

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

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

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2023

King & Walker, CPAs, PL

Certified Public Accountants

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

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Independent Auditor's Report

To the Board of Directors of Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
a Charter School and Component Unit of the District School Board of Pinellas County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Advantage Academy of Pinellas, Inc., d/b/a Pinellas Academy of Math and Science (“School”), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 School's ability to continue as a going concern for twelve 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 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 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 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, the Budgetary Comparison Schedule, and Note to Required Supplementary 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report September 6, 2023, on our consideration of the 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 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 School's internal control over financial reporting and compliance.

King & Walker, CPAs

September 6, 2023
Tampa, Florida

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

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

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of Advantage Academy of Pinellas, Inc., d/b/a Pinellas Academy of Math and Science (“School”) provides an overview of the School’s activities for the fiscal year ended June 30, 2023.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2023, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$348,240.
- Total assets were \$22,290,230 and total liabilities were \$17,612,245, resulting in a total net position balance of \$4,677,985 as of June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School’s net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

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

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds: a General Fund to account for its general operations; a Debt Service Fund to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest; a Capital Projects Fund to account for charter school capital outlay funding to be used for lease, rent or construction of school facilities; and a Special Revenue Fund to account for Federal grant programs and internal account activities. The School has elected to report all funds as major funds.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

ADVANTAGE ACADEMY OF PINELLAS, INC.
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MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following is a summary of the School’s net position as of June 30, 2022, and June 30, 2023:

	Net Position, End of Year		
	<u>Governmental Activities</u>		
	<u>6-30-22</u>	<u>6-30-23</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 6,794,179	\$ 7,285,132	\$ 490,953
Capital Assets, Net	15,365,739	15,005,098	(360,641)
Total Assets	<u>22,159,918</u>	<u>22,290,230</u>	<u>130,312</u>
LIABILITIES			
Current Liabilities	564,657	587,856	23,199
Noncurrent Liabilities	17,265,516	17,024,389	(241,127)
Total Liabilities	<u>17,830,173</u>	<u>17,612,245</u>	<u>(217,928)</u>
NET POSITION			
Net Investment in Capital Assets	(2,050,853)	(2,019,291)	31,562
Restricted	1,285,443	1,373,180	87,737
Unrestricted	5,095,155	5,324,096	228,941
Total Net Position	<u>\$ 4,329,745</u>	<u>\$ 4,677,985</u>	<u>\$ 348,240</u>

Assets consist of current assets, primarily cash and cash equivalents, investments-restricted, due from other agencies, prepaid items and deposits and the School’s investment in capital assets, net of accumulated depreciation. Current liabilities are comprised of salaries and benefits payable and accounts payable. Long-term liabilities consist of bonds payable. The total net position balance amounts to \$4,677,985.

ADVANTAGE ACADEMY OF PINELLAS, INC.
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE
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MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

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

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-22</u>	<u>6-30-23</u>	<u>Increase (Decrease)</u>
Revenues:			
Federal Through State and Local	\$ 795,140	\$ 326,638	\$ (468,502)
State	6,966,121	7,221,676	255,555
Local and Other	943,641	1,080,630	136,989
Total Revenues	<u>8,704,902</u>	<u>8,628,944</u>	<u>(75,958)</u>
Expenses:			
Instruction	4,095,030	4,259,702	164,672
Student Support Services	19,136	49,035	29,899
Instruction & Curriculum Development	48,559	148,255	99,696
Instructional Staff Training	10,680	32,076	21,396
Instructional Related Technology	111,315	105,847	(5,468)
Board	55,460	67,108	11,648
General Administration	364,826	395,851	31,025
School Administration	562,149	454,135	(108,014)
Facilities Acquisition & Construction	-	145,140	145,140
Fiscal Services	344,093	356,795	12,702
Information Services	3,715	6,121	2,406
Student Transportation	4,138	1,719	(2,419)
Operation of Plant	527,744	635,331	107,587
Maintenance of Plant	182,907	23,910	(158,997)
Administrative Technology Services	8,745	1,970	(6,775)
Community Service	241,284	170,988	(70,296)
Debt Service - Interest	799,071	910,352	111,281
Unallocated Depreciation	489,835	516,369	26,534
Total Expenses	<u>7,868,687</u>	<u>8,280,704</u>	<u>412,017</u>
Increase/(Decrease) in Net Position	<u>\$ 836,215</u>	<u>\$ 348,240</u>	<u>\$ (487,975)</u>

The largest revenue source for the School is the State of Florida (84%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School.

