

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF  
PINELLAS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORTS THEREON**

**JUNE 30, 2021**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Academie Da Vinci Charter School, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the School's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The School's total net position increased compared to the prior year.
- During 2021, the School's revenues exceeded expenses by \$235,185, which was an increase from the prior year when revenues exceeded expenses by \$90,429.
- Overall, revenues increased by approximately \$286,000, which was a 10% increase from the prior year.
- Overall, expenses increased by approximately \$141,000 which was a 5% increase from the prior year.
- Total assets were \$5,676,186 and total liabilities were \$4,238,911, resulting in net position of \$1,437,275 as of June 30, 2021.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
  - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.
  - The *fiduciary fund* financial statements provide information about the financial activities in which the School serves only as the custodian for assets that belong to others, such as student activities funds.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Fund</b>
Scope	Entire School (except the fiduciary fund)	The activities of the School that are not proprietary or fiduciary	Instances in which the School administers resources on behalf of someone else
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

### **Government-wide Financial Statements**

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, but excludes fiduciary funds. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base, the quality of the education and the safety of the School.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

### **Fund Financial Statements**

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 specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has two types of funds:

Governmental Funds – Most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

Fiduciary Funds – The School is the custodian, or fiduciary, for assets that belong to others, such as student activities funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because the School cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

**Net Position**

The School's combined net position as of June 30, 2021 and 2020 is summarized as follows – see table below:

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2021</b>	<b>2020</b>	
Current and other assets	\$ 677,291	\$ 580,307	17%
Capital assets, net	4,998,895	4,985,157	0%
Total assets	<u>5,676,186</u>	<u>5,565,464</u>	<u>2%</u>
Current and other liabilities	38,632	21,707	78%
Long-term liabilities	4,200,279	4,341,667	-3%
Total liabilities	<u>4,238,911</u>	<u>4,363,374</u>	<u>-3%</u>
Net position:			
Net investment in capital assets	798,616	643,490	24%
Restricted	122,566	122,566	0%
Unrestricted	516,093	436,034	18%
Total net position	<u>\$ 1,437,275</u>	<u>\$ 1,202,090</u>	<u>20%</u>

Current and other assets of the School and the unrestricted net position increased due to the current year operating surplus. Current and other liabilities changed due to the timing of payments at year-end. Net investment in capital assets changed due to the increase in capital assets, net and current year payments on related debt.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**Change in Net Position**

The School's total revenues increased by 10% to \$3,108,727, and the total cost of all programs and services increased by 5% to \$2,873,542 – see table below.

	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>
<b>Revenues:</b>			
Federal sources passed through local school district	\$ 138,935	\$ -	100%
State and local sources	2,810,092	2,714,845	4%
Contributions and other revenue	<u>159,700</u>	<u>108,341</u>	<u>47%</u>
Total revenues	<u>3,108,727</u>	<u>2,823,186</u>	<u>10%</u>
<b>Expenses:</b>			
Instruction	1,768,332	1,694,714	4%
Student support	39,161	-	100%
Instructional staff training	-	1,489	-100%
Instruction-related technology	44,822	41,230	9%
Board	24,337	24,123	1%
General administration	35,216	35,450	-1%
School administration	355,188	352,303	1%
Fiscal services	24,280	23,705	2%
Food services	3,840	3,600	7%
Operation and maintenance of plant	285,821	238,738	20%
Community services	13,462	19,427	-31%
Interest	<u>279,083</u>	<u>297,978</u>	<u>-6%</u>
Total expenses	<u>2,873,542</u>	<u>2,732,757</u>	<u>5%</u>
Change in net position	<u>\$ 235,185</u>	<u>\$ 90,429</u>	<u>160%</u>

Federal sources increased due to the receipt of CARES Act-related grants in response to the coronavirus pandemic. Contributions and other revenue changed due to the receipt of donations to cover the cost of a school pavilion. Student support increased due to the School adding a new position in fiscal 2021 to offer mental health and psychology services. Operation and maintenance of plant increased due to an increase in cleaning supplies and protective equipment in response to the coronavirus pandemic.

