

**SKY ACADEMY ENGLEWOOD**  
**(A CHARTER SCHOOL AND DIVISION OF**  
**THE YMCA OF SOUTHWEST FLORIDA, INC.)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

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**JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
SKY Academy Englewood  
Englewood, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the aggregate remaining fund information, of SKY Academy Englewood (the "Charter School") (a Charter School and Division of The YMCA of Southwest Florida, Inc.) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter 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. Management is also responsible for 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 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. 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.

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***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the aggregate remaining fund information, of the Charter 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.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9, and 27 and 28 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The combining nonmajor fund financial statements and budgetary comparison schedules as listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and budgetary comparison schedules as listed in the table of contents as other supplementary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and budgetary comparison schedules as listed in the table of contents as other supplemental information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the 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 Charter School's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
October 26, 2021

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

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

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As management of the SKY Academy Englewood (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2021.

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

**Financial Highlights**

The following are the highlights of financial activity for the year ended June 30, 2021:

- The year ended June 30, 2021 was the sixth year of operations for the Charter School. Enrollment decreased by ten students from prior year to an end-of-year student count of 273.
- The Charter School reported a net position of \$245,992 at June 30, 2021, which decreased \$95,843 from June 30, 2020 reported net position of \$341,835.
- As of June 30, 2021, the Charter School's governmental funds reported combined ending fund balances of (\$139,953) compared to \$98,737 reported fund balance as of June 30, 2020.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements for the year ended June 30, 2021 are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

The basic financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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

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

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

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

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must also be considered in order to reasonably assess the Charter School's overall performance.

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

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities. The fund financial statements can be found on pages 12 through 15 of this report.

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

The notes to the basic financial statements can be found on pages 16 through 26 of this report.



**SKY ACADEMY OF ENGLEWOOD**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

**Government-Wide Financial Analysis**

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

	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>ASSETS</b>			
Current assets	\$ <b>228,337</b>	\$ 386,651	\$ (158,314)
Capital assets, net	<b>385,945</b>	243,098	142,847
Total assets	<b>614,282</b>	629,749	(15,467)
<b>LIABILITIES</b>			
Current liabilities	<b>368,290</b>	287,914	80,376
<b>NET POSITION</b>			
Investment in capital assets	<b>385,945</b>	243,098	142,847
Unrestricted	<b>(139,953)</b>	98,737	(238,690)
Net position	<b>\$ 245,992</b>	\$ 341,835	\$ (95,843)

Current assets consist of cash and accounts receivable. Total current assets decreased \$158,314 or 41% during 2021. Total current liabilities consist of accounts payable, accrued expenses, and amounts due to The YMCA of Southwest Florida, Inc. (YMCA). Total current liabilities increased \$80,376 or 28% during 2021. As of June 30, 2021, total net position was \$245,992 compared to \$341,835 as of June 30, 2020.

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

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

A summary and analysis of the Charter School's revenues and expenses for the years ended June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Program revenues			
Charges for services	\$ 35,428	\$ 79,828	\$ (44,400)
Operating grants and contributions	575,557	548,132	27,425
Capital grants and contributions	205,842	217,519	(11,677)
General revenues			
State sources	1,851,808	1,968,601	(116,793)
Local sources	41,761	62,001	(20,240)
Total revenue	<u>2,710,396</u>	<u>2,876,081</u>	<u>(165,685)</u>
Governmental activities			
Instruction	1,367,538	1,282,599	84,939
Health services	69,704	72,152	(2,448)
Instruction and curriculum development services	50,805	40,343	10,462
Instruction-related technology	71,997	46,845	25,152
Board	8,866	8,866	-
General administration	17,197	15,217	1,980
School administration	326,758	356,042	(29,284)
Facilities	169,688	352,379	(182,691)
Fiscal services	20,688	20,688	-
Food services	123,347	130,519	(7,172)
Informational services	21,899	24,765	(2,866)
Transportation	90,588	77,195	13,393
Operation of plant	205,412	135,349	70,063
Maintenance of plant	11,286	21,690	(10,404)
Administrative technology services	4,069	4,048	21
Community services	246,397	262,758	(16,361)
Total expenses	<u>2,806,239</u>	<u>2,851,455</u>	<u>(45,216)</u>
Change in net position	<u>(95,843)</u>	24,626	(120,469)
Net position - beginning*	341,835	317,209	24,626
Net position - ending	<u>\$ 245,992</u>	<u>\$ 341,835</u>	<u>\$ (95,843)</u>

