

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE 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 Altoona 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 \$425,042, which is an increase from the prior year when expenses exceeded revenues by \$40,360.
- Overall, revenues (including the special item) increased by approximately \$645,000, which was a 26% increase from the prior year.
- Overall, expenses increased by approximately \$180,000, which was a 7% increase from the prior year.
- Total assets were \$1,262,446 and total liabilities were \$178,162, resulting in net position of \$1,084,284 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 and deferred outflows of resources, and its 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>2021</b>	<b>(as restated) 2020</b>	<b>Increase (Decrease)</b>
Current and other assets	\$ 628,753	\$ 472,810	33%
Capital assets, net	633,693	669,598	-5%
<b>Total assets</b>	<b>1,262,446</b>	<b>1,142,408</b>	<b>11%</b>
Current and other liabilities	126,537	16,793	654%
Long-term liabilities	51,625	466,373	-89%
<b>Total liabilities</b>	<b>178,162</b>	<b>483,166</b>	<b>-63%</b>
Net position:			
Net investment in capital assets	582,068	573,412	2%
Restricted	154,068	129,519	19%
Unrestricted	348,148	(43,689)	897%
<b>Total net position</b>	<b>\$ 1,084,284</b>	<b>\$ 659,242</b>	<b>64%</b>

Current and other liabilities changed due to an increase in the amounts accrued for salaries and related expenses in the current year. Long-term liabilities decreased due to principal payments on the notes payable and PPP loan forgiveness during the current year. Current and other assets and total net position changed due to the current year operating surplus and the activity noted above.

Certain reclassifications were made in the 2020 amounts to conform to their classifications in 2021.

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

**Change in Net Position**

The School's total revenues increased by 11% to \$2,768,738, and the total cost of all programs and services increased by 7% to \$2,713,883 – see table below.

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2021</b>	<b>2020</b>	
Revenues:			
Federal sources passed through local school district	\$ 366,324	\$ 112,955	224%
State and local sources	2,376,036	2,328,534	2%
Contributions and other revenue	26,378	52,226	-49%
Total revenues	2,768,738	2,493,715	11%
Expenses:			
Instruction	1,420,863	1,451,694	-2%
Student support services	109,989	136,575	-19%
Instructional media	31,032	30,674	1%
Instruction and curriculum development	525	23	2183%
Instructional staff training	45,522	3,324	1269%
Instruction-related technology	2,458	5,355	-54%
Board	21,090	14,498	45%
General administration	92,892	90,759	2%
School administration	253,136	232,713	9%
Facilities acquisition and construction	37,753	3,233	1068%
Fiscal services	86,521	69,374	25%
Food services	59,274	11,192	430%
Central services	11,892	14,501	-18%
Student transportation services	106,332	101,950	4%
Operation of plant	362,432	280,685	29%
Maintenance of plant	19,783	17,483	13%
Administrative technology services	2,280	7,722	-70%
Community services	42,868	54,715	-22%
Interest	7,241	7,605	-5%
Total expenses	2,713,883	2,534,075	7%
Special item:			
PPP loan forgiveness	370,187	-	100%
Change in net position	\$ 425,042	\$ (40,360)	1153%

Federal sources passed through local district changed due to School receiving funding in the current year to help pay the costs associated with the coronavirus pandemic.

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

Instructional staff training and food services changed due to increased salaries and increased staffing in the current year. Operation and maintenance of plant changed due to increased facility rent and increased contracted security and services in the current year.

The special item is the result of the School receiving PPP loan forgiveness in the current year.

Certain reclassifications were made in the 2020 amounts to conform to their classifications in 2021.

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

As the School completed the fiscal year, its governmental funds reported a fund balance of \$502,216. Both revenues and expenditures changed for the same reasons described above.

#### **General and Special Revenue Fund Budgetary Highlights**

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

For 2021, actual general fund revenues were approximately \$41,000 above the final budget, which represents a budget variance of 2%. Actual general fund expenditures were approximately \$112,000 below the final budget, which represents a budget variance of 5%.

