

**OLYMPUS INTERNATIONAL ACADEMY**  
BOCA RATON, FLORIDA  
(A CHARTER SCHOOL UNDER OLYMPUS  
INTERNATIONAL ACADEMY, INC.)

BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION

JUNE 30, 2021

**OLYMPUS INTERNATIONAL ACADEMY**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2021**

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**OLYMPUS INTERNATIONAL ACADEMY**  
(A Charter School under Olympus International Academy, Inc.)

8411 W. Palmetto Park Rd.  
Boca Raton, FL 33433  
(561) 900-5323

2020-2021

**BOARD OF DIRECTORS**

Mr. Joseph Mullen, President  
Mr. Jeffrey Legendre, Secretary  
Ms. Maria Dieguez, Member  
Ms. Charlene Thomas, Member

**SCHOOL ADMINISTRATION**

Ms. Nancy Swenson, Principal



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Olympus International Academy  
Boca Raton, 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 Olympus International Academy (the "School") a charter school under Olympus International Academy, Inc. 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 the School, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and budgetary comparison information on pages 24 through 25 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 November 23, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
November 23, 2021

**Management’s Discussion and Analysis**  
Olympus International Academy  
June 30, 2021

The corporate officers of Olympus International Academy (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2021.

**FINANCIAL HIGHLIGHTS**

1. At year-end, the School had current assets of \$182,385.
2. The School reported a change in net position of \$51,260 during the year ended June 30, 2021.

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School’s assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 – 10 of this report.

*Fund Financial Statements*

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

*Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 15 - 23 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of the School's financial position. A summary of the School's net position as of June 30, 2021 and 2020:

	Net Position	
	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 48,364	\$ 98,566
Due from other agencies	97,551	52,853
Prepaid expenses	36,470	3,708
Capital assets, net	164,298	136,438
Total Assets	\$ 346,683	\$ 291,565
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 236,892	\$ 96,209
Line of Credit	-	30,000
Loans payable	235,955	342,780
Total Liabilities	472,847	468,989
Net investment in capital assets	22,518	(13,562)
Deficit in unrestricted	(148,682)	(163,862)
Total Net Position (Deficit)	\$ (126,164)	\$ (177,424)
Total Liabilities and Net Position	\$ 346,683	\$ 291,565

At June 30, 2021, the School's total assets were \$346,683 and total liabilities were \$472,847. At June 30, 2021, the School reported a deficit in total net position of \$126,164.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021:

<b>REVENUES</b>	<u>2021</u>	<u>2020</u>
Program Revenues		
Revenues from state sources	\$ 317,789	91,924
Charges for services	76,724	97,823
General Revenues		
FEFP nonspecific revenue	1,838,032	1,420,509
Other local revenue	227,358	198,036
Interest income	28	-
Total Revenues	<u>\$ 2,459,931</u>	<u>\$ 1,808,292</u>
<b>EXPENSES</b>		
Instruction	\$ 1,240,928	\$ 725,749
General administration	110,655	249,228
School administration	282,658	299,605
School Board	4,348	34,533
Operation of plant	593,830	483,500
Maintenance of plant	80,404	18,562
Food services	-	2,847
Administrative technology services	47,119	9,848
Community services	48,729	67,696
Total Expenses	<u>\$ 2,408,671</u>	<u>\$ 1,891,568</u>
Change in Net Position	51,260	(83,276)
<b>Net Position (Deficit) at Beginning of Year</b>	<u>(177,424)</u>	<u>(94,148)</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ (126,164)</u>	<u>\$ (177,424)</u>

The School's total revenues for the year ended June 30, 2021 were \$2,459,931 while its total expenses were \$2,408,671 for a net increase of \$51,260.

#### **SCHOOL LOCATION**

The School operates in the Palm Beach area located at 8411 W. Palmetto Park Rd., Boca Raton, FL 33433.

#### **CAPITAL IMPROVEMENT REQUIREMENT**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

### **GOVERNMENTAL FUNDS**

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

For the year ended June 30, 2021, the School's governmental funds reported a deficit in its net change in fund balance of \$83,425 and reported a combined fund balance deficit at year-end of \$54,507.