The largest concentration of expenses is Instruction (51%) and consists primarily of teachers' salaries. Debt Service represents the bonded debt expenses (11%).

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$6,697,276.

BUDGETARY HIGHLIGHTS

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2023, were developed based on the School's anticipated revenues and expenditures, the expected student population, and the Federal grant programs for the school year. Over the course of the year management monitors the budgets and may revise the budgets. For the fiscal year ended June 30, 2023, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$15,005,098 (net of accumulated depreciation). This includes land, buildings and fixed equipment, furniture, fixtures and equipment, and improvements other than buildings. Additional information regarding the School's capital assets can be found in subsequent notes to the financial statements.

DEBT

In the 2018-19 fiscal year, the School issued bonds totaling \$17,890,000 to finance the acquisition of the educational facilities. The remaining balance of these bonds, net of the unamortized bond premium, is \$17,024,389 at June 30, 2023. Additional information regarding the School's debt is located in subsequent notes to the financial statements.

REQUESTS FOR INFORMATION

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

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

STATEMENT OF NET POSITION

June 30, 2023

	<u>Government Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 5,356,727
Investments - Restricted	1,279,443
Due From Other Agencies	579,186
Accounts Receivable	40,808
Prepaid Items & Deposits	28,968
Capital Assets:	
Land	4,273,016
Buildings & Fixed Equipment, Net	10,137,937
Improvements Other Than Buildings, Net	375,063
Furniture, Fixtures, and Equipment, Net	219,082
Total Capital Assets	<u>15,005,098</u>
TOTAL ASSETS	<u><u>22,290,230</u></u>
LIABILITIES	
Salaries and Benefits Payable	379,950
Accounts Payable	207,906
Noncurrent Liabilities:	
Due Within One Year:	
Bonds Payable	250,000
Due After One Year:	
Bonds Payable	16,774,389
TOTAL LIABILITIES	<u><u>17,612,245</u></u>
NET POSITION	
Net Investment in Capital Assets	(2,019,291)
Restricted	1,373,180
Unrestricted	5,324,096
TOTAL NET POSITION	<u><u>\$ 4,677,985</u></u>

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

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

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 4,259,702	\$ -	\$ 270,484	\$ -	\$ (3,989,218)
Student Support Services	49,035		807		(48,228)
Instruction & Curriculum Development	148,255		-		(148,255)
Instructional Staff Training	32,076		6,968		(25,108)
Instructional Related Technology	105,847		404		(105,443)
Board	67,108		-		(67,108)
General Administration	395,851		-		(395,851)
School Administration	454,135		9,554		(444,581)
Facilities Acquisition & Construction	145,140		-		(145,140)
Fiscal Services	356,795		-		(356,795)
Information Services	6,121		-		(6,121)
Student Transportation	1,719		-		(1,719)
Operation of Plant	635,331		3,230		(632,101)
Maintenance of Plant	23,910		12,199		(11,711)
Administrative Technology Services	1,970		-		(1,970)
Community Service	170,988	267,628	1,076		97,716
Debt Service - Interest	910,352		-	474,320	(436,032)
Unallocated Depreciation	516,369		-		(516,369)
Total Governmental Activities	\$ 8,280,704	\$ 267,628	\$ 304,722	\$ 474,320	(7,234,034)
General Revenue					
State Sources					6,747,356
Grants and Contributions not restricted to specific program					21,916
Local and Other					813,002
Total General Revenues					7,582,274
Change in Net Position					348,240
Net Position - July 1, 2022					4,329,745
Net Position - June 30, 2023					\$ 4,677,985