For 2021, actual special revenue fund revenues and expenditures were not significantly different from the final budget.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The School's investment in capital assets at the end of fiscal 2021 amounts to \$633,693 (net of accumulated depreciation). See table below:

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2021</b>	<b>2020</b>	
Buildings and leasehold improvements	\$ 892,982	\$ 863,871	3%
Furniture, fixtures and equipment	73,890	92,567	-20%
Computer software	12,017	26,181	-54%
Motor vehicles	234,603	247,739	-5%
Less accumulated depreciation	(579,799)	(560,760)	-3%
Total capital assets, net	<u>\$ 633,693</u>	<u>\$ 669,598</u>	<u>-5%</u>

There were no major capital asset additions or disposals during the current year. More detailed information about the School's capital assets is presented in Note 4 to the financial statements.



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

Certain reclassifications were made in the 2020 amounts to conform to their classifications in 2021.

### **Long-term Debt**

As of June 30, 2021, the School had \$51,625 in long-term debt outstanding. In March 2021, the School received forgiveness of its Payroll Protection Program ("PPP") promissory note payable in the amount of \$370,187, and scheduled payments further reduced the amount of long-term debt outstanding. More detailed information about the School's long-term liabilities is presented in Note 6 to the financial statements.

### **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:

- Decrease in student population
- Decrease in state and local revenues

Amounts available for appropriation in the general fund are approximately \$2,171,000, a decrease of approximately 3% from the 2021 actual of \$2,238,410. Budgeted general fund expenditures are expected to decrease 4% to approximately \$2,188,000 from the 2021 actual of \$2,287,151. The School has added no major new programs to the fiscal 2022 budget.

If these estimates are realized, the School's general fund balance is expected to decrease 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 42630 State Road 19, Altoona, Florida 32702.

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

To the Board of Directors of Altoona School, Inc., a Charter School  
and Component Unit of the District School Board of Lake 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 Altoona School, Inc. (the "School"), a charter school and component unit of the District School Board of Lake 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 Altoona 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 pages 29 – 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 27, 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 27, 2021

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 384,976
Accounts receivable	172,168
Other current assets	71,609
Capital assets, net	633,693
Total assets	<u>\$ 1,262,446</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 126,537
Long-term liabilities:	
Due within one year	28,953
Due in more than one year	22,672
Total liabilities	<u>178,162</u>
<b>NET POSITION</b>	
Net investment in capital assets	582,068
Restricted for:	
Capital projects	154,068
Unrestricted	348,148
Total net position	<u>1,084,284</u>
Total liabilities and net position	<u>\$ 1,262,446</u>

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

**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities:						
Instruction	\$ 1,420,863	\$ -	\$ 120,377	\$ -	\$ (1,300,486)	\$ (1,300,486)
Student support services	109,989	-	3,111	-	(106,878)	(106,878)
Instructional media	31,032	-	-	-	(31,032)	(31,032)
Instruction and curriculum development	525	-	525	-	-	-
Instructional staff training	45,522	-	35,321	-	(10,201)	(10,201)
Instruction-related technology	2,458	-	-	-	(2,458)	(2,458)
Board	21,090	-	-	-	(21,090)	(21,090)
General administration	92,892	-	-	-	(92,892)	(92,892)
School administration	253,136	-	130,123	-	(123,013)	(123,013)
Facilities acquisition and construction	37,753	-	-	-	(37,753)	(37,753)
Fiscal services	86,521	-	18,215	-	(68,306)	(68,306)
Food services	59,274	-	-	-	(59,274)	(59,274)
Central services	11,892	-	-	-	(11,892)	(11,892)
Student transportation services	106,332	-	-	-	(106,332)	(106,332)
Operation of plant	362,432	-	44,300	-	(318,132)	(318,132)
Maintenance of plant	19,783	-	-	-	(19,783)	(19,783)
Administrative technology services	2,280	-	-	-	(2,280)	(2,280)
Community services	42,868	12,508	-	-	(30,360)	(30,360)
Interest	7,241	-	-	-	(7,241)	(7,241)
Total primary government	<u>\$ 2,713,883</u>	<u>\$ 12,508</u>	<u>\$ 351,972</u>	<u>\$ -</u>	<u>(2,349,403)</u>	<u>(2,349,403)</u>
General revenues:						
Federal sources passed through local school district					14,352	14,352
State and local sources					2,376,036	2,376,036
Contributions and other revenue					13,870	13,870
Total general revenues					2,404,258	2,404,258
Special item - PPP loan forgiveness					370,187	370,187
Total general revenues and special item					2,774,445	2,774,445
Change in net position					425,042	425,042
Net position at beginning of year, as restated					659,242	659,242
Net position at end of year					<u>\$ 1,084,284</u>	<u>\$ 1,084,284</u>