### **CAPITAL ASSETS**

The School's investment in capital assets, as of June 30, 2021, amounts to \$164,298 (net of accumulated depreciation). This investment in capital assets includes improvements, furniture, fixtures and equipment.

### **LINE OF CREDIT**

The School entered into a line of credit agreement of up to \$50,000. Interest is payable monthly from the date of each advance at a rate of 2% per annum. If advances are paid within forty-five business days from the advance date, the advance shall bear an interest rate of 0%. As of June 30, 2021, there was no balance owed on the line of credit.

### **LONG-TERM DEBT**

In June 2019, the School entered into an agreement to lease facilities. Under the terms of the agreement, the landlord loaned the School a total of \$250,000, consisting of \$150,000 to purchase fixtures, furnishing and equipment and \$100,000 to be used for the purpose of marketing and promotion of the School. The balance owed related to this agreement totaled \$141,780 at June 30, 2021.

During the year ended June 30, 2021, the School entered into a loan agreement for \$100,000. The balance outstanding at June 30, 2021 totaled \$100,000. The balance is payable in full on December 31, 2021.

In the prior year, the School received loan proceeds of \$161,000 pursuant to the Paycheck Protection Program. The loan was forgiven in its entirety during the year ending June 30, 2021 and no balances are due as of June 30, 2021.

### **REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Nancy Swenson, Principal, at 8411 W. Palmetto Park Rd., Boca Raton, FL 33433.

## GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School’s fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School’s budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local district	\$ 1,759,417	\$ 1,759,417	\$ 1,838,032
Federal passed through state	40,000	40,000	317,789
Local and other revenue	110,700	110,700	143,110
<b>TOTAL REVENUES</b>	<b>\$ 1,910,117</b>	<b>\$ 1,910,117</b>	<b>\$ 2,298,931</b>
<b>EXPENDITURES</b>			
Instruction	\$ 917,856	\$ 917,856	\$ 1,189,923
General administration	107,011	107,011	110,655
School administration	197,932	197,932	282,658
School Board	8,500	8,500	4,348
Operation of plant	523,030	523,030	592,815
Maintenance of plant	15,120	15,120	80,404
Food services	9,400	9,400	-
Administrative technology services	5,200	5,200	47,119
Community services	59,729	59,729	48,729
Capital Outlay:			
Other capital outlay	-	-	79,880
Debt service	-	-	45,825
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,843,778</b>	<b>\$ 1,843,778</b>	<b>\$ 2,482,356</b>
 Net change in fund balance	 \$ 66,339	 \$ 66,339	 \$ (183,425)
<b>OTHER FINANCING SOURCES</b>			
Proceeds from note payable	-	-	100,000
 Net change in fund balance	 \$ 66,339	 \$ 66,339	 \$ (83,425)

The School invested in additional capital outlay during their second year of operations. In addition, additional maintenance expenditures were necessary during the year as a result of the COVID-19 pandemic.

**OLYMPUS INTERNATIONAL ACADEMY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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	Governmental Activities
<b>ASSETS</b>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 48,364
Due from other agencies	97,551
Prepaid expenses	36,470
TOTAL CURRENT ASSETS	<u>182,385</u>
CAPITAL ASSETS, NET	
Depreciable capital assets, net of accumulated depreciation	164,298
TOTAL CAPITAL ASSETS, NET	<u>164,298</u>
 TOTAL ASSETS	 <u><u>\$ 346,683</u></u>
<b>LIABILITIES AND NET POSITION</b>	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 167,639
Accrued payroll and related expenses	69,253
Loans payable - current portion	235,955
TOTAL CURRENT LIABILITIES	<u>472,847</u>
 TOTAL LIABILITIES	 <u>472,847</u>
NET POSITION (DEFICIT)	
Invested in capital assets, net of related debt	22,518
Deficit in unrestricted	(148,682)
TOTAL NET POSITION (DEFICIT)	<u>(126,164)</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 346,683</u></u>

