

**ATHENIAN ACADEMY  
CHARTER SCHOOL**

(A Charter School Under The Athenian Academy, Inc.)

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

INDEPENDENT AUDITOR'S REPORT

*for the fiscal year ended JUNE 30, 2021*

***King & Walker, CPAs, PL***

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*Certified Public Accountants*

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**ATHENIAN ACADEMY CHARTER SCHOOL**  
(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)

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Members:  
Florida Institute of CPAs  
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Government Audit Quality Center

2803 W. Busch Blvd Ste 106  
Tampa, FL 33618  
office (813) 892-4274 fax (813) 932-1913  
www.KingandWalker.com

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## Independent Auditor's Report

To the Board of Directors of Athenian Academy Charter School  
(A charter school under The Athenian Academy, Inc.),  
a Charter School and Component Unit of the District  
School Board of Lee 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 Athenian Academy Charter School ("School") a charter school under The Athenian Academy, Inc., a charter school and component unit of the District School Board of Lee 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 *Governmental 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 School'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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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 the School, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The Athenian Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of The Athenian Academy, Inc. as of June 30, 2021, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as shown in the table of contents, 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 historic 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 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 10, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Respectfully submitted,



September 10, 2021  
Tampa, Florida

**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**  
*A Charter School and Component Unit of the District School Board of Lee County, Florida*  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

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The Management’s Discussion and Analysis (MD&A) section of the annual financial report of Athenian Academy Charter School (“School”), a charter school under The Athenian Academy, Inc. provides an overview of the School’s activities for the fiscal year ended June 30, 2021.

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

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2021, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$154,958.
- The school’s total net position as reported in the statement of net position is \$155,733.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

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

**Government-Wide Financial Statements**

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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**Fund Financial Statements**

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates three funds; a General Fund, a Special Revenue Fund, and a Capital Projects Fund. For financial reporting purposes all funds are considered major funds.

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

**Notes to Financial Statements**

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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Net Position, End of Year**

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 178,930	\$ 232,145	\$ 53,215
Capital Assets, Net	73,282	150,923	77,641
Total Assets	252,212	383,068	130,856
<b>LIABILITIES</b>			
Current Liabilities	220,437	163,538	(56,899)
Noncurrent Liabilities	31,000	63,797	32,797
Total Liabilities	251,437	227,335	(24,102)
<b>NET POSITION</b>			
Net Investment in Capital Assets	73,282	150,923	77,641
Unrestricted	(72,507)	4,810	77,317
Total Net Position	\$ 775	\$ 155,733	\$ 154,958

Assets consist of cash and cash equivalents, prepaid items & deposits, due from other agencies, and the School's investment in capital assets net of accumulated depreciation. Current liabilities are comprised primarily of accounts payable and salaries and benefits payable. Long-term liabilities include a note payable. The total net position balance amounts to \$155,733.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-20</u>	<u>6-30-21</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal Through State and Local	\$ 332,256	\$ 239,157	\$ (93,099)
State	673,806	1,571,043	897,237
Local and Other	99,693	96,997	(2,696)
<b>Total Revenues</b>	<u>1,105,755</u>	<u>1,907,197</u>	<u>801,442</u>
<b>Expenses:</b>			
Instruction	536,781	812,633	275,852
Student Support Services	-	3,451	3,451
Instruction & Curriculum Development	-	753	753
Instructional Related Technology	18,928	3,884	(15,044)
Board	111,107	168,531	57,424
General Administration	-	6,278	6,278
School Administration	188,815	183,117	(5,698)
Fiscal Services	2,014	2,559	545
Food Services	15,730	27,680	11,950
Central Services	36,436	-	(36,436)
Student Transportation	29,897	28,152	(1,745)
Operation of Plant	161,595	476,975	315,380
Maintenance of Plant	4,035	4,472	437
Community Service	2,891	200	(2,691)
Debt Service - Interest	-	422	422
Unallocated Depreciation	6,143	33,132	26,989
<b>Total Expenses</b>	<u>1,114,372</u>	<u>1,752,239</u>	<u>637,867</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ (8,617)</u>	<u>\$ 154,958</u>	<u>\$ 163,575</u>

The largest revenue source for the School is the State of Florida (83%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School. The increase in student enrollment and the receipt of local capital improvement funds were the primary causes for the increase in revenue.