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

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 230,908	\$ -	\$ 154,068	\$ 384,976
Accounts receivable	-	172,168	-	172,168
Due from special revenue fund	172,168	-	-	172,168
Other current assets	54,339	-	17,270	71,609
Total assets	<u>\$ 457,415</u>	<u>\$ 172,168</u>	<u>\$ 171,338</u>	<u>\$ 800,921</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenditures	\$ 126,537	\$ -	\$ -	\$ 126,537
Due to general fund	-	172,168	-	172,168
Total liabilities	<u>126,537</u>	<u>172,168</u>	<u>-</u>	<u>298,705</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Other current assets	54,339	-	17,270	71,609
Restricted for:				
Capital projects	-	-	154,068	154,068
Unassigned	276,539	-	-	276,539
Total fund balances	<u>330,878</u>	<u>-</u>	<u>171,338</u>	<u>502,216</u>
Total liabilities and fund balances	<u>\$ 457,415</u>	<u>\$ 172,168</u>	<u>\$ 171,338</u>	<u>\$ 800,921</u>

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

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**JUNE 30, 2021**

<b>Total fund balances - total governmental funds</b>	<b>\$ 502,216</b>
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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 \$1,213,492, and the accumulated depreciation is \$579,799.

633,693

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 consist of:

Notes payable

(51,625)

**Total net position - governmental activities**

<u>\$ 1,084,284</u>
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The accompanying notes to financial statements are an integral part of this statement.

**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ 366,324	\$ -	\$ 366,324
State and local sources	2,209,397	-	166,639	2,376,036
Contributions and other revenue	29,013	-	-	29,013
<b>Total revenues</b>	<b>2,238,410</b>	<b>366,324</b>	<b>166,639</b>	<b>2,771,373</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,297,563	120,377	-	1,417,940
Student support services	106,878	3,111	-	109,989
Instructional media	31,032	-	-	31,032
Instruction and curriculum development	-	525	-	525
Instructional staff training	10,201	35,321	-	45,522
Instruction-related technology	2,458	-	-	2,458
Board	21,090	-	-	21,090
General administration	92,892	-	-	92,892
School administration	121,634	130,123	-	251,757
Facilities acquisition and construction	9,088	-	37,611	46,699
Fiscal services	68,306	18,215	-	86,521
Food services	53,628	-	-	53,628
Central services	11,892	-	-	11,892
Student transportation services	62,879	-	-	62,879
Operation of plant	313,885	44,300	-	358,185
Maintenance of plant	18,940	-	-	18,940
Administrative technology services	2,280	-	-	2,280
Community services	42,868	-	-	42,868
Debt service:				
Principal	-	-	44,561	44,561
Interest	3,362	-	3,879	7,241
Capital outlay	16,275	-	-	16,275
<b>Total expenditures</b>	<b>2,287,151</b>	<b>351,972</b>	<b>86,051</b>	<b>2,725,174</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(48,741)</b>	<b>14,352</b>	<b>80,588</b>	<b>46,199</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	53,121	-	-	53,121
Operating transfer out	-	(14,352)	(38,769)	(53,121)
<b>Total other financing sources (uses)</b>	<b>53,121</b>	<b>(14,352)</b>	<b>(38,769)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>4,380</b>	<b>-</b>	<b>41,819</b>	<b>46,199</b>
Fund balances at beginning of year, as restated	326,498	-	129,519	456,017
Fund balances at end of year	<b>\$ 330,878</b>	<b>\$ -</b>	<b>\$ 171,338</b>	<b>\$ 502,216</b>

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



**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE 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>	\$	46,199
--	----	--------

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 cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$84,355) exceed capital outlays (\$51,085) in the current period.		(33,270)
--	--	----------

In the statement of activities, the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets disposed.		(2,635)
--	--	---------

Revenues from PPP loan forgiveness in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.		370,187
--	--	---------

Repayments of long-term liabilities are reported as expenditures in the governmental funds because they require the use of current financial resources. They are reported as a reduction in long-term liabilities in the statement of net position. This amount represents the current year repayment of principal on long-term debt.		44,561
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<b>Change in net position of governmental activities</b>	\$	<u>425,042</u>
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The accompanying notes to financial statements are an integral part of this statement.