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

**OLYMPUS INTERNATIONAL ACADEMY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>Functions</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 1,240,928	\$ -	312,389	\$ -	\$ (928,539)
General administration	110,655	-	-	-	(110,655)
School administration	282,658	-	5,400	-	(277,258)
School Board	4,348	-	-	-	(4,348)
Operation of plant	593,830	-	-	-	(593,830)
Maintenance of plant	80,404	-	-	-	(80,404)
Administrative technology services	47,119	-	-	-	(47,119)
Community services	48,729	76,724	-	-	27,995
<b>Total Governmental Activities</b>	<b>\$ 2,408,671</b>	<b>\$ 76,724</b>	<b>\$ 317,789</b>	<b>\$ -</b>	<b>\$ (2,014,158)</b>
GENERAL REVENUES:					
					1,838,032
					227,358
					28
					<u>2,065,418</u>
					51,260
					<u>(177,424)</u>
					<u>\$ (126,164)</u>

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

**OLYMPUS INTERNATIONAL ACADEMY  
BALANCE SHEET- GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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	Governmental Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 48,364
Due from other agencies	97,551
Prepaid expenses	36,470
<b>TOTAL ASSETS</b>	<b><u>\$ 182,385</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 167,639
Accrued payroll and related expenses	69,253
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>236,892</u></b>
 <b>FUND BALANCE</b>	
Nonspendable	36,470
Unassigned	(90,977)
<b>TOTAL FUND BALANCE</b>	<b><u>(54,507)</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 182,385</u></b>

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

**OLYMPUS INTERNATIONAL ACADEMY  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

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Total Fund Balance - Governmental Funds	\$	(54,507)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		164,298
Long term liabilities are not due in the current period and accordingly, are not reported as fund liabilities.		(235,955)
Total Net Position - Governmental Activities	<u>\$</u>	<u>(126,164)</u>

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

**OLYMPUS INTERNATIONAL ACADEMY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
State passed through local school district	\$1,838,032	\$ -	\$ 1,838,032
Federal passed through state	-	317,789	317,789
Local and other revenue:			
Charges for services	76,724	-	76,724
Other	66,386	-	66,386
<b>TOTAL REVENUES</b>	<u>\$1,981,142</u>	<u>\$ 317,789</u>	<u>\$ 2,298,931</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Instruction	\$ 877,534	\$ 312,389	\$ 1,189,923
General administration	110,655	-	110,655
School administration	277,258	5,400	282,658
School Board	4,348	-	4,348
Operation of plant	592,815	-	592,815
Maintenance of plant	80,404	-	80,404
Administrative technology services	47,119	-	47,119
Community services	48,729	-	48,729
Capital Outlay:			
Other capital outlay	79,880	-	79,880
Debt service:			
Principal retirement	45,825	-	45,825
<b>TOTAL EXPENDITURES</b>	<u>\$2,164,567</u>	<u>\$ 317,789</u>	<u>\$ 2,482,356</u>
Deficiency of revenues over expenditures	<u>(183,425)</u>	<u>-</u>	<u>(183,425)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from debt	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(83,425)</b>	<b>-</b>	<b>(83,425)</b>
Fund balance at beginning of year	28,918	-	28,918
Fund balance at end of year	<u>\$ (54,507)</u>	<u>\$ -</u>	<u>\$ (54,507)</u>

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

**OLYMPUS INTERNATIONAL ACADEMY  
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**

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Change in Fund Balance - Governmental Funds \$ (83,425)

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 as depreciation expense.

Capital outlays	79,880
Depreciation expense	(52,020)

Proceeds from issuance of long-term debt are reported as an other financing source in the governmental funds. However, in the statement of net position, the amount of funds borrowed is reported as an increase in notes payable and amounts forgiven are reported as income.

Proceeds from long-term financing	(100,000)
Forgiveness of debt	161,000

Repayment of long term liabilities are expenditures in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.	45,825
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Change in Net Position of Governmental Activities	<u>\$ 51,260</u>
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The accompanying notes are an integral part of this financial statement.