The largest concentration of expenses is Instruction related functions, which accounted for 47% of total expenditures, and consists primarily of teachers' salaries, and the Operation of Plant which accounted for 27% of total expenditures.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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

**Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$68,607.

**BUDGETARY HIGHLIGHTS**

The general fund and special revenue fund budgets for the fiscal year ended June 30, 2021, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, the school revised the general fund and special revenue fund budgets several times. For the fiscal year ended June 30, 2021, the actual expenditures were equal to the final budgets.

**CAPITAL ASSETS**

The School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$150,923 net of accumulated depreciation. This investment in capital assets includes furniture, fixtures, and leasehold improvements. Additional information regarding the School's capital assets can be found in the Notes to the Financial Statements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to President, Athenian Academy Charter School, 18801 Three Oaks Parkway, Fort Myers, Florida 33967.

**ATHENIAN ACADEMY CHARTER SCHOOL**  
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**DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2021*

	Government Activities
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 221,862
Due From Other Agencies	1,927
Prepaid Items & Deposits	8,356
Capital Assets:	
Leasehold Improvements, Net	46,861
Furniture, Fixtures, and Equipment, Net	104,062
Total Capital Assets	150,923
<b>TOTAL ASSETS</b>	<b>383,068</b>
<b>LIABILITIES</b>	
Salaries and Benefits Payable	93,570
Accounts Payable	66,478
Deferred Revenue	3,490
Noncurrent Liabilities:	
Due Within One Year:	
Note Payable	22,694
Due After One Year:	
Note Payable	41,103
<b>TOTAL LIABILITIES</b>	<b>227,335</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	150,923
Unrestricted	4,810
<b>TOTAL NET POSITION</b>	<b>\$ 155,733</b>

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

**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2021*

	Expenses	Program Revenues				Net (Expenses) Revenue and Changes Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental Activities:						
Instruction	\$ 812,633	\$ -	\$ 229,681	\$ -		\$ (582,952)
Student Support Services	3,451		2,195			(1,256)
Instruction & Curriculum Development	753		753			-
Instructional Related Technology	3,884		-			(3,884)
Board	168,531		-			(168,531)
General Administration	6,278		6,278			-
School Administration	183,117		-			(183,117)
Fiscal Services	2,559		-			(2,559)
Food Services	27,680	7,079	-			(20,601)
Student Transportation	28,152		-			(28,152)
Operation of Plant	476,975		250	105,363		(371,362)
Maintenance of Plant	4,472		-			(4,472)
Community Service	200	37,600	-			37,400
Debt Service - Interest	422		-			(422)
Unallocated Depreciation	33,132		-			(33,132)
<b>Total Governmental Activities</b>	<b>\$ 1,752,239</b>	<b>\$ 44,679</b>	<b>\$ 239,157</b>	<b>\$ 105,363</b>		<b>(1,363,040)</b>
General Revenue						
State Sources						1,465,680
Local and Other						52,318
Total General Revenues						1,517,998
Change in Net Position						154,958
Net Position - July 1, 2020						775
Net Position - June 30, 2021						\$ 155,733

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

**ATHENIAN ACADEMY CHARTER SCHOOL**  
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**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
*June 30, 2021*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 221,862	\$ -	\$ -	\$ 221,862
Due From Other Agencies	-	1,927	-	1,927
Prepaid Items & Deposits	8,356	-	-	8,356
Due from Other Funds	1,927	3,490	-	5,417
Total Assets	\$ 232,145	\$ 5,417	\$ -	\$ 237,562
<b>LIABILITIES</b>				
Salaries and Benefits Payable	\$ 93,570	\$ -	\$ -	\$ 93,570
Accounts Payable	66,478	-	-	66,478
Deferred Revenue	-	3,490	-	3,490
Due to Other Funds	3,490	1,927	-	5,417
Total Liabilities	163,538	5,417	-	168,955
<b>FUND BALANCES</b>				
Nonspendable	8,356	-	-	8,356
Unassigned	60,251	-	-	60,251
Total Fund Balances	68,607	-	-	68,607
Total Liabilities and Fund Balances	\$ 232,145	\$ 5,417	\$ -	\$ 237,562

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

**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

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

*June 30, 2021*

<b>Total Fund Balances - Governmental Funds</b>	\$	68,607
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		150,923
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Note Payable	(63,797)	(63,797)
<b>Total Net Position - Governmental Activities</b>	\$	155,733