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2021**

	<b>Custodial Fund</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,311
Total assets	<hr/> <hr/>
<b>NET POSITION</b>	
Restricted for:	
Student activities	\$ 5,311
Total net position	<hr/> <hr/>

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

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

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

	<b>Custodial Fund</b>
	<hr/>
<b>ADDITIONS</b>	
Collections for student activities	\$ 15,872
Total additions	<hr/> 15,872 <hr/>
<b>DEDUCTIONS</b>	
Payments for student activities	<hr/> 17,160
Total deductions	<hr/> 17,160 <hr/>
Change in net position	(1,288)
Net position at beginning of year, as restated	<hr/> 6,599
Net position at end of year	<hr/> \$ 5,311 <hr/>

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

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

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

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

**Organization**

Altoona 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 six 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 Lake County, Florida (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed in increments of five or fifteen years 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.

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**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 funds.

For purposes of these statements, the general, special revenue, and capital projects funds are considered major funds. There are no other governmental funds.

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**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. Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool under Chapter 280, Florida Statutes.

**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.

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**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><b>Years</b></u>
Buildings and building improvements	7 - 39
Furniture, fixtures and equipment	5 - 10
Computer software	3 - 7
Motor vehicles	5

Information relative to changes in capital assets is described in Note 4.

**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 6.

**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 the 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 assign funds to the Principal up to the amount of \$50,000.

**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.

**ALTOONA SCHOOL, INC.  
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THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

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 5% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying financial 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.

**Subsequent Events**

The School has evaluated subsequent events through September 27, 2021, the date these financial statements were available to be issued.



**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**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 \$6,599 in previously reported Due to Others fiduciary liability being reclassified to beginning fiduciary net position. The remaining \$9,811 in previously reported Due to Others fiduciary liability was reclassified to beginning net position and beginning general fund balance.

**2 INTERFUND ACTIVITIES**

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

	<u><b>Interfund Receivables</b></u>	<u><b>Interfund Payables</b></u>
General fund	\$ 172,168	\$ -
Special revenue fund	<u>-</u>	<u>172,168</u>
Total interfund	<u><u>\$ 172,168</u></u>	<u><u>\$ 172,168</u></u>

The amount payable by the special revenue fund to the general fund is to cover temporary cash shortages related to the timing of receipts.

**3 OTHER CURRENT ASSETS**

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

Prepaid expenses	\$ 15,912
Deposits	<u>55,697</u>
Total other assets	<u><u>\$ 71,609</u></u>

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**4 CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Buildings and building improvements	\$ 863,871	\$ 34,810	\$ (5,699)	\$ 892,982
Furniture, fixtures and equipment	92,567	16,275	(34,952)	73,890
Computer software	26,181	-	(14,164)	12,017
Motor vehicles	247,739	-	(13,136)	234,603
Total capital assets at historical cost	<u>1,230,358</u>	<u>51,085</u>	<u>(67,951)</u>	<u>1,213,492</u>
Less accumulated depreciation for:				
Buildings and building improvements	(320,761)	(25,325)	5,933	(340,153)
Furniture, fixtures and equipment	(70,972)	(8,298)	32,083	(47,187)
Computer software	(17,812)	(1,645)	14,164	(5,293)
Motor vehicles	(151,215)	(49,087)	13,136	(187,166)
Total accumulated depreciation	<u>(560,760)</u>	<u>(84,355)</u>	<u>65,316</u>	<u>(579,799)</u>
Governmental activities capital assets, net	<u>\$ 669,598</u>	<u>\$ (33,270)</u>	<u>\$ (2,635)</u>	<u>\$ 633,693</u>

Certain reclassifications were made in the 2020 amounts to conform to their classifications in 2021.