**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Olympus International Academy (the “School”) is a charter school sponsored by the School Board of Palm Beach County, Florida (the “District”). The School’s charter is held by Olympus International Academy, Inc., 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 School is governed by a Board of Directors composed of four members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School’s current charter is for a term of five years beginning August 1, 2018 through July 31, 2023. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. 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 which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. The School contract provides in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2021, the School’s second full year of operations, when approximately 230 students were enrolled in grades Kindergarten through 8<sup>th</sup> grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Government-wide and Fund Financial Statements (Continued)**

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue, debt service, and capital project funds are reported as separate columns in the fund financial statements:

The School utilizes the following major governmental funds:

*General Fund* – is the School’s primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

*Special Revenue Fund* – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period 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. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis of Accounting**

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash and cash equivalents**

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**Due from Other Agencies**

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources. Management has determined that amounts due from other agencies at June 30, 2021 are fully collectable and therefore, no allowance for uncollectable amounts has been recorded.

**Capital Assets and Depreciation**

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	Estimated Useful Lives <u>(years)</u>
Improvements other than building	10
Furniture, fixtures, and equipment	3 - 5

**Compensated Absences**

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may not “rollover” all unused days for use in future benefit years.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Government-wide Fund Net Position**

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2021 was \$22,518.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. There were no restricted net assets at June 30, 2021.
- Unrestricted – all other net position is reported in this category.

**Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – 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). At June 30, 2021, the School’s non-spendable fund balance totaled \$36,470.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2021, there is no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2021, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes, but do not meet the criteria to be classified as restricted or committed. At June 30, 2021, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification 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 considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Sources**

Revenues for operations will be received primarily from the District School Board of Palm Beach County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance 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. This activity is recorded in the Special Revenue Fund and Capital Outlay Fund, as applicable. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**Income Taxes**

Olympus International Academy Inc. qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

**Use of Estimates**

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

**Subsequent Events**

The School has evaluated subsequent events and transactions for potential recognition or disclosure through November 23, 2021 which is the date the financial statements were available to be issued.

**NOTE 3 - CASH DEPOSITS**

It is the School's policy to maintain its cash and cash equivalents in two financial institutions. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2021, the bank balances of the School's cash deposits was \$48,364 and did not exceed FDIC-insured limits.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2021 is as follows:

	Balance			Balance
	July 1, 2020	Additions	Disposals	June 30, 2021
Capital Assets				
Leasehold improvements	\$ 10,151	\$ -	\$ -	\$ 10,151
Furniture, fixtures, and equipment	150,837	79,880	-	230,717
Total Capital Assets	<u>160,988</u>	<u>79,880</u>	<u>-</u>	<u>240,868</u>
Less Accumulated Depreciation				
Leasehold improvements	\$ (761)	\$ (1,015)	\$ -	\$ (1,776)
Furniture, fixtures, and equipment	(23,789)	(51,005)	-	(74,794)
Total Accumulated Depreciation	<u>\$ (24,550)</u>	<u>\$ (52,020)</u>	<u>\$ -</u>	<u>\$ (76,570)</u>
Capital Assets, net	<u>\$ 136,438</u>	<u>\$ 27,860</u>	<u>\$ -</u>	<u>\$ 164,298</u>

For the year ended June 30, 2021, depreciation expense was allocated in the statement of activities as follows:

Instruction	\$ 51,005
Operation of plant	<u>1,015</u>
Total	<u>\$ 52,020</u>

**NOTE 5 – LINE OF CREDIT**

The School entered into a line of credit agreement with ADMPAR1, LLC (“ADM”), an unrelated entity, for an amount up to \$50,000. All sums advanced pursuant to the agreement shall bear interest from the date each advance is made until paid in full at a rate of 2.0% per annum. If advances are paid within forty-five business days from the advance date, the advance shall bear an interest rate of 0%. There were no amounts owed on the line of credit as of June 30, 2021. The School also subleases a portion of the facilities in which they operate to ADM. See Note 10.