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

**ATHENIAN ACADEMY CHARTER SCHOOL**  
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

*For the Fiscal Year Ended June 30, 2021*

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ -	\$ 239,157	\$ -	\$ 239,157
State	1,465,680	-	105,363	1,571,043
Local and Other	96,997	-	-	96,997
Total Revenues	<u>1,562,677</u>	<u>239,157</u>	<u>105,363</u>	<u>1,907,197</u>
<b>Expenditures</b>				
Current - Education:				
Instruction	582,952	229,681	-	812,633
Student Support Services	1,256	2,195	-	3,451
Instruction & Curriculum Development	-	753	-	753
Instructional Related Technology	3,884	-	-	3,884
Board	168,531	-	-	168,531
General Administration	-	6,278	-	6,278
School Administration	183,117	-	-	183,117
Fiscal Services	2,559	-	-	2,559
Food Services	27,680	-	-	27,680
Student Transportation	28,152	-	-	28,152
Operation of Plant	371,362	250	105,363	476,975
Maintenance of Plant	4,472	-	-	4,472
Community Service	200	-	-	200
Fixed Capital Outlay:				
Other Capital Outlay	110,773	-	-	110,773
Debt Service:				
Principal	36,585	-	-	36,585
Interest	422	-	-	422
Total Expenditures	<u>1,521,945</u>	<u>239,157</u>	<u>105,363</u>	<u>1,866,465</u>
Excess/(Deficiency) of Revenues				
Over Expenditures	40,732	-	-	40,732
Other Financing Sources (Uses):				
Proceeds from Debt	69,382	-	-	69,382
Total Other Financing Sources (Uses)	<u>69,382</u>	<u>-</u>	<u>-</u>	<u>69,382</u>
Net Change in Fund Balances	110,114	-	-	110,114
Fund Balances, July 1, 2020	(41,507)	-	-	(41,507)
Fund Balances, June 30, 2021	<u>\$ 68,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,607</u>

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

**ATHENIAN ACADEMY CHARTER SCHOOL**  
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**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2021*

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	110,114
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

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

Capital Outlays	110,773	
Depreciation Expense	<u>(33,132)</u>	77,641

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

36,585

Long-term debt proceeds are reported as other financing sources in the Governmental Funds and as long-term liabilities in the Statement of Net Position.

(69,382)

**Change in Net Position - Governmental Activities**

\$ 154,958

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



**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

Athenian Academy Charter School (“School”), a charter school under The Athenian Academy, Inc. is a component unit of the District School Board of Lee County, Florida. The School’s charter is held by The Athenian Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of The Athenian Academy, Inc. as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Lee County, Florida, (“District”). The current charter is effective until June 30, 2023, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the District. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

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**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

➤ **Basis of Presentation**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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

The School's major governmental funds are as follows:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund - to account for all federal grant programs.
- Capital Projects Fund - to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

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**June 30, 2021**

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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

➤ **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits with one financial institution. Deposits on hand at this financial institution are insured by the Federal Deposit Insurance Company up to \$250,000.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 years
Leasehold Improvements	10 years

➤ **Long-Term Debt**

Long-Term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

➤ **Deferred Outflows/Inflows of Resources**

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

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

➤ **Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

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

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

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**NOTES TO FINANCIAL STATEMENTS**  
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- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

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

➤ **Revenue Sources**

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

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

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2.,

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Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 198.75 unweighted FTE and 212.038 Weighted FTE.

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

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

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

The School is also eligible for charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. 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, are reflected as restricted Net Position and reserved fund balance in the accompanying statement of Net Position and balance sheet – governmental fund, respectively, to the extent that they remain unexpended.

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

➤ **Income Taxes**

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

➤ **Use of Estimates**

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

➤ **Subsequent Events**

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

**2. CASH DEPOSITS**

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000.

**3. DUE FROM OTHER AGENCIES**

Amounts due from other agencies included in the accompanying statement of Net Position and balance sheet consists of funds due from the Lee County District School Board for grant reimbursements recorded in the Special Revenue Fund. This receivable is considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

**4. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2021, the General Fund owed the Special Revenue Fund \$3,490, related to school operations, and the Special Revenue Fund owed the General Fund \$1,927 for expenditures awaiting reimbursement from other agencies. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ 10,017	\$ 42,242	\$ -	\$ 52,259
Furniture, Fixtures and Equipment	71,588	68,531		140,119
Total Capital Assets	81,605	110,773	-	192,378
Less Accumulated Depreciation for:				
Leasehold Improvements	(220)	(5,178)		(5,398)
Furniture, Fixtures and Equipment	(8,103)	(27,954)		(36,057)
Total Accumulated Depreciation	(8,323)	(33,132)	-	(41,455)
Governmental Activities Capital Assets, net	\$ 73,282	\$ 77,641	\$ -	\$ 150,923

Depreciation expense of \$33,132 was charged to Unallocated Depreciation Expense.

