

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2021

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
TABLE OF CONTENTS
JUNE 30, 2021**

	<u>Page Number(s)</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 8
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Fiduciary Fund	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17 – 27
Required Supplementary Information	28
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund	29
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Elementary and Special Education Act Title 1 Fund	30
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – CARES Act Fund	31
Notes to Required Supplementary Information	32
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	33 – 34
Independent Auditors' Management Letter Required by Chapter 10.850, Rules of the State of Florida, Office of the Auditor General	35 – 37
Management's Response	38

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Wakulla's Charter School of Arts, Science and Technology, Inc.:

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 Wakulla's Charter School of Arts, Science and Technology, Inc. (a component unit of the Wakulla County School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Wakulla's Charter School of Arts, Science and Technology, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Wakulla's Charter School of Arts, Science and Technology, Inc.'s 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.

Auditors' 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 of 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.

- 1 -

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WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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 Wakulla's Charter School of Arts, Science and Technology, Inc. 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.

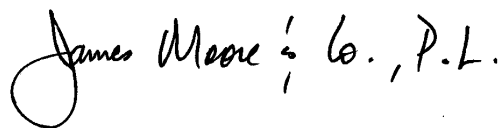
Other Matters

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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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 August 26, 2021 on our consideration of Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control over financial reporting and 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 Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control over financial reporting and compliance.



Tallahassee, Florida
August 26, 2021

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

As management of Wakulla's Charter School of Arts, Science and Technology, Inc., we offer readers of Wakulla's Charter School of Arts, Science and Technology, Inc.'s financial statements this narrative overview and analysis of the financial activities of Wakulla's Charter School of Arts, Science and Technology, Inc. for the fiscal year ended June 30, 2021.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to Wakulla's Charter School of Arts, Science and Technology, Inc.'s basic financial statements. Wakulla's Charter School of Arts, Science and Technology, Inc.'s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Wakulla's Charter School of Arts, Science and Technology, Inc.'s finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of Wakulla's Charter School of Arts, Science and Technology, Inc.'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 financial position of Wakulla's Charter School of Arts, Science and Technology, Inc. is improving or deteriorating.

The *statement of activities* presents information showing how Wakulla's Charter School of Arts, Science and Technology, Inc.'s net position changed during the most recent fiscal 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 for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish various functions of Wakulla's Charter School of Arts, Science and Technology, Inc. The governmental activities of Wakulla's Charter School of Arts, Science and Technology, Inc. include instruction and instruction related services, school administration, fiscal services, food services, pupil transportation services, operation of plant, and maintenance of plant.

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. Wakulla's Charter School of Arts, Science and Technology, Inc., like other charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wakulla's Charter School of Arts, Science and Technology, Inc. can be divided into two categories: governmental funds and fiduciary funds.

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Governmental funds. *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 a 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 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 *governmental funds* and *governmental activities*.

Wakulla's Charter School of Arts, Science and Technology, Inc. maintains five governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, capital projects fund and special revenue fund, all of which are considered to be a major funds. Data from the remaining other two governmental funds are combined into a single aggregated presentation.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Wakulla's Charter School of Arts, Science and Technology, Inc.'s budgetary information.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a school's financial position. In the case of Wakulla's Charter School of Arts, Science and Technology, Inc., assets exceeded liabilities by \$1,156,874 at the close of the most recent fiscal year.

By far, the largest portion of Wakulla's Charter School of Arts, Science and Technology, Inc.'s net position (54 percent) reflects its investment in capital assets (e.g., buildings, furniture, fixtures, equipment and software), less any related outstanding debt that was used to acquire those assets. Wakulla's Charter School of Arts, Science and Technology, Inc. uses these capital assets to provide services to students. Accordingly, these assets are not available for future spending. Although Wakulla's Charter School of Arts, Science and Technology, Inc.'s investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Wakulla's Charter School of Arts, Science and Technology, Inc.'s Net Position