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

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

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In March 2020, as the Charter School was on spring break, institutions around the country began to close due to COVID-19. This included the Sarasota County School District and SKY Academy Englewood. The building was closed to students; however, the educating of students was expected to continue. The Charter School switched from in-person instruction to a remote structure. This structure required all our staff members to work from home while providing online instruction to our students five days a week. This platform continued through the end of the 2019-2020 school year which ended in June. During the remote teaching period we no longer ran school busses, aftercare programs, field trips or interscholastic sports. This reduced our expenses. While during this period we did start a food distribution program, which was reimbursed through government grants and partnered with local businesses to help feed families in need. Staff members continued to be paid and the school building was still being used on a daily basis, but on a much more limited scale. Also, as a result of the programmatic shift, there was a focus on social engagement and remote communication through a series of social media daily announcements. Educating of students for school year 2020-2021 was modified due to the continuing pandemic, allowing choice of personal instruction or online instruction, with online instruction enrollment included in the enrollment count. The educating of students converted fully to in person instruction with continued safety measures for school year 2021-2022, with continued growth in student counts.

For the year ended June 30, 2021, Charter School revenues and expenses were slightly less resulting in a net position balance of \$245,992. This represents a decrease in net position of \$95,843 for the year ended June 30, 2021. The largest revenue source for the Charter School is the State of Florida (68%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the Charter School. For the year ended June 30, 2021, the Charter School had state revenues of \$1,851,808. This represents a decrease of \$116,793 over the year ended June 30, 2020.

For the years ended June 30, 2021 and 2020, instruction related expenses was the largest concentration of expenses of \$1,367,538 and \$1,282,599, respectively. This represents an increase of \$84,939 over the year ended June 30, 2020.

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

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

**Governmental Funds.** The focus of the Charter 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 Charter School's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of The YMCA of Southwest Florida, Inc.)**

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

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At the end of the fiscal year, the Charter School's governmental General Fund reported an ending fund balance of (\$139,953) compared to \$98,737 at June 30, 2020. The fund balance is unassigned and available for spending at the Charter School's discretion.

**General Fund Budgetary Highlights**

For the year ended June 30, 2021, the end-of-year student count for the Charter School was 273. This was a decrease over the prior year of ten students, this was lower than budgeted expectation of 275 students. As a result, overall school funding was \$340,448 lower than budget for the year. Expenses for the Charter School were more than budget for the year by \$207,829 primarily in the areas of instruction, school administration and community service, which were impacted by COVID-19.

**Capital Assets**

The Charter School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$385,945 (net of accumulated depreciation) compared to \$243,098 as of June 30, 2020. This investment in capital assets includes furniture, fixtures and equipment, leasehold improvements and assets under capital lease. Additional information regarding the Charter School's capital assets can be found in the notes to the financial statements.

**Economic Factors That Will Impact the Future**

The economic position of the Charter School continues to be closely tied to that of the State of Florida. It is expected that the Charter School will continue to maintain its present level of services and financial health. Despite the pandemic, the Charter School plans to operate fully in fiscal year 2021-2022 with on-site instruction, and does not plan to provide virtual classrooms. Enrollment is expected to increase to 300 students. For the school year 2021-2022, the initial fulltime equivalent (FTE) calculation indicates a slight increase in per-student annual charter revenue. The anticipated expenditures for the 2021-2022 school year may increase by an amount greater than the projected revenue; however, any shortfall will be covered by the Charter School's unrestricted net position and contributions from the YMCA. The Charter School charter became effective on February 4, 2015 and was renewed through June 30, 2035. The Charter School is confident that it has the staff and other resources in place to deliver and provide first-rate educational services and is actively seeking new ways to provide a higher level of education as efficiently as possible by managing its cost and being innovative in its approach to providing educational services.

