



**SKY Academy Englewood**

**A Charter School and Component Unit  
of the School Board of Sarasota County**

**Financial Statements**

**June 30, 2018**

## Table of Contents

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|  | Page No. |
|--|----------|
| <b>Independent Auditor's Report</b>  | 3-4      |
| <b>Management's Discussion and Analysis (Unaudited)</b>  | 6-9      |
| <b>Basic Financial Statements</b>  |          |
| Government-Wide  |          |
| Statement of Net Position  | 11       |
| Statement of Activities  | 12       |
| Fund Financial Statements  |          |
| Balance Sheet - Governmental Funds   | 13       |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  | 14       |
| Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds  | 15       |
| Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of the Governmental Funds to the Statement of Activities  | 16       |
| Notes to Basic Financial Statements  | 17-23    |
| <b>Required Supplementary Information (Unaudited)</b>  |          |
| Budgetary Comparison Schedule - General Fund (Unaudited)   | 25       |
| Budgetary Comparison Schedule - Special Revenue Fund (Unaudited)   | 26       |
| Budgetary Comparison Schedule - Capital Outlay Fund (Unaudited)  | 27       |
| <b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b> | 28-29    |
| <b>Information Required by Rules of the Florida Auditor General, Chapter 10.850, <i>Charter School Audits</i></b>  |          |
| Independent Auditor's Management Letter  | 30-31    |



## Independent Auditor's Report

To the Board of Directors  
SKY Academy Englewood  
Englewood, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of SKY Academy Englewood (the School), a charter school and component unit of the School Board of Sarasota County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise SKY Academy Englewood's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of SKY Academy Englewood as of June 30, 2018, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

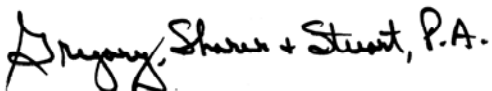
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 9 and the Budgetary Comparison Schedules on pages 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 dated September 18, 2018, on our consideration of SKY Academy Englewood'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SKY Academy Englewood's internal control over financial reporting and compliance.

**Gregory, Sharer & Stuart, P.A.**

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." The signature is written in a cursive style.

St. Petersburg, Florida  
September 18, 2018

**Management's Discussion and Analysis (Unaudited)**

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

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As management of the SKY Academy Englewood, we offer readers of SKY Academy Englewood's (the School) financial statements this narrative overview and analysis of the financial activities of SKY Academy Englewood for the fiscal year ended June 30, 2018.

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended June 30, 2018.

- The year ended June 30, 2018 was the third year of operations for the School. Enrollment increased by 47 students from prior year to an end-of-year student count of 228.
- The School reported a net position of \$323,082 at June 30, 2018, which increased \$31,728 from June 30, 2017 reported net position of \$291,354.
- As of June 30, 2018, the School's governmental funds reported combined ending fund balances of \$47,249 compared to \$39,285 reported fund balance as of June 30, 2017.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements for the year ended June 30, 2018 are presented in accordance with GASB Codification Section 2200. The basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements can be found on pages 11 and 12 of this report.

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

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**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of sources of funding and spending.

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

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

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

The notes to the basic financial statements can be found on pages 17 through 23 of this report.

**Government-Wide Financial Analysis**

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

|                                  | 2018              | 2017              | Increase<br>(Decrease) |
|----------------------------------|-------------------|-------------------|------------------------|
| Assets                           |                   |                   |                        |
| Current assets                   | \$ 188,296        | \$ 189,005        | \$ (709)               |
| Property and equipment, net      | 275,833           | 252,069           | 23,764                 |
| Total assets                     | <u>\$ 464,129</u> | <u>\$ 441,074</u> | <u>\$ 23,055</u>       |
| Liabilities                      |                   |                   |                        |
| Current liabilities              | \$ 141,047        | \$ 149,720        | \$ (8,673)             |
| Net position                     |                   |                   |                        |
| Invested in capital assets       | 275,833           | 252,069           | 23,764                 |
| Unrestricted                     | 47,249            | 39,285            | 7,964                  |
| Total net position               | <u>323,082</u>    | <u>291,354</u>    | <u>31,728</u>          |
| Total liabilities and net assets | <u>\$ 464,129</u> | <u>\$ 441,074</u> | <u>\$ 23,055</u>       |