	<u>2021</u>	<u>2020</u>
ASSETS		
Current and other assets	\$ 603,582	\$ 468,702
Capital assets	631,511	675,778
Total assets	<u>\$ 1,235,093</u>	<u>\$ 1,144,480</u>
LIABILITIES		
Current and other liabilities	\$ 75,883	\$ 71,420
Long-term liabilities	2,336	129,668
Total liabilities	<u>\$ 78,219</u>	<u>\$ 201,088</u>
NET POSITION		
Net investment in capital assets	\$ 629,175	\$ 546,110
Restricted for:		
Capital projects	27,110	4,600
Special education	26,914	42,070
Food service	46,243	1,783
Unrestricted	427,432	348,829
Total net position	<u>\$ 1,156,874</u>	<u>\$ 943,392</u>

Governmental activities. During the current fiscal year, net position for governmental activities increased \$202,992 from the prior fiscal year for an ending net position of \$1,156,874.

The key element of the increase is due to an increase in Capital Outlay and Food Service funding. In addition, the school was awarded additional FEFP funding at the end of the school year to account for additional students.

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Wakulla's Charter School of Arts, Science and Technology, Inc.'s Changes in Net Position

	2021	2020
REVENUES		
Program revenues:		
Charges for services	\$ 794	\$ 2,078
Operating grants and contributions	674,100	409,667
Capital grants and contributions	113,558	68,748
General revenues:		
Unrestricted grants and contributions	1,084,765	986,018
Investment earnings	868	1,674
Total revenues	1,874,085	1,468,185
EXPENSES		
Instruction	1,020,422	790,584
School administration	214,014	250,640
Fiscal services	21,438	20,724
Food services	98,184	86,759
Pupil transportation services	85,466	75,173
Operation of plant	210,097	160,712
Maintenance of plant	20,694	27,209
Interest	778	5,706
Total expenses	1,671,093	1,417,507
Change in net position	202,992	50,678
Net position, beginning of year, as restated	953,882	892,714
Net position, end of year	\$ 1,156,874	\$ 943,392

Financial Analysis of the Government's Funds

As noted earlier, Wakulla's Charter School of Arts, Science and Technology, Inc. uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Governmental funds. The focus of Wakulla's Charter School of Arts, Science and Technology, Inc.'s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Wakulla's Charter School of Arts, Science and Technology, Inc.'s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a school's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Wakulla's Charter School of Arts, Science and Technology, Inc. itself, or a group or individual that has been delegated authority to assign resources for use for a particular purposes by Wakulla's Charter School of Arts, Science and Technology, Inc.'s board.

At June 30, 2021, Wakulla's Charter School of Arts, Science and Technology, Inc.'s governmental funds reported combined fund balances of \$527,699, an increase of \$119,927 in comparison with the prior year. Approximately 79 percent of this amount (\$418,261) constitutes *unassigned fund balance*, which is available for spending at the school's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is: 1) not in spendable form (\$9,171) or 2) restricted for particular purposes (\$100,267).

The general fund is the chief operating fund of Wakulla's Charter School of Arts, Science and Technology, Inc. As of the end of the current fiscal year, unassigned fund balance of the general fund was \$418,261, while total fund balance increased to \$427,432. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 42 percent of total general fund expenditures, while total fund balance represents approximately 42 percent of that same amount. The fund balance of Wakulla's Charter School of Arts, Science and Technology, Inc.'s general fund increased by \$68,113 during the current fiscal year. The increase is primarily due to the school being awarded additional FEFP funding at the end of the school year to account for additional students.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School's own programs.

General Fund Budgetary Highlights

Actual amounts compared to final budget. The major differences between actual amounts compared to budgeted amounts were due to the following:

- The school did not receive funding for all of the new students throughout the school year, so they reduced expenses wherever possible. They were notified that the school was being awarded additional FEFP funding at the end of the school year to account for those additional students, but at that time it was too late to spend the funds. Those funds will be spent in the next school year.

WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Elementary and Special Education Act Title 1 Fund Budgetary Highlights

Actual amounts compared to final budget. The major differences between actual amounts compared to budgeted amounts were due to the following:

- Additional funding was received and used during the year for special education leading to more expenditures for this fund than originally budgeted for.