**NOTE 6 – LONG-TERM LIABILITIES**

In June 2019, the School entered into an agreement with ICG Charter Boca Raton, LLC (“ICG”) to lease facilities. See Note 9. Under the terms of the agreement, the School received loan proceeds of \$250,000, consisting of a \$150,000 loan to purchase fixtures, furnishing and equipment (“FF&E Loan”) and a \$100,000 loan to be used for the purpose of marketing and promotion of the School (“Marketing Loan”). The loans bear no interest. Beginning January 1, 2021, the FF&E loan will be repaid on a monthly basis at a rate of \$50 per student. At June 30, 2021, the balance of the FF&E Loan was \$135,955. The Marketing Loan was paid in full during the year and there is no balance owed at June 30, 2021.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 6 – LONG-TERM LIABILITIES (Continued)**

In April 2020, the School received loan proceeds from a financial institution in the amount of \$161,000 under the Paycheck Protection Program (“PPP”), which matures in April 2022 and bears interest at 1% per annum. The loan is payable monthly with a deferral of payments for the first 6 months. The loan and accrued interest are forgivable in whole or in part if used for qualifying expenses, such as payroll, rent and utilities. The PPP Flexibility Act, passed in June 2020, extends the deferral of payments for unforgiven amounts based on the timing of the forgiveness application. During the year ended June 30, 2021, the School applied for and received forgiveness for the full amount of the loan. As a result, the School has reflected income related to the loan forgiveness of \$161,000 in the accompanying statement of activities.

In January 2021, the School entered into a loan agreement with an unrelated individual in the amount of \$100,000. The loan bears no interest and is payable in full on December 31, 2021. The balance outstanding as of June 30, 2021 was \$100,000.

The following schedule provides a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance				Balance at
	July 1, 2020	Borrowings	Repayments	Reductions	June 30, 2021
Loan payable - PPP	\$ 161,000	\$ -	\$ -	\$ (161,000)	\$ -
Loans payable - ICG	181,780	-	(45,825)	-	135,955
Loans payable - BVP	-	100,000	-	-	100,000
Total loans payable	<u>\$ 342,780</u>	<u>\$ 100,000</u>	<u>\$ (45,825)</u>	<u>\$ (161,000)</u>	<u>\$ 235,955</u>

Future payments are to be made as follows:

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 235,955
	<u>\$ 235,955</u>

**NOTE 7 – PROFESSIONAL SERVICES CONTRACT**

The School entered into an agreement with Building Hope Services to provide accounting and finance services to the School. The contract, renewable annually, calls for an annual fee of \$100 per student based on enrollment at the beginning of the school year, payable in monthly installments. For the year ended June 30, 2021, the School recorded expenses related to this agreement totaling \$16,103, net of credits received totaling \$7,680.

**NOTE 8 – EDUCATION SERVICE AND SUPPORT PROVIDER**

The School entered into an agreement with Vamos Falar Potugues Foundation, Inc. (“VFP”) to provide professional management and consulting services to the School. In its capacity, VFP manages the operations and finances and makes recommendations to the School’s independent board of directors which make the final determinations regarding policies and contracts. The agreement began on July 1, 2019 and is effective for ten years through June 30, 2029. The agreement will automatically renew for two additional five-year periods unless either party delivers a written notice of termination at least twelve months prior. The contract calls for a fee equal to 10% of all gross receipts of the School, excluding borrowings undertaken by the School, plus an additional 5% for before and aftercare revenues. The fee is payable in equal monthly installments. During the year ended June 30, 2021, no fees were charged or recorded related to this agreement. There are no amounts owed to VFP as of June 30, 2021.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 9 – COMMITMENTS**

The School entered into an agreement to lease facilities from ICG Charter Boca Raton, LLC under a 25 year non-cancelable operating lease expiring September 1, 2044 with an option to renew for up to two additional consecutive five year periods. During the year ending June 30, 2021, the agreement called for monthly lease payments of \$28,333 through June 30, 2021. On August 1 each year, the annual base rent is adjusted in accordance with the agreement. During the year ended June 30, 2021, rent expense totaled \$346,000.