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

As the School completed the year, its governmental funds reported a fund balance of \$638,659. Both revenues and expenditures changed overall for the same reasons described above.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**General Fund Budgetary Highlights**

Over the course of the year, the School revised its budget several times to account for the changes in student enrollment and resulting increases in appropriations.

For 2021, actual general fund revenues were approximately \$40,000 above the final budget, which represents a 1% budget variance.

Actual general fund expenditures were approximately \$43,000 above the final budget, which represents a 2% budget variance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The School's investment in capital assets at the end of fiscal 2021 amounts to \$4,998,895 (net of accumulated depreciation). See table below:

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2021</b>	<b>2020</b>	
Land	\$ 1,333,454	\$ 1,333,454	0%
Construction in progress	32,821	-	100%
Buildings and improvements	3,893,240	3,886,816	0%
Furniture, fixtures and equipment	530,286	420,103	26%
Less accumulated depreciation	<u>(790,906)</u>	<u>(655,216)</u>	<u>-21%</u>
Total capital assets, net	<u><u>\$ 4,998,895</u></u>	<u><u>\$ 4,985,157</u></u>	<u><u>0%</u></u>

This year's major capital asset additions include the following:

- Computers, laptops and projectors – \$120,244
- Copier – \$17,500
- Front door – \$6,424
- Construction in progress – pavilion – \$32,821

This year's major capital asset disposals include the following:

- Copier – \$27,561

More detailed information about the School's capital assets is presented in Note 5 to the financial statements.

**Long-term Debt**

As of June 30, 2021, the School had \$4,200,279 in long-term debt outstanding. This year's addition to long-term debt was a capital lease for a copier in the amount of \$17,500. Scheduled payments reduced the amount outstanding in the current year. More detailed information about the School's long-term liabilities is presented in Note 7 to the financial statements.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2022:

- Projected increase in student population
- Projected salary increases

Amounts available for appropriation in the general fund are approximately \$2,556,000, a decrease of 8% from the final 2021 amount of \$2,781,314.

Budgeted expenditures are expected to be approximately \$2,629,000, a decrease of 3% from the final 2021 amount of \$2,718,755. The School has added no major new programs to the fiscal 2022 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to increase by the close of fiscal 2022.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 1060 Keene Road, Dunedin, Florida 34698.

## **INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

To the Board of Directors of Academie Da Vinci Charter School, Inc., a Charter School  
and Component Unit of the District School Board of Pinellas County, Florida

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Academie Da Vinci Charter School, Inc. (the "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, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Academie Da Vinci Charter School, Inc. as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 – 7 and the budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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 20, 2021 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.



Winter Park, Florida  
September 20, 2021

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 579,160
Accounts receivable	63,696
Other assets	34,435
Capital assets, net	4,998,895
Total assets	\$ 5,676,186
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 38,632
Long-term liabilities:	
Due within one year	158,679
Due in more than one year	4,041,600
Total liabilities	4,238,911
 <b>NET POSITION</b>	
Net investment in capital assets	798,616
Restricted for capital outlay	122,566
Unrestricted	516,093
Total net position	1,437,275
Total liabilities and net position	\$ 5,676,186