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

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Current assets consist of cash, accounts receivable, prepaid expenses and amounts due from SKY Academy Venice. Total current assets increased \$23,055 or 5% during 2018. Total current liabilities consist of accounts payable, accrued expenses, deferred revenues, and amounts due to SKY Family YMCA, Inc. (YMCA). Total current liabilities decreased \$8,673 or 6% during 2018. As of June 30, 2018, total net position was \$323,082 compared to \$291,354 as of June 30, 2017.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2018 and 2017 follows:

|   | 2018              | 2017              | Increase<br>(Decrease) |
|---|-------------------|-------------------|------------------------|
| <b>Governmental activities</b>                  |                   |                   |                        |
| Instruction                                     | \$ 973,690        | \$ 821,872        | \$ 151,818             |
| Student support services                        | 23,096            | 20,914            | 2,182                  |
| Instructional media services                    | 500               | 342               | 158                    |
| Instruction and curriculum development services | 41,672            | 34,697            | 6,975                  |
| Instructional staff training services           | 1,000             | 360               | 640                    |
| Instruction-related technology                  | 26,809            | 32,859            | (6,050)                |
| Board   | 7,019             | 66                | 6,953)                 |
| General administration                          | 11,699            | -                 | 11,699                 |
| School administration                           | 279,881           | 210,404           | 69,477                 |
| Facilities acquisition and construction         | 340,000           | 150,000           | 190,000                |
| Fiscal services                                 | 16,378            | -                 | 16,378                 |
| Food services                                   | 126,255           | 84,334            | 41,921                 |
| Central services                                | 22,231            | 9,466             | 12,765                 |
| Student transportation services                 | 63,550            | 58,870            | 4,680                  |
| Operation of plant                              | 120,655           | 42,613            | 78,042                 |
| Maintenance of plant                            | 15,942            | 17,994            | (2,052)                |
| Administrative technology services              | 6,154             | 6,123             | 31                     |
| Community services                              | 294,889           | 94,500            | 200,389                |
|   | <u>2,371,420</u>  | <u>1,585,414</u>  | <u>786,006</u>         |
| <b>General revenues</b>                         |                   |                   |                        |
| Federal sources                                 | 152,451           | 102,733           | 49,718                 |
| State sources                                   | 1,627,872         | 1,287,887         | 339,985                |
| Local sources                                   | 622,824           | 182,263           | 440,561                |
| SKY Family YMCA, Inc. contribution              | -                 | 40,885            | (40,885)               |
|   | <u>2,403,147</u>  | <u>1,613,768</u>  | <u>789,379</u>         |
| Change in net position                          | 31,728            | 28,354            | 3,374                  |
| <b>Net position at beginning of year</b>        | <u>291,354</u>    | <u>263,000</u>    | <u>28,354</u>          |
| <b>Net position at end of year</b>              | <u>\$ 323,082</u> | <u>\$ 291,354</u> | <u>\$ 31,728</u>       |

For the year ended June 30, 2018 School revenues exceed expenses, resulting in a net position balance of \$323,082. This represents an increase in net position of \$31,728 over the year ended June 30, 2017. The largest revenue source for the School is the State of Florida (68%). 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 to determine the funds available for the School. For the year ended June 30, 2018, the School had state revenues of \$1,627,872. This represents an increase of \$339,985 over the year ended June 30, 2017.



**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

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For the years ended June 30, 2018 and 2017, Instruction related expenses were the largest concentration of expenses of \$973,690 and \$821,872, respectively. This represents an increase of \$151,818 over the year ended June 30, 2017.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

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

At the end of the fiscal year, the School's governmental general fund reported an ending fund balance of \$47,249 compared to \$39,285 at June 30, 2017. The fund balance is unassigned and available for spending at the School's discretion.

**Capital Assets**

The School's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$275,833 (net of accumulated depreciation) compared to \$252,069 as of June 30, 2017. This investment in capital assets includes furniture, fixtures, and equipment, leasehold improvements, and assets under capital lease. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

**Economic Factors that Will Impact the Future - Englewood**

The economic position of the School continues to be closely tied to that of the State of Florida. It is expected that the School will continue to maintain its present level of services and financial health. Enrollment is expected to increase to 280 students. For the school year 2018-2019, the initial fulltime equivalent (FTE) calculation indicates a slight increase in per-student annual charter revenue. The anticipated expenditures for the 2018-2019 school year may increase by an amount greater than the projected revenue; however, any shortfall will be covered by the School's unrestricted net position and contributions from SKY. The School charter became effective on February 4, 2015 through June 30, 2020. The School is confident that it has the staff and other resources in place to deliver and provide first-rate educational services and is actively seeking new ways to provide a higher level of education as efficiently as possible by managing its cost and being innovative in its approach to providing educational services.