**Requests for Information**

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

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets	
Cash	\$ 228,214
Accounts receivable	123
Total current assets	228,337
Capital assets, net	385,945
<b>TOTAL ASSETS</b>	<b>\$ 614,282</b>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Accounts payable	\$ 12,520
Accrued expenses	185,723
Due to SKY Family YMCA, Inc.	170,047
Total current liabilities	368,290
Net position	
Invested in capital assets	385,945
Unrestricted	(139,953)
Total net position	245,992
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 614,282</b>

See accompanying notes to financial statements.

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 1,367,538	\$ -	\$ 477,276	\$ -	\$ (890,262)
Health services	69,704	-	-	-	(69,704)
Instruction and curriculum development services	50,805	-	-	-	(50,805)
Instruction-related technology	71,997	-	-	-	(71,997)
Board	8,866	-	-	-	(8,866)
General administration	17,197	-	-	-	(17,197)
School administration	326,758	-	-	-	(326,758)
Facilities	169,688	-	-	205,842	36,154
Fiscal services	20,688	-	-	-	(20,688)
Food services	123,347	35,428	98,281	-	10,362
Information services	21,899	-	-	-	(21,899)
Transportation	90,588	-	-	-	(90,588)
Operation of plant	205,412	-	-	-	(205,412)
Maintenance of plant	11,286	-	-	-	(11,286)
Administrative technology	4,069	-	-	-	(4,069)
Community services	246,397	-	-	-	(246,397)
Total governmental activities	<u>\$ 2,806,239</u>	<u>\$ 35,428</u>	<u>\$ 575,557</u>	<u>\$ 205,842</u>	<u>(1,989,412)</u>
General revenues					
State sources					1,851,808
Local sources					41,761
Total general revenues					<u>1,893,569</u>
Change in net position					(95,843)
Net position, beginning of year					<u>341,835</u>
Net position, end of year					<u>\$ 245,992</u>

See accompanying notes to financial statements.

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 228,214	\$ -	\$ 228,214
Accounts receivable	123	-	123
<b>TOTAL ASSETS</b>	<b>\$ 228,337</b>	<b>\$ -</b>	<b>\$ 228,337</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ 12,520	\$ -	\$ 12,520
Accrued expenses	185,723	-	185,723
Due to SKY Family YMCA, Inc.	170,047	-	170,047
Total liabilities	368,290	-	368,290
Fund balance			
Unassigned	\$ (139,953)	-	(139,953)
Total fund balance	(139,953)	-	(139,953)
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 228,337</b>	<b>\$ -</b>	<b>\$ 228,337</b>

See accompanying notes to financial statements.

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

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

**JUNE 30, 2021**

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Total fund balance per the balance sheet – governmental funds	\$ (139,953)
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Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds. The cost of the capital assets is \$670,484 less accumulated depreciation of \$284,539.

385,945

Net position of governmental activities

\$ 245,992

**See accompanying notes to financial statements.**



**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Federal sources	\$ -	\$ 98,281	\$ 98,281
State sources	1,921,070	139,167	2,060,237
Local sources	485,203	66,675	551,878
Total revenues	<u>2,406,273</u>	<u>304,123</u>	<u>2,710,396</u>
<b>Expenditures</b>			
Instruction	1,353,522	-	1,353,522
Health services	69,704	-	69,704
Instruction and curriculum development services	50,805	-	50,805
Instruction-related technology	43,042	-	43,042
Board	8,866	-	8,866
General administration	17,197	-	17,197
School administration	324,206	-	324,206
Facilities	171,525	205,842	377,367
Fiscal services	20,688	-	20,688
Food services	20,771	98,281	119,052
Information services	21,899	-	21,899
Transportation	90,588	-	90,588
Operation of plant	190,398	-	190,398
Maintenance of plant	11,286	-	11,286
Administrative technology	4,069	-	4,069
Community services	246,397	-	246,397
Total expenditures	<u>2,644,963</u>	<u>304,123</u>	<u>2,949,086</u>
Net change in fund balances	(238,690)	-	(238,690)
Fund balances, beginning of year	98,737	-	98,737
Fund balances, end of year	<u>\$ (139,953)</u>	<u>\$ -</u>	<u>\$ (139,953)</u>

See accompanying notes to financial statements.

