charter School. The Charter School is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Charter School's group health care plan. The liability and expense for other post-employment benefits, calculated in accordance with Government Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, are reported in the financial statements of the State College of Florida Manatee-Sarasota.

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**NOTE 11 RISK MANAGEMENT PROGRAM**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks primarily through the Florida College System Risk Management Consortium (Consortium), which was created under School of Section 1001.64(27), Florida Statutes, by the boards of trustees of the Florida public colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated statewide college risk management program. The Consortium is self-sustaining through member assessments (premiums) and purchases excess insurance through commercial companies for claims in excess of specified amounts. Insurance coverage obtained through the Consortium included fire and extended property, general and automobile liability, workers' compensation, health, life, and other liability coverage. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Charter School, as part of the College, is covered under the Consortium's plan.

**NOTE 12 RELATED PARTIES**

**Building Lease**

Effective July 1, 2021, the Charter School entered into a two-year building lease agreement as lessee with the College for the rental of the Charter School office space. An initial right to use asset and a lease liability was recorded in the amount of \$148,337. There are no residual value provisions or purchase options as part of this lease arrangement. The Charter School amortizes the value of right to use lease on a straight-line basis over the lease term. As of June 30, 2022, the value of the right to use building asset is \$74,168, net of amortization:

<u>Lease Description</u>	<u>Net Asset Balance</u>	<u>Amortization</u>	<u>Gross Asset Balance</u>
Classrooms and Office Space	\$ 74,168	\$ 74,169	\$ 148,337
	<u>\$ 74,168</u>	<u>\$ 74,169</u>	<u>\$ 148,337</u>

As of June 30, 2022, the amount due to the College for the current building lease is \$75,214. The lease has an imputed interest rate of 3.05%.

The future minimum lease payment for this lease is as follows:

<u>Years Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 77,580	\$ 75,214	\$ 2,366
Total Minimum Payments	<u>\$ 77,580</u>	<u>\$ 75,214</u>	<u>\$ 2,366</u>

The building lease agreement expires on June 30, 2023.

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 12 RELATED PARTIES (CONTINUED)**

**Contributions from State College of Florida**

The College's Auxiliary Fund is being used to supplement funds for the initial start-up costs and operation of the Charter School, until such time as it becomes self-supporting. State College of Florida made contributions of \$570,382 to the Charter School during year ended June 30, 2022.

**Safe School Officer Service**

Effective for the 2020-21 fiscal year, the Charter School is charged actual security expenses for the implementation of F.S. 1003.12 "Safe School officers at each public school." Safe school expense totaled \$61,555 for the year ending June 30, 2022.

**Dual Enrollment**

Pursuant to Florida Statute 1007.27(21)(n)1., the Charter School shall pay the College the standard tuition rate per credit hour for dual enrollment courses taken on the College's campus. For the 2021-22 school year, \$123,878 has been charged by the College to the Charter School for dual enrollment.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal Sources:				
Federal through State and Local	\$ -	\$ 15,000	\$ -	\$ (15,000)
State Sources:				
Florida Education Finance Program	1,408,550	1,228,318	1,262,931	34,613
Local Sources:				
Dues and Donations	-	-	19,571	19,571
Interest Earnings	-	2,849	564	(2,285)
Contributions from State College of Florida	114,013	135,000	-	(135,000)
Total Revenues	1,522,563	1,381,167	1,283,066	(98,101)
<b>EXPENDITURES</b>				
Current:				
Instruction	\$ 671,037	\$ 574,701	\$ 555,579	\$ 19,122
Student Support Services	264,276	226,336	226,407	(71)
Instruction and Curriculum Development	1,075	921	890	31
Instructional Staff Training	2,149	1,840	1,779	61
Instruction-Related Technology	9,141	7,828	7,568	260
School Administration	290,865	249,107	240,840	8,267
Fiscal Services	24,697	21,152	20,448	704
Food Services	39	33	32	1
Student Transportation	79,167	67,802	81,060	(13,258)
Operation of Plant	99,486	85,204	70,041	15,163
Administrative Technology Services	3,741	3,204	3,097	107
Debt Service:				
Principal	-	-	11,609	(11,609)
Interest and Other Charges	-	-	719	(719)
Capital Outlay	-	-	23,572	(23,572)
Total Expenditures	1,445,673	1,238,127	1,243,641	(5,514)
Excess (deficiency) of revenues over expenditures	76,890	143,040	39,425	(103,615)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Right to Use Lease Obligations	\$ -	\$ -	23,572	\$ 23,572
Total Other Financing Sources				
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 76,890</b>	<b>\$ 143,040</b>	<b>62,997</b>	<b>\$ (80,043)</b>
Fund Balance - Beginning of Year			119,407	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 182,404</b>	

See accompanying Notes to Required Supplementary Information.

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Federal Support	\$ 193,987	\$ 245,439	\$ 80,239	\$ (165,200)
Total Revenues	193,987	245,439	80,239	(165,200)
<b>EXPENDITURES</b>				
Instruction	97,734	123,656	45,349	78,307
Student Support Services	13,200	16,701	6,125	10,576
Instructional Media Support	16,435	20,794	7,626	13,168
Instruction-Related Technology	65,542	82,926	30,412	52,514
School Administration	1,075	1,361	499	862
Total Expenditures	193,987	245,439	90,011	155,428
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	(9,772)	<u>\$ (9,772)</u>
Fund Balance - Beginning of the Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (9,772)</u>	

See accompanying Notes to Required Supplementary Information.

**STATE COLLEGE OF FLORIDA COLLEGIATE SCHOOL - VENICE CAMPUS  
A CHARTER SCHOOL AND RESTRICTED FUND OF  
STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022**

**NOTE 1 BUDGETARY VARIANCES IN GENERAL FUND**

The Charter School had a revenue variance of \$98,101 in the General Fund. The Charter School will budget transfer revenues at the amount accessible during the fiscal year, regardless if those funds will actually be received and expended.

**NOTE 2 BUDGETARY VARIANCES IN SPECIAL REVENUE FUND**

The Charter School had a revenue variance of \$165,200 in the Special Revenue Fund. The Charter School will budget grant revenues and expenditure at the amount accessible during the fiscal year, regardless if those funds will actually be received and expended.



**INDEPENDENT AUDITORS' 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 Trustees  
State College of Florida Collegiate School - Venice Campus  
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 the governmental activities, each major fund, and the aggregate remaining fund information of State College of Florida Collegiate School - Venice Campus (the Charter School), 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 22, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Tampa, Florida  
October 22, 2022



## MANAGEMENT LETTER

Board of Trustees  
State College of Florida Collegiate School - Venice Campus  
Venice, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the State College of Florida Collegiate School - Venice Campus (the Charter School), a restricted fund of the State College of Florida, as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated October 22, 2022.

### **Auditors' 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 Reports and Schedule**

We have issued our Independent Auditors' 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 that report, which is dated October 22, 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 prior year findings.

### **Official Title**

Section 10.854(1)(e)5., *Rules of the Auditor General*, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are State College of Florida Collegiate School - Venice Campus and 0122.

### **Financial Management**

Sections 10.854(1)(e)2. and 10.855(11), *Rules of the Auditor General*, require that we report the results of our determination as to whether or not the Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.854(1)(e)3., *Rules of the Auditor General*, requires that we address in the management letter 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 that we report 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 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 trustees, applicable management, and the School Board of Manatee County, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Tampa, Florida  
October 22, 2022