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 2,923
School administration	1,379
Facilities acquisition & construction	25,864
Food services	5,646
Student transportation services	43,453
Operation of plant	4,247
Maintenance of plant	<u>843</u>
Total governmental activities depreciation expense	<u>\$ 84,355</u>

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**5 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 money received may be required and the 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.

**Salary Saving Plan**

The School has adopted a SIMPLE IRA retirement program (the "Plan"), which covers all full time employees upon employment. Eligible employees may elect to contribute a portion of their earnings to the Plan. The School makes contributions to the Plan by matching 100% of employee contributions up to 3% of compensation. Employer contributions during fiscal 2021 totaled approximately \$12,000.

**Capital Lease Commitment**

In June 2021, the School entered into a three-year lease agreement that is classified as a capital lease to purchase three modular buildings. The economic substance of the lease is that the School will finance the acquisition of the assets through the lease, and, accordingly, a portion of the assets and the lease obligation will be recorded in the School's statement of net position when the assets are placed in service. As of June 30, 2021, the School's commitment under this lease totaled approximately \$149,000 over the three-year period.

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Operating Lease**

The School leases its facility under a non-cancelable operating lease. The lease requires the School to pay insurance and other costs. Aggregate remaining minimum rental commitments as of June 30, 2021 under this lease are summarized as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ 34,500
2023	34,500
2024	34,500
2025	34,500
Total future minimum lease payments	<u>\$ 138,000</u>

Lease expense totaled \$35,872 during 2021, which 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.

**6 LONG-TERM LIABILITIES**

Long-term liabilities activity for the year ended June 30, 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:					
Notes payable	\$ 96,186	\$ -	(44,561)	\$ 51,625	\$ 28,953
PPP note payable	370,187	-	(370,187)	-	-
Governmental activities, long-term liabilities	<u>\$ 466,373</u>	<u>\$ -</u>	<u>\$(414,748)</u>	<u>\$ 51,625</u>	<u>\$ 28,953</u>

**ALTOONA SCHOOL, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Notes Payable**

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

Note payable to a finance company with principal and interest of \$1,751 due monthly at 4.49%; maturity date is August 2021; secured by a school bus.	\$ 3,483
Note payable to a finance company with principal and interest of \$1,775 due monthly at 4.75%; maturity date is February 2023; secured by a school bus.	34,073
Note payable to a finance company with principal and interest of \$510 due monthly at 6.60%; maturity date is December 2023; secured by a school van.	<u>14,069</u>
Total notes payable	51,625
Less amount due or payable within one year	<u>(28,953)</u>
Amount due or payable after one year	<u><u>\$ 22,672</u></u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 28,953	\$ 1,975	\$ 30,928
2023	19,669	656	20,325
2024	<u>3,003</u>	<u>58</u>	<u>3,061</u>
	<u><u>\$ 51,625</u></u>	<u><u>\$ 2,689</u></u>	<u><u>\$ 54,314</u></u>

**PPP Note Payable**

In April 2020, the School entered into a \$370,187 note payable agreement pursuant to the Coronavirus, Aid, Relief, and Economic Security Act's ("CARES Act") Paycheck Protection Program ("PPP"). The note required monthly principal and interest payments for five years at an interest rate of 1%. In March 2021, the loan was completely forgiven.

**Revolving Line Of Credit**

The School has a revolving line of credit with a financial institution that is secured by property owned by the School. There were no outstanding borrowings under this line of credit as of June 30, 2021. The line of credit has a total capacity of \$100,000 and a maturity date of December 2022. Interest is carried at the Wall Street Journal prime rate plus one percentage point (4.25% as of June 30, 2021). There is a minimum effective rate of interest of 5.5%. Unused borrowing capacity as of June 30, 2021 was \$100,000.