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

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

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 5,309,108	\$ 47,619	\$ -	\$ -	\$ 5,356,727
Investments - Restricted	-	-	-	1,279,443	1,279,443
Due From Other Agencies	-	579,186	-	-	579,186
Accounts Receivable	40,808	-	-	-	40,808
Prepaid Items & Deposits	27,573	1,395	-	-	28,968
Due from Other Funds	580,581	3,882	-	168,631	753,094
Total Assets	\$ 5,958,070	\$ 632,082	\$ -	\$ 1,448,074	\$ 8,038,226
LIABILITIES					
Salaries and Benefits Payable	\$ 379,950	\$ -	\$ -	\$ -	\$ 379,950
Accounts Payable	82,906	-	-	125,000	207,906
Due to Other Funds	172,513	580,581	-	-	753,094
Total Liabilities	635,369	580,581	-	125,000	1,340,950
FUND BALANCES					
Nonspendable	27,573	1,395	-	-	28,968
Restricted	-	50,106	-	1,323,074	1,373,180
Unassigned	5,295,128	-	-	-	5,295,128
Total Fund Balances	5,322,701	51,501	-	1,323,074	6,697,276
Total Liabilities and Fund Balances	\$ 5,958,070	\$ 632,082	\$ -	\$ 1,448,074	\$ 8,038,226

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
*June 30, 2023***

Total Fund Balances - Governmental Funds	\$	6,697,276
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		15,005,098
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Bonds Payable		(17,024,389)
Total Net Position - Governmental Activities	\$	4,677,985

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

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 21,916	\$ 304,722	\$ -	\$ -	\$ 326,638
State	6,747,356	-	474,320	-	7,221,676
Local and Other	988,081	92,549	-	-	1,080,630
Total Revenues	<u>7,757,353</u>	<u>397,271</u>	<u>474,320</u>	<u>-</u>	<u>8,628,944</u>
Expenditures					
Current - Education:					
Instruction	3,989,218	270,484	-	-	4,259,702
Student Support Services	48,228	807	-	-	49,035
Instruction & Curriculum Development	148,255	-	-	-	148,255
Instructional Staff Training	25,108	6,968	-	-	32,076
Instructional Related Technology	105,443	404	-	-	105,847
Board	64,108	-	-	3,000	67,108
General Administration	395,851	-	-	-	395,851
School Administration	444,581	9,554	-	-	454,135
Facilities Acquisition & Construction	145,140	-	-	-	145,140
Fiscal Services	356,795	-	-	-	356,795
Information Services	6,121	-	-	-	6,121
Student Transportation	1,719	-	-	-	1,719
Operation of Plant	632,101	3,230	-	-	635,331
Maintenance of Plant	11,711	12,199	-	-	23,910
Administrative Technology Services	1,970	-	-	-	1,970
Community Service	72,763	98,225	-	-	170,988
Fixed Capital Outlay:					
Other Capital Outlay	155,728	-	-	-	155,728
Debt Service:					
Principal	-	-	-	240,000	240,000
Interest	-	-	474,320	437,159	911,479
Total Expenditures	<u>6,604,840</u>	<u>401,871</u>	<u>474,320</u>	<u>680,159</u>	<u>8,161,190</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>1,152,513</u>	<u>(4,600)</u>	<u>-</u>	<u>(680,159)</u>	<u>467,754</u>
Other Financing Sources (Uses):					
Transfers In/ (Out)	<u>(716,677)</u>	<u>-</u>	<u>-</u>	<u>716,677</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(716,677)</u>	<u>-</u>	<u>-</u>	<u>716,677</u>	<u>-</u>
Net Change in Fund Balances	435,836	(4,600)	-	36,518	467,754
Fund Balances, July 1, 2022	<u>4,886,865</u>	<u>56,101</u>	<u>-</u>	<u>1,286,556</u>	<u>6,229,522</u>
Fund Balances, June 30, 2023	<u>\$ 5,322,701</u>	<u>\$ 51,501</u>	<u>\$ -</u>	<u>\$ 1,323,074</u>	<u>\$ 6,697,276</u>

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

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
*For the Fiscal Year Ended June 30, 2023***

Net Change in Fund Balances - Governmental Funds \$ 467,754

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlays	155,728	
Depreciation Expense	<u>(516,369)</u>	(360,641)