**6. PROMISSORY NOTE PAYABLE – RELATED PARTY**

All long-term debt represents amounts to be repaid from governmental activities. As of June 30, 2021, the Schools long-term debt consisted of the following:

	Balance at 6-30-21
<b><u>Note Payable - Choice Charter Schools Services, LLC</u></b>	
Choice Charter Schools Services, LLC., the School's management company, provided an unsecured loan of \$69,382 to cover costs associated with the School's operations. The loan term is 36 months and a 2.5% interest rate.	\$ 63,797
Total Note Payable	\$ 63,797

Amounts owed for the note payable in future years follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2022	\$ 24,030	\$ 22,694	\$ 1,336
2023	23,993	23,267	726
2024	18,022	17,836	186
Total	\$ 66,045	\$ 63,797	\$ 2,248



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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**7. CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
Note Payable	\$ 31,000	\$ 69,382	\$ (36,585)	\$ 63,797	\$ 22,694
Total Governmental Activities	<u>\$ -</u>	<u>\$ 69,382</u>	<u>\$ (36,585)</u>	<u>\$ 63,797</u>	<u>\$ 22,694</u>

**8. SCHEDULE OF STATE REVENUE SOURCES**

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

Source	Amount
Florida Education Finance Program	\$ 1,222,704
Categorical Programs:	
Class Size Reduction	239,577
Charter School Capital Outlay	105,363
Miscellaneous	3,399
Total State Revenue	<u>\$ 1,571,043</u>

As provided in the charter school contract, the District has charged the School an administrative fee of \$73,134.

**9. FACILITY LEASE**

On August 1, 2019, the School entered into a lease with the Athenian Academy Educational Services, LLC (Landlord) to lease its educational facility for a term through July 31, 2049. The lease term coincides with Educational Facilities Revenue Bonds issued by the Florida Development Finance Corporation (FDPC) to the Landlord. The School pays rent directly to the Bond Trustee for the benefit of the Landlord. Rental expenditures under this lease for the 2020-21 fiscal year amounted to \$210,749.

A Forbearance Agreement was entered into in October, 2020 (Original Agreement) it was amended in January 2021 and March, 2021. The School agrees to pay Base Rent Payments, commencing November 15, 2020, at a minimum of \$11,341 semi-monthly during the Forbearance Period. The current Forbearance Agreement, ends September 30, 2021. The lease payments after the forbearance period ends will increase by the amount of the Borrowers interest on any overdue installments of principal and overdue and deferred interest shall accrue during the Forbearance Period at the stated interest rate on the respective Series 19 Bonds. The amount of deferred Base Rental Payments for the 2020-21 amounted to \$913,459.

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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

The following is a schedule, by years, of the School’s future minimum rental payments required under the operating lease that has remaining non-cancelable lease terms in excess of one year.

Fiscal Year Ending June 30:	Minimum Lease Payments
2022	\$ 1,595,253
2023	1,595,253
2024	1,595,253
2025	1,595,252
2026	1,595,253
2027-31	7,976,264
2032-36	7,976,264
2037-41	7,976,264
2042-46	7,976,264
2047-2050	4,853,500
Deferred Rent FY 20/21	913,459
Total	\$ 45,648,279

**10. OPERATING AGREEMENTS**

**Services Agreement** – The School entered into a management agreement commencing July 1, 2019 with CHOICE Charter School Services, LLC (the “Company”). The term of this agreement shall be for the duration of the School’s charter. Thereafter the agreement will renew with any renewals to the School’s charter. The contract calls for the Company to professionally operate the School. The Company is to provide services in the areas of Finance, Board of Directors, Grant Solicitation, Annual Reporting, School Board Representation and Facility Identification, Expansion, Design and Development. The agreement includes various other responsibilities of the Company involving school operations and reporting requirements. The contract provides for a base fee of 10 percent of the full time equivalent (FTE) per annum. Under this contract, the School incurred \$66,178 of expense for the 2020-21 fiscal year. A Forbearance Agreement was negotiated due to changes relating to the lease with the School that allowed only \$66,178 to be expensed. During 2019-2020 fiscal year, the Company advanced \$31,000 to the School under a line of credit to fund operating expenses, during the months of July 2020 through September 2020. The Company was repaid \$18,816 of the loan and donated the balance of \$12,184 to pay off the loan. The Company donation of \$12,184 to the School is the amount shown on the Statement of Activities as a Contribution and shown in Local and Other Revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. The Company advanced \$69,382 to the School under a line of credit to fund operating expenses to fund, as more fully disclosed in Note 6 to the financial statements.