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction	\$ 1,768,332	\$ -	\$ 2,293	\$ -	\$ (1,766,039)	\$ (1,766,039)
Student support	39,161	-	-	-	(39,161)	(39,161)
Instruction-related technology	44,822	-	-	-	(44,822)	(44,822)
Board	24,337	-	-	-	(24,337)	(24,337)
General administration	35,216	-	-	-	(35,216)	(35,216)
School administration	355,188	-	-	-	(355,188)	(355,188)
Fiscal services	24,280	-	-	-	(24,280)	(24,280)
Food services	3,840	-	-	-	(3,840)	(3,840)
Operation and maintenance of plant	285,821	-	27,120	-	(258,701)	(258,701)
Community services	13,462	77,161	-	-	63,699	63,699
Interest	279,083	-	-	-	(279,083)	(279,083)
<b>Total primary government</b>	<b><u>\$ 2,873,542</u></b>	<b><u>\$ 77,161</u></b>	<b><u>\$ 29,413</u></b>	<b><u>\$ -</u></b>	<b><u>(2,766,968)</u></b>	<b><u>(2,766,968)</u></b>
General revenues:						
Federal sources passed through district					109,522	109,522
State and local sources					2,810,092	2,810,092
Contributions and other revenue					82,539	82,539
Total general revenues					<u>3,002,153</u>	<u>3,002,153</u>
Change in net position					235,185	235,185
Net position at beginning of year					<u>1,202,090</u>	<u>1,202,090</u>
Net position at end of year					<u><u>\$ 1,437,275</u></u>	<u><u>\$ 1,437,275</u></u>

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 470,204	\$ 108,956	\$ -	\$ 579,160
Accounts receivable	145	13,610	49,941	63,696
Other assets	34,435	-	-	34,435
Due from other governmental fund	49,941	-	-	49,941
Total assets	<u>\$ 554,725</u>	<u>\$ 122,566</u>	<u>\$ 49,941</u>	<u>\$ 727,232</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenditures	\$ 38,632	\$ -	\$ -	\$ 38,632
Due to general fund	-	-	49,941	49,941
Total liabilities	<u>38,632</u>	<u>-</u>	<u>49,941</u>	<u>88,573</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Other assets	34,435	-	-	34,435
Restricted for:				
Capital outlay	-	122,566	-	122,566
Unassigned	481,658	-	-	481,658
Total fund balances	<u>516,093</u>	<u>122,566</u>	<u>-</u>	<u>638,659</u>
Total liabilities and fund balances	<u>\$ 554,725</u>	<u>\$ 122,566</u>	<u>\$ 49,941</u>	<u>\$ 727,232</u>

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
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, 2021**

**Total fund balances - total governmental funds** **\$ 638,659**

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 as assets in the governmental funds. The  
cost of the assets is \$5,789,801 and the accumulated depreciation is  
\$790,906. 4,998,895

Long-term liabilities are not due and payable in the current period and,  
therefore, are not reported as liabilities in the governmental funds. Long-  
term liabilities at year-end include:

Capital lease obligation	(23,687)
Notes payable	<u>(4,176,592)</u>

**Total net position - governmental activities** **\$ 1,437,275**

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
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 YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ -	\$ 138,935	\$ 138,935
State and local sources	2,631,832	178,260	-	2,810,092
Contributions and other revenue	149,482	-	-	149,482
Total revenues	<u>2,781,314</u>	<u>178,260</u>	<u>138,935</u>	<u>3,098,509</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,648,498	-	2,293	1,650,791
Student support	39,161	-	-	39,161
Instruction-related technology	44,822	-	-	44,822
Board	24,337	-	-	24,337
General administration	35,216	-	-	35,216
School administration	329,068	-	-	329,068
Facilities acquisition and construction	32,821	-	-	32,821
Fiscal services	24,280	-	-	24,280
Food services	3,840	-	-	3,840
Operation and maintenance of plant	60,851	178,260	27,120	266,231
Community services	13,462	-	-	13,462
Debt service:				
Principal	148,670	-	-	148,670
Interest	279,083	-	-	279,083
Other capital outlay	34,646	-	109,522	144,168
Total expenditures	<u>2,718,755</u>	<u>178,260</u>	<u>138,935</u>	<u>3,035,950</u>
Excess of revenues over expenditures	<u>62,559</u>	<u>-</u>	<u>-</u>	<u>62,559</u>
<b>OTHER FINANCING SOURCES AND USES</b>				
Proceeds from capital lease obligation	17,500	-	-	17,500
Total other financing sources	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>
Net change in fund balances	80,059	-	-	80,059
Fund balances at beginning of year	436,034	122,566	-	558,600
Fund balances at end of year	<u>\$ 516,093</u>	<u>\$ 122,566</u>	<u>\$ -</u>	<u>\$ 638,659</u>