**Requests for Information**

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

## **Basic Financial Statements**

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Statement of Financial Position**  
**June 30, 2018**

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|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets</b>                             |                                    |
| Current assets                            |                                    |
| Cash                                      | \$ 144,666                         |
| Accounts receivable                       | 4,104                              |
| Prepaid expenses                          | 2,060                              |
| Due from SKY Academy Venice               | 37,466                             |
| Total current assets                      | <u>188,296</u>                     |
| Capital assets, net                       | <u>275,833</u>                     |
| <b>Total assets</b>                       | <b><u><u>\$ 464,129</u></u></b>    |
| <b>Liabilities and net position</b>       |                                    |
| Current liabilities                       |                                    |
| Accounts payable                          | \$ 11,497                          |
| Accrued expenses                          | 22,903                             |
| Deferred revenue                          | 8,154                              |
| Due to SKY Family YMCA, Inc.              | 98,493                             |
| Total current liabilities                 | <u>141,047</u>                     |
| Net position                              |                                    |
| Invested in capital assets                | 275,833                            |
| Unrestricted                              | 47,249                             |
| Total net position                        | <u><u>323,082</u></u>              |
| <b>Total liabilities and net position</b> | <b><u><u>\$ 464,129</u></u></b>    |

**SKY Academy Englewood**

A Charter School and Component Unit of the School Board of Sarasota County

Statement of Activities

Year ended June 30, 2018

|   | Expenses            | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Net (Expense)<br>Revenue and<br>Change in<br>Net Position -<br>Governmental<br>Activities |
|---|---------------------|-------------------------|--|--|---|
| Governmental activities                         |                     |                         |  |  |   |
| Instruction                                     | \$ 973,690          | \$ -                    | \$ 34,302                                | \$ -                                   | \$ (939,388)  |
| Student Support Services                        | 23,096              | -                       | -  | -                                      | (23,096)  |
| Instructional Media Services                    | 500                 | -                       | -  | -                                      | (500)   |
| Instruction and Curriculum Development Services | 41,672              | -                       | 13,852                                   | -                                      | (27,820)  |
| Instructional Staff Training Services           | 1,000               | -                       | -  | -                                      | (1,000)   |
| Instruction-Related Technology                  | 26,809              | -                       | -  | -                                      | (26,809)  |
| Board   | 7,019               | -                       | -  | -                                      | (7,019)   |
| General Administration                          | 11,699              | -                       | -  | -                                      | (11,699)  |
| School Administration                           | 279,881             | -                       | 7,475                                    | -                                      | (272,406)   |
| Facilities Acquisition and Construction         | 340,000             | -                       | -  | 302,785                                | (37,215)  |
| Fiscal Services                                 | 16,378              | -                       | -  | -                                      | (16,378)  |
| Food Services                                   | 126,255             | 34,075                  | 64,901                                   | -                                      | (27,279)  |
| Central Services                                | 22,231              | -                       | 24,198                                   | -                                      | 1,967   |
| Student Transportation Services                 | 63,550              | -                       | -  | -                                      | (63,550)  |
| Operation of Plant                              | 120,655             | -                       | -  | -                                      | (120,655)   |
| Maintenance of Plant                            | 15,942              | -                       | -  | -                                      | (15,942)  |
| Administrative Technology Services              | 6,154               | -                       | -  | -                                      | (6,154)   |
| Community Services                              | 294,889             | -                       | -  | -                                      | (294,889)   |
| Total governmental activities                   | <u>\$ 2,371,420</u> | <u>\$ 34,075</u>        | <u>\$ 144,728</u>                        | <u>\$ 302,785</u>                      | <u>(1,889,832)</u>  |
| General revenues                                |                     |                         |  |  |   |
| Federal sources                                 |                     |                         |  |  | 6,710   |
| State sources                                   |                     |                         |  |  | 1,587,726   |
| Local sources                                   |                     |                         |  |  | 327,124   |
| Total general revenues                          |                     |                         |  |  | <u>1,921,560</u>  |
| <b>Change in net position</b>                   |                     |                         |  |  | 31,728  |
| <b>Net position at beginning of year</b>        |                     |                         |  |  | <u>291,354</u>  |
| <b>Net position at end of year</b>              |                     |                         |  |  | <u>\$ 323,082</u>   |

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Balance Sheet - Governmental Funds**  
**June 30, 2018**