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2021**

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**Net change in fund balances - governmental funds** **\$ (238,690)**

Amounts reported in the statement of activities are different because:

Depreciation expense reported in the statement of activities is not reported as an expenditure in the statement of revenues, expenditures and changes in fund balances - governmental funds **(64,832)**

Capital outlays reported as an expenditure in the statement of revenues, expenditures and changes in fund balances - governmental funds not reported in the statement of activities **207,679**

**Change in net position - statement of activities** **\$ (95,843)**

**See accompanying notes to financial statements.**

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The YMCA opened the Charter School in 2015. The general operating authority of the Charter School is contained in Section 1002.33, Florida Statutes. The Charter School operates under a charter approved by its sponsor, the School Board of Sarasota County, Florida (the "School Board") on February 4, 2015.

The Charter School's original charter was approved by the School Board on February 4, 2015 for five years. The contract was renewed for fifteen years through June 30, 2035. The charter may be renewed as provided for in Section 1002.33, Florida Statutes. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the Charter School in writing at least 90 days prior to the charter's termination. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the Charter School with public funds and any unencumbered public funds revert back to the School Board.

The governing body of the Charter School is its Board of Directors, which is composed of five members. The executive director of the YMCA is the executive officer of the Charter School. The Charter School reported, on average, an enrollment of 273 students for the fiscal year ended June 30, 2021.

Average enrollment and grade configuration for the 2020-2021 school year is as follows:

<u>School Name and Address</u>	<u>Grades</u>	<u>Enrollment</u>	<u>Principal</u>
SKY Academy Englewood	Sixth	91	John Bailey
881 South River Road	Seventh	82	
Englewood, FL 34223	Eighth	100	

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation: The basic financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

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

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

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

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

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both 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. For this purpose, the Charter 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. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.

The Charter School reports the following major governmental fund:

General Fund – Is the Charter School's primary operating fund. It accounts for all financial activity not required to be accounted for in another fund.

Additionally, the Charter School reports the following fund types:

Special Revenue Fund – Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for specific purpose and to provide a single source of accountability for all the monies received.

Capital Outlay Fund – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for those particular purposes such as acquisition or construction of facilities, other capital assets, or lease payments.

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

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors through the adoption of a resolution. Only the Board of Directors may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the Charter School's intent to be used for specific purposes, but are neither restricted nor committed. Currently there is no one authorized to assign fund balances.
- *Unassigned:* Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Charter School reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds when applicable.

The Charter School's policy is to apply expenditures in the following order: non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

The Charter School's policy is to consider restricted net position to have been depleted before unrestricted net position is applied on the government-wide financial statements.

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

*Accrual:* Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash: Amounts reported as cash consists of cash in demand deposit accounts. Cash deposits of the Charter School are held by banks qualified as public depositories under Florida law.

Capital Assets: Capital assets are recorded at cost or the estimated acquisition value at the date of donation. Expenditures in excess of \$5,000 with an estimated useful life greater than one year are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life is not capitalized. When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the change in net position for the respective period.

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

Office equipment and computers	5-7 years
Furniture and machinery	3-10 years
Automobiles	5 years
Leashold improvements	10-30 years

Revenue Sources: Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and Section 1002.33 (18)(b), Florida Statutes, the Charter School reports the number of fulltime equivalent (FTE) students and related data to the School Board, which in turn reports this information to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Charter School is adjusted monthly to reflect the revised calculations by the FDOE under the FEFP based upon the actual weighted FTE students reported by the Charter School during the designated student survey periods.

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

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

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Concentration of Revenue Sources: For the year ended June 30, 2021, approximately 97% of the Charter School's revenue was derived from grants from the federal government passed through the State of Florida Department of Education, and state and local funds passed through the School District. The level of the Charter School's operations and program services may be impacted if funding is not renewed.

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

**NOTE 2. CASH**

All Charter School bank balances are fully insured or collateralized as required by Chapter 280, Florida Statutes. At June 30, 2021, the Charter School's deposits in financial institutions totaled \$228,214.