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



**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Net changes in fund balances - total governmental funds</b>	\$ 80,059
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$176,989) exceeds depreciation expense (\$163,251) in the current period.	13,738		
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(17,500)		
Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	148,670		
The gain on the restructure of the capital lease obligation is reported in the statement of activities, whereas nothing is reported in the governmental funds as there were no proceeds.	10,218		
<b>Change in net position of governmental activities</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 75%;"></td> <td style="width: 25%; text-align: right; border-top: 1px solid black;">\$ 235,185</td> </tr> </table>		\$ 235,185
	\$ 235,185		

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
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**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2021**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 22,798
Total assets	<u>\$ 22,798</u>
<b>NET POSITION</b>	
Restricted for:	
Student activities	\$ 22,798
Total net position	<u>\$ 22,798</u>

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Collections for student activities	\$ 20,000
Total additions	20,000
<b>DEDUCTIONS</b>	
Payments for student activities	23,688
Total deductions	23,688
Change in net position	(3,688)
Net position at beginning of year, as restated	26,486
Net position at end of year	\$ 22,798

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

**ACADEMIE DA VINCI CHARTER SCHOOL, INC.  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Academie Da Vinci Charter School, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of ten 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 (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed by mutual written agreement between the School and the School Board. 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 expiration. 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, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB") accounting guidance; 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 of the School which should be reported with the School's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. 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**

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, but excludes fiduciary funds. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

General Fund – To account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – To account for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.

Capital Projects Fund – To account for all resources for the acquisition of capital items by the School purchased with capital outlay and local capital improvement funds.

For purposes of these statements, the general and capital projects funds are considered major funds. The special revenue fund is considered non-major and is included as the other governmental fund.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Fiduciary Fund:

Custodial Fund – The School is the custodian, or fiduciary, for assets that belong to others, such as student activities funds. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because the School cannot use these assets to finance its operations.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses/expenditures 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 and fiduciary fund financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

**Cash and Cash Equivalents**

Investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. The School maintains its cash accounts in a financial institution subject to insurance coverage issued by the Federal Deposit Insurance Corporation (the "FDIC"). Under FDIC rules, the School is entitled to aggregate coverage of \$250,000 per account type per separate legal entity per financial institution. As of June 30, 2021, the School had deposits in a financial institution with custodial credit risk exposure in excess of FDIC coverage totaling approximately \$340,000. The School has not historically experienced losses on its cash and cash equivalents.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Receivables**

Receivables consist of amounts due from governmental agencies for capital outlay or other programs. Allowances are reported when management estimates that accounts may be uncollectible.

**Capital Assets and Depreciation**

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Buildings and improvements	5 - 39
Furniture, fixtures and equipment	3 - 10

Information relative to changes in capital assets is described in Note 5.

**Long-term Liabilities**

Long-term obligations that will be financed by resources to be received in the future by the governmental funds are reported in the government-wide financial statements, not in the governmental funds. Information relative to changes in long-term liabilities is described in Note 7.

**Fund Balance Spending Policy**

The School's adopted spending policy is to spend from the restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. The Board of Directors has delegated authority to the Principal to assign funds up to the amount of \$3,000. There are no minimum fund balance requirements for any of the School's funds.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Revenue Sources**

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the FDOE by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the 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 students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 2% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying statements. This administrative fee is calculated on the FEFP revenue up to 250 students.

The School receives federal 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 awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, any unexpended amounts are reflected as restricted net position and restricted fund balance in the accompanying financial statements.