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|   | <u>Governmental<br/>Funds</u>   |
|---|---------------------------------|
| <b>Assets</b>                             |                                 |
| Cash                                      | \$ 144,666                      |
| Accounts receivable                       | 4,104                           |
| Prepaid expenses                          | 2,060                           |
| Due from SKY Academy Venice               | <u>37,466</u>                   |
| <b>Total assets</b>                       | <b><u><u>\$ 188,296</u></u></b> |
| <br><b>Liabilities and fund balance</b>   |                                 |
| Liabilities                               |                                 |
| Accounts payable                          | 11,497                          |
| Accrued expenses                          | 22,903                          |
| Deferred revenue                          | 8,154                           |
| Due to SKY Family YMCA, Inc.              | <u>98,493</u>                   |
| Total current liabilities                 | 141,047                         |
| <br>Fund balance                          |                                 |
| Nonspendable                              |                                 |
| Prepaid expenses and other assets         | 2,060                           |
| Unassigned                                | <u>45,189</u>                   |
| Total fund balance                        | <u>47,249</u>                   |
| <b>Total liabilities and fund balance</b> | <b><u><u>\$ 188,296</u></u></b> |

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2018**

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**Total fund balance - governmental funds** \$ 47,249

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 275,833

**Total net position - statement of net position** \$ 323,082

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Statement of Revenues, Expenditures, and Change in Fund Balances - Governmental Funds**  
**Year ended June 30, 2018**

|   | General<br>Fund  | Special<br>Revenue<br>Fund | Capital<br>Project<br>Fund | Total<br>Governmental<br>Funds |
|---|------------------|----------------------------|----------------------------|--------------------------------|
| <b>Revenues</b>                                 |                  |                            |                            |                                |
| Federal grants and revenue                      | \$ 7,723         | \$ 144,728                 | \$ -                       | \$ 152,451                     |
| State revenue                                   | 1,586,712        | -                          | 41,160                     | 1,627,872                      |
| Local revenue                                   | 361,199          | -                          | 261,625                    | 622,824                        |
| <b>Total revenues</b>                           | <b>1,955,634</b> | <b>144,728</b>             | <b>302,785</b>             | <b>2,403,147</b>               |
| <b>Expenditures</b>                             |                  |                            |                            |                                |
| Instruction                                     | 943,147          | 34,302                     | -                          | 977,449                        |
| Student Support Services                        | 23,096           | -                          | -                          | 23,096                         |
| Instructional Media Services                    | 500              | -                          | -                          | 500                            |
| Instruction and Curriculum Development Services | 27,820           | 13,852                     | -                          | 41,672                         |
| Instructional Staff Training Services           | 1,000            | -                          | -                          | 1,000                          |
| Instruction-Related Technology                  | 40,661           | -                          | -                          | 40,661                         |
| Board   | 7,019            | -                          | -                          | 7,019                          |
| General Administration                          | 11,699           | -                          | -                          | 11,699                         |
| School Administration                           | 265,276          | 7,475                      | -                          | 272,751                        |
| Facilities Acquisition and Construction         | 37,215           | -                          | 302,785                    | 340,000                        |
| Fiscal Services                                 | 16,378           | -                          | -                          | 16,378                         |
| Food Services                                   | 60,699           | 64,901                     | -                          | 125,600                        |
| Central Services                                | 22,231           | 24,198                     | -                          | 46,429                         |
| Student Transportation Services                 | 63,550           | -                          | -                          | 63,550                         |
| Operation of Plant                              | 108,224          | -                          | -                          | 108,224                        |
| Maintenance of Plant                            | 15,942           | -                          | -                          | 15,942                         |
| Administrative Technology Services              | 8,324            | -                          | -                          | 8,324                          |
| Community Services                              | 294,889          | -                          | -                          | 294,889                        |
| <b>Total expenditures</b>                       | <b>1,947,670</b> | <b>144,728</b>             | <b>302,785</b>             | <b>2,395,183</b>               |
| <b>Net change in fund balances</b>              | <b>7,964</b>     | <b>-</b>                   | <b>-</b>                   | <b>7,964</b>                   |
| <b>Fund balances at beginning of year</b>       | <b>39,285</b>    | <b>-</b>                   | <b>-</b>                   | <b>39,285</b>                  |
| <b>Fund balances at end of year</b>             | <b>\$ 47,249</b> | <b>\$ -</b>                | <b>\$ -</b>                | <b>\$ 47,249</b>               |

**SKY Academy Englewood**  
A Charter School and Component Unit of the School Board of Sarasota County  
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances  
of the Governmental Funds to the Statement of Activities  
June 30, 2018