**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 3. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets				
Furniture and machinery	\$ 147,317	\$ -	\$ -	\$ 147,317
Office equipment and computers	246,108	207,679	-	453,787
Leasehold improvements	69,380	-	-	69,380
Total	<u>462,805</u>	<u>207,679</u>	<u>-</u>	<u>670,484</u>
Less accumulated depreciation and amortization				
Furniture and machinery	74,220	17,701	-	91,921
Office equipment and computers	116,547	40,039	-	156,586
Leasehold improvements	28,940	7,092	-	36,032
Total accumulated depreciation	<u>219,707</u>	<u>64,832</u>	<u>-</u>	<u>284,539</u>
Governmental activities capital assets, net	<u>\$ 243,098</u>	<u>\$ 142,847</u>	<u>\$ -</u>	<u>\$ 385,945</u>

Depreciation expense was \$64,832 for the year ended June 30, 2021. Depreciation was charged to functions as follows:

Governmental activities	
Instruction	\$ 14,016
Instruction-related technology	28,955
School administration	2,552
Food service	4,295
Operation of plant	15,014
	<u>\$ 64,832</u>

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 4. RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

As described in Note 1, the Charter School is a division of the YMCA. From time to time, there may be amounts due to the YMCA that represent amounts advanced by the YMCA on behalf of the Charter School for operating costs in excess of amounts repaid by the Charter School.

The YMCA pays for the payroll and related payroll liabilities (taxes, insurance, retirement, etc.) on behalf of the Charter School and the Charter School reimburses the YMCA monthly. As of June 30, 2021, the amount due to the YMCA totaled \$170,047. In addition, the YMCA provides various management and professional services to the Charter School under a management services contract. During the year ended June 30, 2021, the contract provided for annual fees of \$325,104. The contract also provides that if, for any reason, the Charter School cannot remit payments due under the contract, the YMCA will allow for reductions and may waive its fees. During the year ended June 30, 2021, there were no waived management fees from the YMCA.

The Charter School rents its facilities from the YMCA under a lease agreement (see Note 7). In accordance with the lease agreement, future minimum payments due under the lease may be reduced at the discretion of the YMCA to help the cash flows of the Charter School. The Charter School incurred expenses of \$340,000 for the year ended June 30, 2021 under this agreement.

Additionally, the Charter School provides food service for the preschool and after school programs of YMCA in exchange for a fee. Total fees earned for the year ended June 30, 2021 totaled approximately \$23,232 and are included in local revenues in the statement of activities.

The Charter School and SKY Academy Venice, a charter school and Division of YMCA of Southwest Florida, Inc., receive funding for the national school lunch program and the summer food service program. The funding goes directly to SKY Academy Venice and the Charter School is reimbursed for its share. As of June 30, 2021, there was no amount due from SKY Academy Venice for the food program.

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 5. CONTRIBUTED MATERIALS, EQUIPMENT, AND SERVICES**

Contributed property, materials, and equipment, if any, are recorded in the accompanying financial statements at their acquisition values at the date of receipt. The Charter School did not receive any donated property or equipment for the year ended June 30, 2021. A number of volunteers have donated significant amounts of time to the Charter School's administrative services and its fundraising campaigns during the year; however, these donated services are not reflected in the financial statements.

**NOTE 6. STATE REVENUE**

A major source of the District's revenue is received from the State of Florida, who provided approximately 77% of total revenues in fiscal year 2020-2021. State revenue sources are as follows for the year ended June 30, 2021:

State Revenues	
Florida Education Finance Program	\$ 1,588,862
State Categorical Instructional Materials	25,405
School Lunch Supplement	97
Transportation	11,113
Excellent Teaching Program	43,857
Reading Programs	11,276
Classrooms First Program	240,460
Public Education Capital Outlay	139,167
Total State Revenue	<u>\$ 2,060,237</u>

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 7. LEASES**

Lease Agreements: The Charter School leases its premises from the YMCA under an operating lease that expires on July 1, 2022. The lease provides for minimum annual payments of \$340,000, paid in equal monthly installments. In accordance with the lease agreement, future minimum payments due under the lease may be reduced at the discretion of the YMCA to help the cash flows of the Charter School.