**Income Taxes**

The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

**Use of Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and the balance sheet – governmental funds and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.



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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Subsequent Events**

The School has evaluated subsequent events through September 20, 2021, the date these financial statements were available to be issued.

**Recently Adopted Accounting Pronouncement**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. During 2021, the School adopted this standard using the retrospective approach, which resulted in the previously reported Due to Others fiduciary liability being reclassified to beginning fiduciary net position.

**Recently Issued Accounting Pronouncement**

In June 2017, the GASB issued Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this guidance, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about a school's leasing activities. The new standard is effective for the fiscal year ending June 30, 2022. The cumulative effect of any changes adopted to conform to the provisions of this guidance would be reported as a restatement of beginning net position and fund balance. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

**2 ACCOUNTS RECEIVABLE**

Accounts receivable in the accompanying financial statements include \$63,696 in amounts primarily due from governmental agencies. Based on the collectibility of funds from these sources, the School believes that an allowance for doubtful accounts is not considered necessary.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**3 INTERFUND ACTIVITIES**

Due to/from other funds consisted of the following balances as of June 30, 2021:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ 49,941	\$ -
Other non-major governmental fund	-	49,941
Total interfund	\$ 49,941	\$ 49,941

The amount payable by the other non-major governmental fund to the general fund is to cover temporary cash shortages related to the timing of receipts.

**4 OTHER ASSETS**

Other assets consist of the following as of June 30, 2021:

Prepaid expenses	\$ 31,022
Deposits	3,413
Total other assets	\$ 34,435

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**5 CHANGES IN CAPITAL ASSETS**

Capital asset activity during 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,333,454	\$ -	\$ -	\$ 1,333,454
Construction in progress	-	32,821	-	32,821
Total capital assets not being depreciated	<u>1,333,454</u>	<u>32,821</u>	<u>-</u>	<u>1,366,275</u>
Capital assets being depreciated:				
Buildings and improvements	3,886,816	6,424	-	3,893,240
Furniture, fixtures and equipment	420,103	137,744	(27,561)	530,286
Total capital assets being depreciated	<u>4,306,919</u>	<u>144,168</u>	<u>(27,561)</u>	<u>4,423,526</u>
Less accumulated depreciation for:				
Buildings and improvements	(371,065)	(109,208)	-	(480,273)
Furniture, fixtures and equipment	(284,151)	(54,043)	27,561	(310,633)
Total accumulated depreciation	<u>(655,216)</u>	<u>(163,251)</u>	<u>27,561</u>	<u>(790,906)</u>
Capital assets being depreciated, net	<u>3,651,703</u>	<u>(19,083)</u>	<u>-</u>	<u>3,632,620</u>
Governmental activities capital assets, net	<u>\$ 4,985,157</u>	<u>\$ 13,738</u>	<u>\$ -</u>	<u>\$ 4,998,895</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 117,541
School administration	26,120
Operation and maintenance of plant	<u>19,590</u>
Total governmental activities depreciation expense	<u>\$ 163,251</u>

**6 COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

The School participates in state and federal 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

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

money received may be required and collectibility of any related receivable as of June 30, 2021 may be impaired. In the opinion of the School, there are no significant contingent 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.

**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.

**Risk Management Program**

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**Employee Benefit Plan**

The School sponsors the Academie Da Vinci Charter School, Inc. 403(b) Plan (the "Plan"), which is a defined contribution plan. The Plan operates under Section 403(b) of the Internal Revenue Code. Substantially all employees may contribute up to an annual maximum of pretax annual compensation, as defined in the Plan. Under the terms of the Plan, the School contributes a 3% matching contribution for all eligible employees that contribute a minimum of \$25 per month to the Plan as authorized by the Board of Directors. The School's contributions during fiscal year 2021 totaled \$38,909, of which \$30,772 is included in instruction, \$6,992 is included in school administration and \$1,145 is included in operation and maintenance of plant in the accompanying financial statements.