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|  |                         |
|--|-------------------------|
| <b>Net change in fund balances - governmental funds</b>  | \$ 7,964                |
| Amounts reported for governmental activities in the statement of activities are different because:   |                         |
| Depreciation expense reported in the statement of activities is not reported as an expenditure in the statement of revenues, expenditures, and changes in fund balances - governmental funds | (46,753)                |
| Capital outlays reported as an expenditure in the statement of revenues, expenditures, and changes in fund balances - governmental funds not reported in the statement of activities         | <u>70,517</u>           |
| <b>Change in net position - statement of activities</b>  | <u><u>\$ 31,728</u></u> |



**Note A - Summary of Significant Accounting Policies**

*Organization*

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

The YMCA opened the School in 2015. The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter approved by its sponsor, the School Board of Sarasota County, Florida (the School Board) on February 4, 2015. The School's charter was approved by the School Board on February 4, 2015 and effective until June 30, 2020.

The charter may be renewed as provided for in Section 1002.33, Florida Statutes. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's termination. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

The governing body of the School is its board of directors, which is composed of five members. The executive director of the YMCA is the executive officer of the School. The school reported, on average, an enrollment of 228 students for the fiscal year ended June 30, 2018.

Average enrollment and grade configuration for the 2017-2018 school year is as follows:

| School Name and Address | Grades  | Enrollment | Principal   |
|-------------------------|---------|------------|-------------|
| SKY Academy Englewood   | Sixth   | 99         | John Bailey |
| 881 South River Road    | Seventh | 69         |             |
| Englewood, FL 34223     | Eighth  | 60         |             |

*Basis of Presentation*

The School's basic financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Accordingly, both government-wide (reporting on the School as a whole) and fund financial statements (reporting on the governmental funds only) are presented. Both the government-wide and fund financial statements present only governmental activities. The School has no business-type activities. Prior to 2018, the financial statements were presented following guidance for non-profit organizations and were prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board (FASB). This change in presentation for 2018 did not result in a restatement of the total net position balance at June 30, 2017.

*Basic Financial Statements - Government-Wide Financial Statements*

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

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

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

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

*Basic Financial Statements - Fund Financial Statements*

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

The individual generic fund type in the School's financial statements is a governmental fund. The focus of the governmental fund's measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income.

The School utilizes the following governmental funds:

- General Fund - Accounts for all financial activity not required to be accounted for in another fund.
- Special Revenue Fund - Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for specific purpose and to provide a single source of accountability for all the monies received.
- Capital Outlay Fund - This fund is used to account for state capital outlay funding that is legally restricted to expenditures for those particular purposes such as acquisition or construction of facilities or other capital assets.

For purposes of these financial statements, the above funds are considered to be major funds.

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

- *Nonspendable* fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Examples include such as inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* fund balance includes amounts that can be used only for the specific purposes determined by a formal vote of the School Board (the School's highest level of decision-making authority).

- *Assigned* fund balance is intended to be used by the School for specific purposes but that do not meet the criteria to be classified as restricted or committed.
- *Unassigned* fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

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 by adjusting journal entries.

#### *Basis of Accounting*

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

- **Accrual** - Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
- **Modified Accrual** - The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### *Cash and Cash Equivalents*

Cash and cash equivalents may consist of demand deposits and highly liquid investments with original maturities of three months or less when purchased. As of June 30, 2018, the School's cash was comprised exclusively of demand deposit accounts.

#### *Property and Equipment*

Property and equipment consists of furniture, fixtures, and equipment recorded at cost or the estimated fair value at the date of donation. Expenditures in excess of \$500 with an estimated useful life greater than one year are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life is not capitalized. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the results of operations for the respective period.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                                     |  |
|-------------------------------------|--|
| Office equipment and computers      | 5 - 7 years  |
| Furniture and machinery             | 3 - 10 years   |
| Automobiles                         | 5 years  |
| Building and leasehold improvements | Remaining life of lease term including option renewals |

*Budgetary Basis Accounting*

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object lever (e.g. salaries and benefits, purchased services, materials and supplies, and capital outlay).

*Revenue Sources*

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

The basic amount of funding through FEFP is the product of (1) the unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by legislature. For the 2017/2018 school year, the School reported 228.28 unweighted FTE. FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General.

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 instruction teaching out-of-field (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.0341 I, FAC)
- Evaluation and planning documentation for weighted programs (Section 1011.62(I)(e), FS, and Rule 6A-6.03411, FAC)

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

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

*Income Taxes*

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

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Notes to Financial Statements**  
**June 30, 2018**

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*Estimates*

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

*Concentration of Revenue Sources*

For the year ended June 30, 2018, approximately 96% of the School's revenue was derived from grants from the federal government passed through the State of Florida Department of Education, and state and local funds passed through the school district. The level of the School's operations and program services may be impacted if funding is not renewed.