The Charter School also leases a copier under an operating lease expiring in 2025. The lease requires minimum monthly payments of \$727.

Future minimum lease commitments are as follows:

2022	\$	348,724
2023		8,724
2024		8,724
2025		2,181
	\$	<u>368,353</u>

Rent expense was \$350,173 for the year ended June 30, 2021.

Insurance: The Charter School maintains general liability, errors and omissions and automobile liability insurance. There have not been any significant reductions in insurance coverage during the year. Additionally, no claims have been settled in excess of insurance coverage in the past two years.

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 8. RETIREMENT PLAN**

The Charter School employees participate in The YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986 as amended; and The YMCA Retirement Fund Tax – Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the Code. Both plans are sponsored by the The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions to the YMCA Retirement Fund are a percentage of the participating employees' qualified compensation. The basic YMCA retirement plan is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts on either a tax-deferred or an after-tax basis. The Charter School's contributions charged to retirement costs for the fiscal years ended June 30, 2021 was \$71,845.

**NOTE 9. RISKS AND UNCERTAINTIES**

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties continue which may impact the Charter School's revenues and operations. This includes federal and state funding which could be impacted for the upcoming year. Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty at this time. Other financial impact could occur, though such potential impact is unknown at this time.

**NOTE 10. SUBSEQUENT EVENTS**

The Charter School has evaluated all subsequent events through October 26, 2021, the date the financial statements were available to be issued.

On September 1, 2021, the YMCA of Southwest Florida, Inc. entered into an agreement to lease four school buses, which will be utilized by the Charter School, as well as SKY Academy Venice. The Charter School and SKY Academy Venice have agreed to fund the payments in the amount of \$3,812 and \$3,967, respectively, for a total of \$7,779 per month, for a period of 60 months/five years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		
<b>Revenues</b>				
State sources	\$ 2,191,034	\$ 2,191,034	\$ 1,921,070	\$ (269,964)
Local sources	555,687	555,687	485,203	(70,484)
Total revenues	<u>2,746,721</u>	<u>2,746,721</u>	<u>2,406,273</u>	<u>(340,448)</u>
<b>Expenditures</b>				
Instruction	1,232,580	1,232,580	1,353,522	(120,942)
Student support services	56,113	56,113	69,704	(13,591)
Instruction and curriculum development services	34,264	34,264	50,805	(16,541)
Instruction-related technology	33,500	33,500	43,042	(9,542)
Board	8,868	8,868	8,866	2
General administration	14,772	14,772	17,197	(2,425)
School administration	354,707	354,707	324,206	30,501
Facilities	139,906	139,906	171,525	(31,619)
Fiscal services	20,688	20,688	20,688	-
Food services	83,155	83,155	20,771	62,384
Central services	24,382	24,382	21,899	2,483
Transportation	86,612	86,612	90,588	(3,976)
Operation of plant	138,124	138,124	190,398	(52,274)
Maintenance of plant	21,504	21,504	11,286	10,218
Administrative technology services	1,958	1,958	4,069	(2,111)
Community services	186,001	186,001	246,397	(60,396)
Total expenditures	<u>2,437,134</u>	<u>2,437,134</u>	<u>2,644,963</u>	<u>(207,829)</u>
Net change in fund balance	309,587	309,587	(238,690)	(548,277)
Fund balance, beginning of year	98,737	98,737	98,737	-
Fund balance, end of year	<u>\$ 408,324</u>	<u>\$ 408,324</u>	<u>\$ (139,953)</u>	<u>\$ (548,277)</u>

See notes to required supplemental information.

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**NOTE 1. BUDGETARY INFORMATION**

Budgetary Basis 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). Budgets are prepared and the Board of Directors adopts original budgets annually. Budget amendments must be approved by the Board of Directors. No budget amendments were made during the year.