**Uncertainty**

The extent of the impact and effects of the outbreak of the coronavirus on the School's operations will depend on future developments, including the duration and spread of the outbreak, related travel advisories and restrictions, changes in enrollment and the impact on governmental funding, all of which are highly uncertain and cannot be predicted. While the School's operations have not been significantly impacted due to the virus to date, if the virus causes significant negative impacts to economic conditions, the School's operations may be adversely affected.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**7 LONG-TERM LIABILITIES**

Long-term liabilities activity during 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital lease	\$ 19,388	\$ 17,500	\$ (13,201)	\$ 23,687	\$ 2,488
Notes payable	4,322,279	-	(145,687)	4,176,592	156,191
Governmental activities, long-term liabilities	<u>\$ 4,341,667</u>	<u>\$ 17,500</u>	<u>\$ (158,888)</u>	<u>\$ 4,200,279</u>	<u>\$ 158,679</u>

**Capital Lease**

The School leases copiers under a lease agreement that is classified as a capital lease. The original capital lease required monthly payments of principal plus interest at 10%. In December 2020, the School traded in one of the copiers for a new copier and entered into a revised lease agreement. The new capital lease agreement requires monthly payments monthly of principal and interest payments of \$796 at an interest rate of 31%. The economic substance of the original and modified leases are that the School is financing the acquisition of the assets through the leases, and, accordingly, they are recorded in the School's statement of net position.

Leased assets as of June 30, 2021 consist of the following:

	<u>Governmental Activities</u>
Furniture, fixtures and equipment	\$ 36,417
Less accumulated depreciation	(15,036)
	<u>\$ 21,381</u>

Future debt service requirements related to the capital lease are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,488	\$ 7,064	\$ 9,552
2023	3,386	6,166	9,552
2024	4,609	4,943	9,552
2025	6,275	3,277	9,552
2026	6,929	1,031	7,960
	<u>\$ 23,687</u>	<u>\$ 22,481</u>	<u>\$ 46,168</u>

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Notes Payable**

Notes payable consisted of the following as of June 30, 2021:

Promissory note payable to a financial institution. Principal and interest payments of \$31,035 are due monthly at an interest rate of 6.34%. The final principal and interest payment is due in November 2028 in the amount of \$2,757,717. Note is secured by the School's facility. Subject to certain covenants.	\$ 3,896,157
Promissory note payable to a financial institution. Principal and interest payments of \$3,946 are due monthly at an interest rate of 6.16%. Matures in November 2028. Note is secured by the School's facility. Subject to certain covenants.	<u>280,435</u>
Total notes payable	4,176,592
Less amount due within one year	<u>(156,191)</u>
Amount due in more than one year	<u><u>\$ 4,020,401</u></u>

Future debt service requirements related to the notes payable are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 156,191	\$ 263,581	\$ 419,772
2023	166,472	253,300	419,772
2024	177,438	242,334	419,772
2025	189,128	230,644	419,772
2026	201,587	218,185	419,772
2027 - 2029	<u>3,285,776</u>	<u>470,724</u>	<u>3,756,500</u>
	<u><u>\$ 4,176,592</u></u>	<u><u>\$ 1,678,768</u></u>	<u><u>\$ 5,855,360</u></u>

In connection with the note payable above, the School entered into a credit enhancement agreement with Charter Schools Development Corporation who provided \$625,000 in cash to the financial institution as additional security for the School's obligation pursuant to the note payable. The credit enhancement will be released annually over a five year period ending in 2023. As of June 30, 2021, the credit enhancement totaled \$375,000.

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**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**8 RESTRICTED NET POSITION AND FUND BALANCE**

Restricted net position and fund balance represents amounts that have been collected or are receivable by the School for specific purposes, which are restricted as to the use of such funds. Included in the restricted fund balance is \$122,566 in the capital projects fund as of June 30, 2021. This balance represents the unspent portion of capital outlay funds, which must be used for lawful capital outlay expenditures.