*Allocation of Indirect Costs*

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

*Subsequent Events*

Management has evaluated all events subsequent to the statement of financial position date of June 30, 2018 through September 18, 2018, which was the date these financial statements were available for issuance. There are no subsequent events which would require adjustment to or disclosure in the accompanying financial statements.

**Note B - Property and Equipment**

|  | Beginning<br>Balance | Increase         | Decrease    | Ending<br>Balance |
|--|----------------------|------------------|-------------|-------------------|
| Capital Assets:                                |                      |                  |             |                   |
| Furniture and machinery                        | \$ 120,113           | \$ 14,825        | \$ -        | \$ 134,938        |
| Office equipment and computers                 | 130,107              | 55,692           | -           | 185,799           |
| Leasehold improvements                         | 59,401               | -                | -           | 59,401            |
|  | <u>309,621</u>       | <u>70,517</u>    | <u>-</u>    | <u>380,138</u>    |
| Less accumulated depreciation and amortization |                      |                  |             |                   |
| Furniture and machinery                        | 20,303               | 17,260           | -           | 37,563            |
| Office equipment and computers                 | 27,830               | 23,214           | -           | 51,044            |
| Leasehold improvements                         | 9,419                | 6,279            | -           | 15,698            |
|  | <u>57,552</u>        | <u>46,753</u>    | <u>-</u>    | <u>104,305</u>    |
|  | <u>\$ 252,069</u>    | <u>\$ 23,764</u> | <u>\$ -</u> | <u>\$ 275,833</u> |

Depreciation expense was \$46,753 for the year ended June 30, 2018. Depreciation was charged to functions as follows:

|                         |                  |
|-------------------------|------------------|
| Governmental activities |                  |
| Instruction             | \$ 19,062        |
| School administration   | 14,605           |
| Food service            | 655              |
| Operation of plant      | 12,431           |
|                         | <u>\$ 46,753</u> |

### **Note C - Related Party Transactions**

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

The YMCA pays for the payroll and related payroll liabilities (taxes, insurance, retirement, etc.) on behalf of the School and the School reimburses the YMCA monthly. As of June 30, 2018, the amount due to the YMCA reported on the statement of financial position totaled \$98,493. In addition, the YMCA provides various management and professional services to the School under a management services contract. During the year ended June 30, 2018, the contract provided for annual fees of \$325,104. The contract also provides that if, for any reason, the School cannot remit payments due under the contract, the YMCA will allow for reductions and may waive its fees. During the year ended June 30, 2018, the YMCA waived management fees totaling \$67,730. No amounts have been recorded in the accompanying statements of activities for the year ended June 30, 2018 related to the waived fees.

The School rents its facilities from the YMCA under a lease agreement (See Note F). In accordance with the lease agreement, future minimum payments due under the lease may be adjusted at the discretion of the YMCA to help the cash flows of the School. The School incurred expenses of \$340,000 for the year ended June 30, 2018 under this agreement.

Additionally, the School provides food service for the preschool and after school programs of YMCA in exchange for a fee. Total fees earned for the year ended June 30, 2018 totaled approximately \$7,300 and are included in local revenues in the statement of activities.

The School and Sky Academy Venice, a charter school and Division of SKY Family YMCA, Inc., receive funding for the national school lunch program and the summer food service program. The funding goes directly to Sky Academy Venice and the School is reimbursed for its share. As of June 30, 2018, the amount due from SKY Academy Venice for the food program totaled \$37,466.

### **Note D - Contributed Materials, Equipment, and Services**

Contributed property, materials, and equipment, if any, are recorded in the accompanying financial statements at their fair values at the date of receipt. The School did not receive any donated property or equipment for the year ended June 30, 2018. A number of volunteers have donated significant amounts of time to the School's administrative services and its fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services are not professional in nature and, as such, do not meet the criteria for recognition as contributed services.

### **Note E - Support and Revenue**

As described in Note A, the School Board provides operating funds from FEFP on a monthly basis based on FTE students. In addition, remaining support and revenue sources are generated by daily operations of the School, from student activities, and other contributions.