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	
2022	\$ 486,000
2023	502,000
2024	504,000
2025	504,000
2026	754,000
2027 - 2031	3,770,000
2032 - 2036	3,770,000
2037 - 2041	3,770,000
2042 - 2044	<u>2,262,000</u>
Total	<u>\$ 16,322,000</u>

**NOTE 10 – SUBLEASE AGREEMENT**

The School entered into an agreement to sublease a portion of its facilities to ADMPAR1, LLC, beginning February 1, 2020 through December 31, 2022. The monthly rent payment was \$4,500 through December 31, 2020 and \$5,000 through June 30, 2021. During the year ended June 30, 2021, Rental income totaled \$57,000, which is recorded as other revenue in the accompanying financial statements. Rental payments to be received by the School at June 30, 2021 totaled \$33,500 and is included in due from other agencies in the accompanying financial statements. The School also entered into a line of credit agreement with ADM, which was paid in full as of June 30, 2021. See note 5.

Future minimum lease payments to be received are as follows:

<u>Year Ended June 30,</u>	
2022	63,000
2023	<u>33,000</u>
Total	<u>\$ 96,000</u>



**OLYMPUS INTERNATIONAL ACADEMY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 11 – GRANTS**

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

**NOTE 12 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

**NOTE 13 – OTHER MATTER**

The World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the School, its performance, and its financial results.

REQUIRED SUPPLEMENTAL INFORMATION

**OLYMPUS INTERNATIONAL ACADEMY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local school district	\$ 1,759,417	\$ 1,759,417	\$ 1,838,032
Local and other revenue	110,700	110,700	143,110
<b>TOTAL REVENUES</b>	<b>\$ 1,870,117</b>	<b>\$ 1,870,117</b>	<b>\$ 1,981,142</b>
<b>EXPENDITURES</b>			
Instruction	\$ 877,856	\$ 877,856	\$ 877,534
General administration	107,011	107,011	110,655
School administration	197,932	197,932	277,258
School Board	8,500	8,500	4,348
Operation of plant	523,030	523,030	592,815
Maintenance of plant	15,120	15,120	80,404
Food services	9,400	9,400	-
Administrative technology services	5,200	5,200	47,119
Community services	59,729	59,729	48,729
Capital Outlay:			
Other capital outlay	-	-	79,880
Debt service	-	-	45,825
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,803,778</b>	<b>\$ 1,803,778</b>	<b>\$ 2,164,567</b>
Change in fund balance before other financing sources	66,339	66,339	(183,425)
<b>OTHER FINANCING SOURCES</b>			
Payments received on notes receivable	-	-	100,000
<b>Net change in fund balance</b>	<b>\$ 66,339</b>	<b>\$ 66,339</b>	<b>\$ (83,425)</b>

See accompanying note to the required supplemental information.

**OLYMPUS INTERNATIONAL ACADEMY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

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	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through state	\$ 40,000	\$ 40,000	\$ 317,789
TOTAL REVENUES	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 317,789</u>
EXPENDITURES			
Instruction	40,000	40,000	312,389
School administration	-	-	5,400
TOTAL EXPENDITURES	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 317,789</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**OLYMPUS INTERNATIONAL ACADEMY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2021, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



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*

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Board of Directors of  
Olympus International Academy  
Boca Raton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Olympus International Academy (the "School") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 23, 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 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 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
November 23, 2021



**MANAGEMENT LETTER**

Board of Directors of  
 Olympus International Academy  
 Boca Raton, Florida

**Report on the Financial Statements**

We have audited the financial statements of Olympus International Academy (the “School”), a charter school sponsored by the District School Board of Palm Beach County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 23, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated November 23, 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. Corrections have been made in the preceding financial report, except as noted in the tabulation below.

Tabulation of uncorrected Audit Findings	
Current Year	2019 - 2020 FY
2021-001	2020-001
2021-002	
2021-003	
2021-004	



## **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 Olympus International Academy and #504030.

## **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 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 financials 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 procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2021 is not deteriorating. However, the following was noted that we would like to bring to the attention of the governing body of the School.

### **2021-1: Deficit in fund balance and net position**

#### Observation

Pursuant to Sections 218.39(5), Florida Statutes, the auditor must notify each member of the governing body for which a fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit, as reported on the fund financial statements of entities required to report under governmental financial reporting standards or on the basic financial statements of entities required to report under not-for-profit financial reporting standards, for which sufficient resources of the local governmental entity, charter school, charter technical career center, or district school board, as reported on the fund financial statements, are not available to cover the deficit.