**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

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

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

District School Board of Lake County, Florida:	
Florida Education Finance Program	\$ 1,286,171
Class size reduction	357,730
Capital outlay	166,639
Discretionary local effort	130,098
Additional millage	115,119
Supplemental academic instruction	65,059
Student transportation	49,410
Teacher salary increase allocation	47,071
ESE guaranteed allocation	38,841
Discretionary millage	38,516
Instructional materials	22,159
Safe schools	17,579
Reading allocation	12,542
Compression allocation	11,906
Mental health allocation	10,108
Teacher lead	6,355
Digital classrooms allocation	733
	<hr/>
Total	<u><u>\$ 2,376,036</u></u>

The administration fee paid to the School Board during the year ended June 30, 2021 totaled approximately \$93,000, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**

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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget-Positive (Negative)</b>
<b>REVENUES</b>				
State and local sources	\$ 2,197,876	\$ 2,197,876	\$ 2,209,397	\$ 11,521
Contributions and other revenue	-	-	29,013	29,013
Total revenues	2,197,876	2,197,876	2,238,410	40,534
<b>EXPENDITURES</b>				
Current:				
Instruction	1,241,566	1,301,566	1,297,563	4,003
Student support services	98,138	118,138	106,878	11,260
Instructional media	31,519	31,519	31,032	487
Instructional staff training	350	10,350	10,201	149
Instruction-related technology	5,300	3,300	2,458	842
Board	18,450	23,450	21,090	2,360
General administration	90,870	93,870	92,892	978
School administration	237,225	162,225	121,634	40,591
Facilities acquisition and construction	-	25,000	9,088	15,912
Fiscal services	86,272	86,272	68,306	17,966
Food services	72,637	72,637	53,628	19,009
Central services	13,000	13,000	11,892	1,108
Student transportation services	88,722	88,722	62,879	25,843
Operation of plant	243,221	308,221	313,885	(5,664)
Maintenance of plant	-	-	18,940	(18,940)
Administrative technology services	3,000	3,000	2,280	720
Community services	53,381	53,381	42,868	10,513
Debt service:				
Principal	-	4,000	-	4,000
Interest	-	-	3,362	(3,362)
Capital outlay	-	-	16,275	(16,275)
Total expenditures	2,283,651	2,398,651	2,287,151	111,500
Excess (deficiency) of revenues over (under) expenditures	(85,775)	(200,775)	(48,741)	152,034
<b>OTHER FINANCING SOURCES</b>				
Operating transfer in	-	-	53,121	53,121
Total other financing sources	-	-	53,121	53,121
Net change in fund balance	(85,775)	(200,775)	4,380	205,155
Fund balance at beginning of year, as restated	326,498	326,498	326,498	-
Fund balance at end of year	\$ 240,723	\$ 125,723	\$ 330,878	\$ 205,155

See independent auditor's report.

**ALTOONA SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND**

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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget-Positive (Negative)</b>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ 312,617	\$ 366,324	\$ 366,324	\$ -
Total revenues	312,617	366,324	366,324	-
<b>EXPENDITURES</b>				
Current:				
Instruction	255,620	120,377	120,377	-
Student support services	-	8,789	3,111	5,678
Instruction and curriculum development	-	525	525	-
Instructional staff training	-	35,321	35,321	-
Instruction-related technology	1,440	-	-	-
General administration	557	-	-	-
School administration	-	130,123	130,123	-
Fiscal services	-	18,215	18,215	-
Operation of plant	55,000	52,974	44,300	8,674
Total expenditures	312,617	366,324	351,972	14,352
Excess of revenues over expenditures	-	-	14,352	14,352
<b>OTHER FINANCING USES</b>				
Operating transfer out	-	-	(14,352)	(14,352)
Total other financing uses	-	-	(14,352)	(14,352)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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 Altoona School, Inc., a Charter School  
and Component Unit of the District School Board of Lake 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 Altoona School, Inc. (the "School"), a charter school and component unit of the District School Board of Lake 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, and have issued our report thereon dated September 27, 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. 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 27, 2021

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

To the Board of Directors of Altoona School, Inc., a Charter School  
and Component Unit of the District School Board of Lake 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 Altoona School, Inc. (the "School"), a charter school and component unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2021, and have issued our report thereon dated September 27, 2021.

## **AUDITOR'S RESPONSIBILITY**

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; 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 27, 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 Altoona School, Inc., and the school code assigned by the Florida Department of Education is 9028.

## **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 Lake County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.



Winter Park, Florida  
September 27, 2021