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

240,000

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

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

\$ 348,240

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

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Advantage Academy of Pinellas, Inc., d/b/a Pinellas Academy of Math and Science (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Pinellas County, Florida, (“District”). The current charter is effective until June 30, 2031, and may be renewed by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the District. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School’s governmental activities. Direct expenses are those that are specifically associated

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Special Revenue Fund – to account for Federal grants and internal account activities.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be

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available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

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

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Investments**

The School had not adopted a written investment policy. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The School's investments are set aside to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital assets and are classified as restricted. These investments are reported as restricted in the Debt Service Fund in the Balance Sheet – Governmental Funds.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$5,000. Such

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assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fixed Equipment	30 years
Furniture, Fixtures and Equipment	5 - 15 years
Improvements Other Than Buildings	10 - 30 years

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Long-Term Liabilities**

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

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

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

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

NOTES TO FINANCIAL STATEMENTS
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➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2023, the School reported 877.35 unweighted FTE and 935.1968 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School may receive Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

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The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

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3. INVESTMENTS - RESTRICTED

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

All of the School’s recurring fair value measurements as of June 30, 2023, are valued using quoted market prices (Level 1 inputs).

The School’s investments at June 30, 2023, are reported as follows:

Investment	Amount
BB&T Trust Deposit Program - Money Market	\$ 1,279,443
Total	\$ 1,279,443

4. DUE FROM OTHER AGENCIES

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

5. PREPAID ITEMS & DEPOSITS

The Prepaid Items & Deposits in the accompanying statement of net position and balance sheet – governmental funds consist of prepaid expenses (\$11,741) and utility deposits (\$17,227).

6. INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS

At June 30, 2023, the Special Revenue Fund owed the General Fund \$580,581 for expenditures awaiting reimbursement from other agencies; the General Fund owed the Debt Service Fund \$168,631 for principal and interest payments due on the bonds; and the General Fund owed the Special Revenue Fund \$3,882 for Internal Fund activities. These amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

The School’s General Fund transferred \$716,677 to the Debt Service Fund to finance the School’s principal and interest payments owed on long-term debt and to meet the Bond Reserve Fund requirement. The amounts of interfund transfers are netted together and not reported on the statement of activities.

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NOTES TO FINANCIAL STATEMENTS
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7. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ 4,273,016	\$ -	\$ -	\$ 4,273,016
Buildings & Fixed Equipment	11,926,984	-		11,926,984
Improvements Other than Buildings	279,087	142,990		422,077
Furniture, Fixtures and Equipment	635,765	12,738		648,503
Total Capital Assets	<u>17,114,852</u>	<u>155,728</u>	<u>-</u>	<u>17,270,580</u>
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(1,391,481)	(397,566)		(1,789,047)
Improvements Other than Buildings	(22,575)	(24,439)		(47,014)
Furniture, Fixtures and Equipment	(335,057)	(94,364)		(429,421)
Total Accumulated Depreciation	<u>(1,749,113)</u>	<u>(516,369)</u>	<u>-</u>	<u>(2,265,482)</u>
Governmental Activities Capital Assets, net	<u>\$ 15,365,739</u>	<u>\$ (360,641)</u>	<u>\$ -</u>	<u>\$ 15,005,098</u>

Depreciation expense of \$516,369 was charged to Unallocated Depreciation Expense.

8. BONDS PAYABLE

Bonds payable at June 30, 2023, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Series 2018A	\$ 16,990,000	4.125 - 5.125%	2054
Unamortized Bond Premium	34,389		
	<u>\$ 17,024,389</u>		

Revenue Bonds Series 2018A and 2018B – On December 6, 2018, the Advantage Academy of Pinellas, Inc. issued tax-exempt revenue bonds (Series 2018A) for \$17,680,000 and taxable revenue bonds (Series 2018B) for \$210,000 secured by a mortgage on the property and buildings. The bonds were issued to finance the acquisition of facilities to be used as a nonprofit charter school educational facility.

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

As required by the bond resolution, the School has established a reserve account and has accumulated and maintained adequate resources in the account. The School is

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required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement. The minimum debt service coverage ratio required is 1.1 to 1 as of June 30, 2023. The School's debt service coverage ratio as calculated was 1.623. Further, the School agrees to have cash on hand at each June 30 until the bonds are no longer outstanding in amount not less than 60 days cash on hand. As of June 30, 2023, the Schools number of days cash on hand was 285.