#### Condition

The School has a deficit in net position of \$126,164 and a fund balance deficit of \$54,507 at June 30, 2021.

#### Cause

The 2020-2021 school year was the School's second year of operations. The School purchased certain equipment and incurred other start-up costs that caused the School to have a deficit in net position at June 30, 2021.

#### Effect

The School has a deficit in net position of \$126,164 and a fund balance deficit of \$54,507 at June 30, 2021.

### Recommendation

The School should review its approved initial budget on a monthly or quarterly basis and adjust for significant changes. Amendments to the budget should be approved by the Board. The School should continue to make efforts to increase enrollment for the following school year so that it can improve its financial position.

### Management response

The 2020-2021 school year was the School's second year of operations. Typically, schools incur many startup expenses during their initial years in order to excel academically and maximize their return in the future. Management has adopted a balanced budget for the 2021-2022 school year that will increase the School's net position and fund balance, which will be monitored.

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.

## **2021-2: Budget Expenditures**

### Observation

Although the School had an internal adopted budget for the fiscal year, the budget was not maintained and amended to reflect major changes in operating activity, such as debt service, grant and capital expenditures.

### Condition

Per Florida Statutes 1002.33(9)(h), the governing board of the charter schools must annually adopt and maintain an operation budget for the charter school's operations. This budget should be a balanced budget whereby there are adequate resources to fund all budgeted appropriations. In addition, expenditures should not exceed appropriations authorized by the Board.

### Cause

The amended and final budget was not adjusted to more accurately reflect actual revenues or expenditures at year-end.

### Effect

The School's operating budgets are created to help management control operations related to the revenues earned and costs spent. Due to the lack of maintaining the budget, there were significant budget and actual overages.

### Recommendation

The School should annually adopt and maintain an operating budget that includes debt service and capital expenditures. The budget should be reviewed on a monthly or quarterly basis and compared to actual expenses and revenues. As needed and appropriate, the budget should be amended and approved for significant changes.

### Management response

Management will review budget versus actual on a quarterly basis. Significant changes will result in budget amendments that will be approved by the Board.

### **2021-3: Year-End Closing Procedures**

#### Observation

This year's audit process was delayed due to financial closing procedures not being performed in a timely manner. As a result, the auditors had to propose journal entries that management should have prepared at closing, resulting in several adjusting journal entries.

#### Condition

Certain financial closing procedures were not completed related to the according of accrued revenues and expenses.

#### Cause

Auditor noted while performing a test of subsequent transactions, that revenues and expenses related to the fiscal year were not accrued as of year-end.

#### Effect

If financial closing procedures are not established, this could allow for errors to go undetected and for transactions to be recorded in the incorrect period.

#### Recommendation

We believe that the year-end closing could proceed more quickly by developing a closing schedule that indicates who will perform each procedure and when completion of each procedure is due and accomplished. The checklist should include a review and the recording of year-end accruals. The timing of specific procedures could be coordinated with the timing of management's or the auditor's need for the information.

#### Management Response

Management will develop procedures to ensure that all year-end adjusting entries are prepared and reviewed.

### **2021-4: Website Maintenance**

#### Observation

The School's website was not updated in accordance with applicable regulations.

#### Condition

Per Florida Statute 1002.33(9)(p), each charter school shall maintain a website that enables the public to obtain information regarding the school. The School's charter agreement requires the School to update their website quarterly for board member names, meetings, minutes, current year budget, public accountability report and recent independent fiscal audit.

#### Cause

During our audit, we were unable to find the current budget and recent independent fiscal audit on the School's website. In addition, the minutes for some, but not all, meetings held were not included on the website.

Effect

All required information related to the School's governing board and activities are not easily accessible on the website.

Recommendation

The School should review their website on a quarterly basis to ensure that all required information is made available.

Management Response

Management will review the website on a quarterly basis and update accordingly.

**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 did not maintain the information specified in Section 1002.33(9)(p), Florida Statutes on its Web site.

**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 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 School Board of Palm Beach County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
November 23, 2021