**OTHER SUPPLEMENTARY INFORMATION**

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	-	-	-
Accrued expenses	-	-	-
Due to SKY Family YMCA, Inc.	-	-	-
Total liabilities	-	-	-
Fund balance			
Restricted	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See accompanying notes to financial statements.**

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2021**

	Special Revenue Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues			
Federal sources	\$ 98,281	\$ -	\$ 98,281
State sources	-	139,167	139,167
Local sources	-	66,675	66,675
Total revenues	<u>98,281</u>	<u>205,842</u>	<u>304,123</u>
Expenditures			
Facilities	-	205,842	205,842
Food services	98,281	-	98,281
Total expenditures	<u>98,281</u>	<u>205,842</u>	<u>304,123</u>
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See accompanying notes to financial statements.**

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Federal sources	\$ 50,076	\$ 50,076	\$ 98,281	\$ 48,205
Total revenues	<u>50,076</u>	<u>50,076</u>	<u>98,281</u>	<u>48,205</u>
Expenditures				
Food services	50,076	50,076	98,281	(48,205)
Total expenditures	<u>50,076</u>	<u>50,076</u>	<u>98,281</u>	<u>(48,205)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See accompanying notes to financial statements.**

**SKY ACADEMY ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND  
FISCAL YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance
	Original	Final		
Revenues				
State sources	\$ 73,090	\$ 73,090	\$ 139,167	\$ 66,077
Local sources	141,000	141,000	66,675	(74,325)
Total revenues	<u>214,090</u>	<u>214,090</u>	<u>205,842</u>	<u>(8,248)</u>
Expenditures				
Facilities	214,090	214,090	205,842	8,248
Total expenditures	<u>214,090</u>	<u>214,090</u>	<u>205,842</u>	<u>8,248</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**See accompanying notes to financial statements.**



**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  
SKY Academy Englewood  
Englewood, 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 SKY Academy Englewood (the "Charter School") (a Charter School and Division of The YMCA of Southwest Florida, Inc.), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated October 26, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

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

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

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter 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 Charter 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida  
October 26, 2021



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Directors  
SKY Academy Englewood  
Englewood, Florida

### **Report on the Financial Statements**

We have audited the financial statements of SKY Academy Englewood (the "Charter School") (a Charter School and Division of The YMCA of Southwest Florida, Inc.) as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated October 26, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if any, which is dated October 26, 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. Corrective actions were taken to address finding 2020-001 accrued payroll and 2020-002 financial close and reconciliation process. See Summary of Prior Audit Findings.

### **Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity are SKY Academy Englewood; 0117.

### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the Charter 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 Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



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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 Charter School. It is management's responsibility to monitor the Charter 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.

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

**Additional Matters**

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

**Purpose of this Letter**

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
October 26, 2021

**SKY ACADEMY OF ENGLEWOOD**  
**(A Charter School and Division of the YMCA of Southwest Florida, Inc.)**

**SUMMARY OF PRIOR AUDIT FINDINGS**

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**Finding No. 2020-001 – Accrued Payroll – Material Weakness**

**Condition:** The Charter School did not record accrued payroll for teachers for amounts to be paid in July and August who had fulfilled their contract term as of the end of the fiscal year. Additionally, the Charter School did not record accrued payroll for employees whose pay period spanned over the fiscal year. The Charter School restated beginning fund balance/net position to correct these errors from prior years.

**Cause:** The Charter School previously did not record accrued payroll related to employees whose pay period spanned over the fiscal year since management previously identified the amount as not material. The Charter School did not record the unpaid portion of teacher's contracts due to an oversight.

**Current Status:** No such findings were noted during the current year audit and all entries were properly posted to the financial records.

**Finding No. 2020-002 – Financial Close and Reconciliation Process – Significant Deficiency**

**Condition:** During the course of the audit, it was noted that the Charter School had experienced turnover and other matters out of their control related to COVID-19 and therefore did not perform a timely review of the year-end close of the 2020 fiscal year-end, resulting in several transactions and balances that were incorrectly posted, and intercompany accounts that were not properly reconciled.

**Cause:** The Charter School did not have an effective process in place during the year or at year-end to have periodic reviews performed of the accounting records to provide for the preparation and fair presentation of its financial statements without several adjustments being recorded. Also, it does not appear that sufficient resources were available to be allocated to the oversight and review of the financial accounting records to identify these matters on a timely basis.

**Current Status:** No such findings were noted during the current year audit and all entries were properly posted to the financial records.