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Notes to Financial Statements**  
**June 30, 2018**

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The following amounts are included in total support and revenue in the statement of activities as follows for the year ended June 30, 2018:

|  |                            |
|--|----------------------------|
| Federal grants and revenues                        |                            |
| Individuals with Disabilities Education Act (IDEA) | \$ 6,710                   |
| School lunch reimbursement                         | 65,914                     |
| Charter school federal grant                       | 79,827                     |
|  | <u>152,451</u>             |
| State revenues                                     |                            |
| Florida education finance program                  | 1,571,187                  |
| Transportation                                     | 4,798                      |
| Reading programs                                   | 10,727                     |
| School capital outlay funding                      | 41,160                     |
|  | <u>1,627,872</u>           |
| Local revenues                                     |                            |
| Referendum mileage allocation                      | 272,448                    |
| PECO capital outlay funding                        | 261,625                    |
| Food service                                       | 34,075                     |
| Merchandise sales                                  | 6,140                      |
| Fundraising  | 48,536                     |
|  | <u>622,824</u>             |
| Total support and revenue                          | <u><u>\$ 2,403,147</u></u> |

**Note F- Lease Agreements**

The School leases its premises from the YMCA under an operating lease that began on July 1, 2017 and expires on July 1, 2022. The lease requires minimum annual payments of \$340,000, paid in equal monthly installments. In accordance with the lease agreement, future minimum payments due under the lease may be adjusted at the discretion of the YMCA to help the cash flows of the School.

The School also leases a copier under an operating lease expiring in 2021. The lease requires minimum monthly payments of \$375.

Future minimum lease commitments are as follows:

|                      |                     |
|----------------------|---------------------|
| Year ending June 30, |                     |
| 2019                 | \$ 344,500          |
| 2020                 | 344,500             |
| 2021                 | 344,500             |
| 2022                 | 344,500             |
|                      | <u>\$ 1,378,000</u> |

Rent expense was \$344,826 for the year ended June 30, 2018.

**Required Supplementary Information (Unaudited)**



**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Budgetary Comparison Schedule - General Fund (Unaudited)**  
**Year ended June 30, 2018**

|   | Budgeted Amounts |           | Actual<br>(Budgetary<br>Basis) | Variance From<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------|--------------------------------|---|
|   | Original         | Final     |                                |   |
| <b>Revenues</b>                                 |                  |           |                                |   |
| Federal grants and revenue                      | \$ 8,200         | \$ 7,723  | \$ 7,723                       | \$ -  |
| State revenue                                   | 1,528,801        | 1,586,712 | 1,586,712                      | -   |
| Local revenue                                   | 326,599          | 361,199   | 361,199                        | -   |
| Total revenues                                  | 1,863,600        | 1,955,634 | 1,955,634                      | -   |
| <b>Expenditures</b>                             |                  |           |                                |   |
| Instruction                                     | 845,464          | 943,147   | 943,147                        | -   |
| Student Support Services                        | 18,301           | 23,096    | 23,096                         | -   |
| Instructional Media Services                    | -                | 500       | 500                            | -   |
| Instruction and Curriculum Development Services | 35,042           | 27,820    | 27,820                         | -   |
| Instructional Staff Training Services           | -                | 1,000     | 1,000                          | -   |
| Instruction-Related Technology                  | 9,463            | 40,661    | 40,661                         | -   |
| Board   | 8,866            | 7,019     | 7,019                          | -   |
| General Administration                          | 14,777           | 11,699    | 11,699                         | -   |
| School Administration                           | 321,540          | 265,276   | 265,276                        | -   |
| Facilities Acquisition and Construction         | 150,000          | 37,215    | 37,215                         | -   |
| Fiscal Services                                 | 20,688           | 16,378    | 16,378                         | -   |
| Food Services                                   | 75,058           | 60,699    | 60,699                         | -   |
| Central Services                                | 20,206           | 22,231    | 22,231                         | -   |
| Student Transportation Services                 | 59,555           | 63,550    | 63,550                         | -   |
| Operation of Plant                              | 139,835          | 108,224   | 108,224                        | -   |
| Maintenance of Plant                            | 1,200            | 15,942    | 15,942                         | -   |
| Administrative Technology Services              | 13,200           | 8,324     | 8,324                          | -   |
| Community Services                              | 285,116          | 294,889   | 294,889                        | -   |
| Total expenditures                              | 2,018,311        | 1,947,670 | 1,947,670                      | -   |
| <b>Other Financing Sources</b>                  |                  |           |                                |   |
| Transfer In                                     | 47,200           | -         | -                              | -   |
| <b>Net change in fund balance</b>               | (107,511)        | 7,964     | 7,964                          | -   |
| <b>Fund balance at beginning of year</b>        | 39,285           | 39,285    | 39,285                         | -   |
| <b>Fund balance at end of year</b>              | \$ (68,226)      | \$ 47,249 | \$ 47,249                      | \$ -  |