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

Annual requirements to amortize all bonded debt outstanding as of June 30, 2023, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2024	\$ 1,085,581	\$ 250,000	\$ 835,581
2025	1,085,062	260,000	825,062
2026	1,089,028	275,000	814,028
2027	1,087,478	285,000	802,478
2028	1,085,515	295,000	790,515
2029-2033	5,420,862	1,690,000	3,730,862
2034-2038	5,409,343	2,155,000	3,254,343
2039-2043	5,393,968	2,750,000	2,643,968
2044-2048	5,370,843	3,505,000	1,865,843
2049-2053	5,348,696	4,485,000	863,696
2054	1,066,650	1,040,000	26,650
<i>Unamortized Bond Premium</i>	34,389	34,389	-
Total	<u>\$ 33,477,415</u>	<u>\$ 17,024,389</u>	<u>\$ 16,453,026</u>

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Bonds Payable	\$ 17,230,000	\$ -	\$ (240,000)	\$ 16,990,000	\$ 250,000
Unamortized Bond Premium	35,516		(1,127)	34,389	-
Total Governmental Activities	<u>\$ 17,265,516</u>	<u>\$ -</u>	<u>\$ (241,127)</u>	<u>\$ 17,024,389</u>	<u>\$ 250,000</u>

10. SCHEDULE OF STATE REVENUE SOURCES

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

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Source	Amount
Florida Education Finance Program	\$ 5,870,936
Categorical Programs:	
Class Size Reduction	876,420
Charter School Capital Outlay	474,320
Total State Revenue	\$ 7,221,676

As provided in the charter school contract, the District has charged the School an administrative fee of \$92,579.

11. OPERATING AGREEMENT

The School entered into a contract with Charter School Associates (CSA) effective through June 30, 2023. The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal recruiting; and general development and management of the School’s operations. An annual fee is to be 9% of the School’s FEFP operating revenue less the School’s administrative fee, to be paid in monthly installments. CSA Technology LLC, a company owned by CSA, also provides computer network services for this School. The management fee will be billed monthly based on the FEFP allocation. Fees under this agreement incurred to CSA during the fiscal year amounted to \$707,278.

12. SCHOOL FOOD SERVICE AGREEMENT

In July 2017, the School entered into an agreement with Advantage Academy of Miami, Inc., an Organization under the same management company, to operate the School’s food service operations. Advantage Academy of Miami, Inc. records all revenues and expenses and reimburses the School for the employee costs associated with food service meal preparation, limited to the revenues generated by the School.

13. RELATED PARTY TRANSACTIONS

Included in the accounts receivable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a receivable of \$40,808 due from Advantage Academy of Hillsborough, Inc. (\$19,489), The Advantage Academy of Miami (\$15,263), Viera Charter School (\$1,137), Riverview Academy of Math and Science (\$726), Doral International Academy (\$663), West Broward Academy (\$484), Bell Creek Academy High School (\$463), Everglades Preparatory Academy High (\$389), Channelside Academy of Math and Science (\$369), Advantage Academy of Hillsborough (\$368), Summerville Advantage Academy (\$348), Everglades Preparatory Academy (\$326), Palm Glades High School (\$253), Orange County Preparatory Academy (\$211), Palm Glades Academy (\$211), Riverview Academy High Schools (\$63), The Charter School at Waterstone (\$34), and Big Bend Academy of Math and Science (\$11), charter schools operated under the same management company. The School expects to receive

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full payment within one year from the financial statement date and no allowance for uncollectible accounts has been established.

Included in the accounts payable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a payable of \$4,681 as a result of shared expenditures paid by Valrico Lake Advantage Academy (\$2,481), Summerville Advantage Academy (\$992), Hillsborough Academy of Math and Science (\$823) and Bell Creek Academy (\$385), charter schools operated under the same management company. Amounts are expected to be paid within one year.