**9 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

The following is a schedule of state and local revenue sources and amounts:

District School Board of Pinellas County, Florida:	
Florida Education Finance Program	\$ 1,644,724
Class size reduction	411,147
Discretionary local effort	251,179
Capital outlay	178,260
Supplemental academic instruction	87,295
ESE guaranteed allocation	84,884
Teacher salary allocation	59,175
Instructional materials	27,239
Safe schools	24,376
Total funds compression	17,460
Reading allocation	14,983
Teacher lead	8,910
Digital classrooms allocation	460
Total	<u><u>\$ 2,810,092</u></u>

The administrative fee paid to the School Board during fiscal 2021 totaled \$35,216, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Final Budget-</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
State and local sources	\$ 2,460,500	\$ 2,592,085	\$ 2,631,832	\$ 39,747
Contributions and other revenue	100,002	148,997	149,482	485
Total revenues	<u>2,560,502</u>	<u>2,741,082</u>	<u>2,781,314</u>	<u>40,232</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,551,715	1,659,370	1,648,498	10,872
Student support	51,385	39,470	39,161	309
Instructional staff training	3,500	-	-	-
Instruction-related technology	39,000	44,830	44,822	8
Board	26,500	25,250	24,337	913
General administration	-	-	35,216	(35,216)
School administration	320,190	342,235	329,068	13,167
Facilities acquisition and construction	-	-	32,821	(32,821)
Fiscal services	25,760	24,285	24,280	5
Food services	4,800	4,800	3,840	960
Operation and maintenance of plant	62,090	101,431	60,851	40,580
Community services	23,220	14,000	13,462	538
Debt service:				
Principal	148,470	146,700	148,670	(1,970)
Interest	271,310	273,235	279,083	(5,848)
Other capital outlay	-	-	34,646	(34,646)
Total expenditures	<u>2,527,940</u>	<u>2,675,606</u>	<u>2,718,755</u>	<u>(43,149)</u>
Excess of revenues over expenditures	<u>32,562</u>	<u>65,476</u>	<u>62,559</u>	<u>(2,917)</u>
<b>OTHER FINANCING SOURCES AND USES</b>				
Proceeds from capital lease obligation	-	-	17,500	17,500
Total other financing sources	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>17,500</u>
Net change in fund balance	32,562	65,476	80,059	14,583
Fund balance at beginning of year	<u>436,034</u>	<u>436,034</u>	<u>436,034</u>	<u>-</u>
Fund balance at end of year	<u>\$ 468,596</u>	<u>\$ 501,510</u>	<u>\$ 516,093</u>	<u>\$ 14,583</u>

See independent auditor's report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of Academie Da Vinci Charter School, Inc., 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, each major fund and the aggregate remaining fund information of Academie Da Vinci Charter School, Inc. (the "School") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 20, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Winter Park, Florida  
September 20, 2021

**ADDITIONAL INFORMATION REQUIRED BY  
RULES OF THE AUDITOR GENERAL,  
CHAPTER 10.850**

To the Board of Directors of Academie Da Vinci Charter School, Inc., 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 the governmental activities, each major fund and the aggregate remaining fund information of Academie Da Vinci Charter School, Inc. (the "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, 2021, and have issued our report thereon dated September 20, 2021.

## **AUDITOR'S RESPONSIBILITY**

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

## **OTHER REPORTING REQUIREMENTS**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 20, 2021, should be considered in conjunction with this management letter.

## **PRIOR AUDIT FINDINGS**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations in the preceding annual 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Academie Da Vinci Charter School, Inc. and the school code assigned by the Florida Department of Education is 7131.

## **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 the review of financial information provided by same. The financial condition assessment was done as of the fiscal year-end.

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

### **ADDITIONAL MATTERS**

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

### **PURPOSE OF THIS LETTER**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, applicable management and the 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.



Winter Park, Florida  
September 20, 2021