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Budgetary Comparison Schedule - Special Revenue Fund (Unaudited)**  
**Year ended June 30, 2018**

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|  | Budgeted Amounts |             | Actual<br>(Budgetary<br>Basis) | Variance From<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|--------------------------------|---|
|  | Original         | Final       |                                |   |
| Revenues                                 |                  |             |                                |   |
| Federal sources                          | \$ 171,000       | \$ 144,728  | \$ 144,728                     | \$ -  |
| Expenditures                             |                  |             |                                |   |
| Instruction                              | 100,000          | 34,290      | 34,290                         | -   |
| Instruction-Related Technology           | -                | 13,852      | 13,852                         | -   |
| School Administration                    | -                | 7,487       | 7,487                          | -   |
| Food Services                            | 71,000           | 64,901      | 64,901                         | -   |
| Central Services                         | -                | 24,198      | 24,198                         | -   |
| Total expenditures                       | 171,000          | 144,728     | 144,728                        | -   |
| <b>Net change in fund balance</b>        | -                | -           | -                              | -   |
| <b>Fund balance at beginning of year</b> | -                | -           | -                              | -   |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ -</u>                    | <u>\$ -</u>   |

**SKY Academy Englewood**  
**A Charter School and Component Unit of the School Board of Sarasota County**  
**Budgetary Comparison Schedule - Capital Outlay Fund (Unaudited)**  
**Year ended June 30, 2018**

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|  | Budgeted Amounts |             | Actual<br>(Budgetary<br>Basis) | Variance From<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|--------------------------------|---|
|  | Original         | Final       |                                |   |
| Revenues                                 |                  |             |                                |   |
| Local revenue                            | \$ 197,200       | \$ 302,785  | \$ 302,785                     | \$ -  |
| Expenditures                             |                  |             |                                |   |
| Facilities Acquisition and Construction  | 150,000          | 302,785     | 302,785                        | -   |
| Other Financing Sources                  |                  |             |                                |   |
| Transfers Out                            | (47,200)         | -           | -                              | -   |
| <b>Net change in fund balance</b>        | -                | -           | -                              | -   |
| <b>Fund balance at beginning of year</b> |                  |             |                                | -   |
| <b>Fund balance at end of year</b>       | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ -</u>                    | <u>\$ -</u>   |



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

To the Board of Directors  
SKY Academy Englewood  
Englewood, Florida

We have audited, in accordance with 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 SKY Academy Englewood, a charter school and component unit of the School Board of Sarasota County, Florida, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise SKY Academy Englewood's basic financial statements, and have issued our report thereon dated September 18, 2018.

**Internal Control over Financial Reporting**

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

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

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

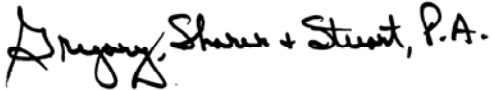
**Compliance and Other Matters**

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

**Purpose of This Report**

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

**Gregory, Sharer & Stuart, P.A.**

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." The signature is written in a cursive style with a large initial 'G'.

St. Petersburg, Florida  
September 18, 2018



## Management Letter

To the Board of Directors  
SKY Academy Englewood  
Englewood, Florida

### Report on the Financial Statements

We have audited the financial statements of SKY Academy Englewood, a charter school and component unit of the School Board of Sarasota County, Florida, as of and for the fiscal year ended June 30, 2018 and have issued our report thereon dated September 18, 2018.

### 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 Reports and Schedules

We have also 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 that report, if any, which is dated September 18, 2018, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the June 30, 2017 financial audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is SKY Academy Englewood.

### Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not SKY Academy Englewood 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 SKY Academy Englewood 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 SKY Academy Englewood. It is management's responsibility to monitor SKY Academy Englewood'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.

### Transparency

Section 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 SKY Academy Englewood maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that SKY Academy Englewood maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

**Other Matters**

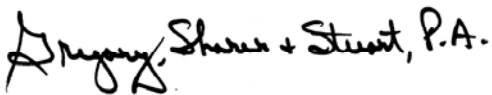
Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 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 of SKY Academy Englewood, applicable management, and the School Board of Sarasota County, and is not intended to be and should not be used by anyone other than these specified parties.

**Gregory, Sharer & Stuart, P.A.**

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." The signature is written in a cursive style with a large initial 'G'.

St. Petersburg, Florida  
September 18, 2018