14. PENSION PLAN

The School participates in a defined contribution tax sheltered annuity 401(k) plan for participating employees. Contributions made by the School totaled \$8,491 for the year ended June 30, 2023, which were computed at 1.5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

15. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2023, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

16. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

17. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance

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coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

18. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements

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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND & MAJOR SPECIAL REVENUE FUND-(UNAUDITED)
For the Fiscal Year Ended June 30, 2023

	General Fund				Major Special Revenue Fund		
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original/Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:							
Intergovernmental:							
Federal Through State and Local	\$ 17,493	\$ 21,916	\$ 21,916	\$ -	\$ 304,722	\$ 304,722	\$ -
State	7,699,665	6,747,356	6,747,356	-	-	-	-
Local and Other	928,800	988,081	988,081	-	92,549	92,549	-
Total Revenues	<u>8,645,958</u>	<u>7,757,353</u>	<u>7,757,353</u>	<u>-</u>	<u>397,271</u>	<u>397,271</u>	<u>-</u>
Expenditures:							
Current - Education:							
Instruction	3,992,314	3,989,218	3,989,218	-	270,484	270,484	-
Student Support Services	27,821	48,228	48,228	-	807	807	-
Instruction & Curriculum Development	166,215	148,255	148,255	-	-	-	-
Instructional Staff Training	10,482	25,108	25,108	-	6,968	6,968	-
Instructional Related Technology	114,675	105,443	105,443	-	404	404	-
Board	67,000	64,108	64,108	-	-	-	-
General Administration	443,795	395,851	395,851	-	-	-	-
School Administration	569,284	444,581	444,581	-	9,554	9,554	-
Facilities Acquisition & Construction	200,000	145,140	145,140	-	-	-	-
Fiscal Services	348,210	356,795	356,795	-	-	-	-
Information Services	3,500	6,121	6,121	-	-	-	-
Student Transportation	5,000	1,719	1,719	-	-	-	-
Operation of Plant	725,102	632,101	632,101	-	3,230	3,230	-
Maintenance of Plant	152,850	11,711	11,711	-	12,199	12,199	-
Administrative Technology Services	1,000	1,970	1,970	-	-	-	-
Community Service	260,827	72,763	72,763	-	98,225	98,225	-
Fixed Capital Outlay:							
Other Capital Outlay	-	155,728	155,728	-	-	-	-
Debt Service:							
Principal	1,090,688	-	-	-	-	-	-
Total Expenditures	<u>8,178,763</u>	<u>6,604,840</u>	<u>6,604,840</u>	<u>-</u>	<u>401,871</u>	<u>401,871</u>	<u>-</u>
Excess (Deficiency) of Revenues							
Over Expenditures	467,195	1,152,513	1,152,513	-	(4,600)	(4,600)	-
Other Financing Sources (Uses):							
Transfers In/(Out)	-	(716,677)	(716,677)	-	-	-	-
Total Other Financing Sources (Uses)	-	(716,677)	(716,677)	-	-	-	-
Net Change in Fund Balances	467,195	435,836	435,836	-	(4,600)	(4,600)	-
Fund Balances, July 1, 2022	4,886,865	4,886,865	4,886,865	-	56,101	56,101	-
Fund Balances, June 30, 2023	<u>\$ 5,354,060</u>	<u>\$ 5,322,701</u>	<u>\$ 5,322,701</u>	<u>\$ -</u>	<u>\$ 51,501</u>	<u>\$ 51,501</u>	<u>\$ -</u>

See Independent Auditor's Report

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

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

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

Independent Auditor's Report

To the Board of Directors of Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
a Charter School and Component Unit of the District
School Board of Pinellas County, Florida

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 and each major fund of Advantage Academy of Pinellas, Inc., d/b/a Pinellas Academy of Math and Science ("School"), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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.

King & Walker, CPAs

September 6, 2023
Tampa, Florida

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

To the Board of Directors of Advantage Academy of Pinellas, Inc.
d/b/a Pinellas Academy of Math and Science,
a Charter School and Component Unit of the District
School Board of Pinellas County, Florida

Report on the Financial Statements

We have audited the financial statements of Advantage Academy of Pinellas, Inc., d/b/a Pinellas Academy of Math and Science (“School”), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 6, 2023.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 6, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Pinellas Academy of Math and Science, 527291.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

King Q Walker, CPAs

September 6, 2023
Tampa, Florida