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**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**11. RISK MANAGEMENT PROGRAMS**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**12. PENSION PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for employees with more than one year of service with the School. Contributions made by the School totaled \$89 for the year ended June 30, 2021, which were computed at 1.5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

**13. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2021, may be impaired.

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

**14. FUNDING AND CREDIT RISK CONCENTRATIONS**

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

**15. 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.

**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND & SPECIAL REVENUE FUND (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2021*

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>								
Intergovernmental:								
Federal Through State and Local State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,157	\$ 239,157	\$ -
Local and Other	1,635,482	1,465,680	1,465,680	-	-	-	-	-
Total Revenues	1,717,577	1,562,677	1,562,677	-	-	239,157	239,157	-
<b>Expenditures:</b>								
Current - Education:								
Instruction	615,747	582,952	582,952	-	-	229,681	229,681	-
Student Support Services	-	1,256	1,256	-	-	2,195	2,195	-
Instruction & Curriculum Development	-	-	-	-	-	753	753	-
Instructional Related Technology	8,217	3,884	3,884	-	-	-	-	-
Board	253,324	168,531	168,531	-	-	-	-	-
General Administration	-	-	-	-	-	6,278	6,278	-
School Administration	168,083	183,117	183,117	-	-	-	-	-
Fiscal Services	3,632	2,559	2,559	-	-	-	-	-
Food Services	87,887	27,680	27,680	-	-	-	-	-
Student Transportation	32,953	28,152	28,152	-	-	-	-	-
Operation of Plant	277,969	371,362	371,362	-	-	250	250	-
Maintenance of Plant	1,374	4,472	4,472	-	-	-	-	-
Community Service	14,147	200	200	-	-	-	-	-
Fixed Capital Outlay:								
Other Capital Outlay	-	110,773	110,773	-	-	-	-	-
Debt Service:								
Principal	214,244	36,585	36,585	-	-	-	-	-
Interest	-	422	422	-	-	-	-	-
Total Expenditures	1,677,577	1,521,945	1,521,945	-	-	239,157	239,157	-
Excess (Deficiency) of Revenues								
Over Expenditures	40,000	40,732	40,732	-	-	-	-	-
Other Financing Sources (Uses):								
Proceeds from Debt	-	69,382	69,382	-	-	-	-	-
Total Other Financing Sources (Uses)	-	69,382	69,382	-	-	-	-	-
Net Change in Fund Balances	40,000	110,114	110,114	-	-	-	-	-
Fund Balances, July 1, 2020	(41,507)	(41,507)	(41,507)	-	-	-	-	-
Fund Balances, June 30, 2021	\$ (1,507)	\$ 68,607	\$ 68,607	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report.

**ATHENIAN ACADEMY CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER THE ATHENIAN ACADEMY, INC.)**

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2021**

**1. BUDGETARY BASIS OF ACCOUNTING**

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

**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 Athenian Academy Charter School  
(A charter school under The Athenian Academy, Inc.),  
a Charter School and Component Unit of the District  
School Board of Lee 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 Athenian Academy Charter School (A charter school under The Athenian Academy, Inc.) (“School”), a charter school and component unit of the District School Board of Lee 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 10, 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”) to determine the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 10, 2021  
Tampa, Florida

Members:  
Florida Institute of CPAs  
American Institute of CPAs  
Government Audit Quality Center

2803 W. Busch Blvd Ste 106  
Tampa, FL 33618  
office (813) 892-4274 fax (813) 932-1913  
www.KingandWalker.com

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

To the Board of Directors of Athenian Academy Charter School  
(A charter school under The Athenian Academy, Inc.),  
a Charter School and Component Unit of the District  
School Board of Lee County, Florida

**Report on the Financial Statements**

We have audited the financial statements of Athenian Academy Charter School (A charter school under The Athenian Academy, Inc.) (“School”), a Charter School and Component Unit of the District School Board of Lee County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 10, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 10, 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 prior audit findings or recommendations.

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Athenian Academy Charter School, 364305.



## **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 conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Transparency**

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

## **Additional Matters**

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

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

## **Purpose of this Letter**

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

Respectfully submitted,



September 10, 2021  
Tampa, Florida