Capital Asset and Debt Administration

Capital assets. Wakulla's Charter School of Arts, Science and Technology, Inc.'s investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$631,511 (net of accumulated depreciation). This investment in capital assets includes buildings, furniture, fixtures, equipment and software. The total decrease in capital assets for the current fiscal year was approximately 7 percent.

Additional information on Wakulla's Charter School of Arts, Science and Technology, Inc.'s capital assets can be found in in the Notes to Financial Statements as listed in the table of contents.

Long-term debt. At the end of the current fiscal year, Wakulla's Charter School of Arts, Science and Technology, Inc. had long term debt outstanding of \$2,336. Wakulla's Charter School of Arts, Science and Technology, Inc.'s total debt decreased by \$127,332 during the current fiscal year.

Additional information on Wakulla's Charter School of Arts, Science and Technology, Inc.'s long-term debt can be found in the Notes to Financial Statements as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Wakulla's Charter School of Arts, Science and Technology, Inc. and were considered in developing the 2021-2022 fiscal year budget:

- The school has increased enrollment though the 2021-2022 year and has continued to have increased parent interest during the summer enrollment period. However, due to the continued pandemic of COVID-19 and the uncertain state of funding for this year, the school continues to develop a conservative budget. Funding will be closely monitored as school reopens.

Requests for Information

This financial report is designed to provide a general overview of Wakulla's Charter School of Arts, Science and Technology, Inc.'s finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Wakulla's Charter School of Arts, Science and Technology, Inc., P.O. Box 338, St. Marks, Florida, 32355.

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 249,667
Certificates of deposit	102,330
Due from Wakulla County School Board	220,030
Due from other	4,252
Due from other agencies	18,132
Prepays	9,171
Capital assets, being depreciated, net	631,511
Total assets	<u><u>\$ 1,235,093</u></u>
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$ 75,883
Noncurrent liabilities:	
Due within one year	2,152
Due in more than one year	184
Total liabilities	<u><u>\$ 78,219</u></u>
<u>NET POSITION</u>	
Net investment in capital assets	\$ 629,175
Restricted for capital projects	27,110
Restricted for special education	26,914
Restricted for food service	46,243
Unrestricted	427,432
Total net position	<u><u>\$ 1,156,874</u></u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net assets
					Governmental Activities
Governmental activities:					
Instruction and instruction related services	\$ 1,020,422	\$ -	\$ 397,980	\$ -	\$ (622,442)
School administration	214,014	-	-	-	(214,014)
Fiscal services	21,438	-	-	-	(21,438)
Food services	98,184	794	126,889	-	29,499
Pupil transportation services	85,466	-	57,441	-	(28,025)
Operation of plant	210,097	-	91,790	113,558	(4,749)
Maintenance of plant	20,694	-	-	-	(20,694)
Interest on long-term debt	778	-	-	-	(778)
Total governmental activities	<u>\$ 1,671,093</u>	<u>\$ 794</u>	<u>\$ 674,100</u>	<u>\$ 113,558</u>	<u>(882,641)</u>
			General revenues:		
			Grants and contributions not restricted to specific purposes		1,084,765
			Investment earnings		868
			Total general revenues and special items		<u>1,085,633</u>
			Change in net position		<u>202,992</u>
			Net position, beginning of year, as restated		953,882
			Net position, end of year		<u>\$ 1,156,874</u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund - Elem. And Secondary Educ. Act, Title I</u>	<u>Special Revenue Fund - CARES Act Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 192,637	\$ 27,120	\$ -	\$ -	\$ 29,910	\$ 249,667
Certificates of deposit	102,330	-	-	-	-	102,330
Due from Wakulla County School Board	-	-	31,035	188,995	-	220,030
Due from other	4,252	-	-	-	-	4,252
Due from other agencies	-	-	-	-	18,132	18,132
Due from other funds	188,995	-	-	-	-	188,995
Prepaid items	9,171	-	-	-	-	9,171
Total Assets	<u>\$ 497,385</u>	<u>\$ 27,120</u>	<u>\$ 31,035</u>	<u>\$ 188,995</u>	<u>\$ 48,042</u>	<u>\$ 792,577</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ 69,953	\$ 10	\$ 4,121	\$ -	\$ 1,799	\$ 75,883
Due to other funds	-	-	-	188,995	-	188,995
Total Liabilities	<u>69,953</u>	<u>10</u>	<u>4,121</u>	<u>188,995</u>	<u>1,799</u>	<u>264,878</u>
Fund Balances:						
Nonspendable:						
Prepaid items	9,171	-	-	-	-	9,171
Restricted:						
Capital outlay	-	27,110	-	-	-	27,110
Special education	-	-	26,914	-	-	26,914
Food service	-	-	-	-	46,243	46,243
Unassigned	418,261	-	-	-	-	418,261
Total Fund Balances	<u>427,432</u>	<u>27,110</u>	<u>26,914</u>	<u>-</u>	<u>46,243</u>	<u>527,699</u>
Total Liabilities and Fund Balances	<u>\$ 497,385</u>	<u>\$ 27,120</u>	<u>\$ 31,035</u>	<u>\$ 188,995</u>	<u>\$ 48,042</u>	<u>\$ 792,577</u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the statement
of net position are different because:

Fund balances - total governmental funds	\$ 527,699
Long-term liabilities, including compensated absences, are not due and payable in the current period and , therefore, are not reported in the funds.	(2,336)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	631,511
Net position of governmental activities	\$ 1,156,874

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund - Elem. And Secondary Educ. Act, Title I</u>	<u>Special Revenue Fund - CARES Act Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
Revenues						
Intergovernmental						
Florida education finance program	\$ 1,030,520	\$ -	\$ -	\$ -	\$ -	\$ 1,030,520
Capital outlay funds	-	113,558	-	-	-	113,558
Federal through state	-	-	-	210,941	126,889	337,830
Federal through local	-	-	164,012	-	23,027	187,039
State through local	96,384	-	-	-	-	96,384
Local	15,302	-	-	-	794	16,096
Interest income	855	8	-	-	5	868
Total revenues	<u>1,143,061</u>	<u>113,566</u>	<u>164,012</u>	<u>210,941</u>	<u>150,715</u>	<u>1,782,295</u>
Expenditures						
Instruction and instruction related services	620,702	2,202	160,864	172,479	25,397	981,644
School administration	192,300	5,850	3,150	-	-	201,300
Fiscal services	21,100	338	-	-	-	21,438
Food services	-	-	-	-	91,827	91,827
Pupil transportation services	59,218	-	-	20,527	-	79,745
Operation of plant	100,372	-	-	17,935	-	118,307
Maintenance of plant	12,265	8,429	-	-	-	20,694
Debt service:						
Principal	-	127,332	-	-	-	127,332
Interest	-	778	-	-	-	778
Capital outlay	-	19,303	-	-	-	19,303
Total expenditures	<u>1,005,957</u>	<u>164,232</u>	<u>164,014</u>	<u>210,941</u>	<u>117,224</u>	<u>1,662,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>137,104</u>	<u>(50,666)</u>	<u>(2)</u>	<u>-</u>	<u>33,491</u>	<u>119,927</u>
Other financing sources (uses)						
Transfers in	-	73,176	-	-	10,969	84,145
Transfers out	(68,991)	-	(15,154)	-	-	(84,145)
Total other financing sources (uses)	<u>(68,991)</u>	<u>73,176</u>	<u>(15,154)</u>	<u>-</u>	<u>10,969</u>	<u>-</u>
Net change in fund balances	<u>68,113</u>	<u>22,510</u>	<u>(15,156)</u>	<u>-</u>	<u>44,460</u>	<u>119,927</u>
Fund balances, beginning of year, as restated	359,319	4,600	42,070	-	1,783	407,772
Fund balances, end of year	<u>\$ 427,432</u>	<u>\$ 27,110</u>	<u>\$ 26,914</u>	<u>\$ -</u>	<u>\$ 46,243</u>	<u>\$ 527,699</u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds		\$ 119,927
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay and loss on disposal in the current period.</p>		
Depreciation expense	(63,570)	
Capital outlay	19,303	
		(44,267)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in treatment of long-term debt and related items.</p>		
Principal payments on notes payable	125,285	
Principal payments on capital lease	2,047	
		127,332
Change in net position of governmental activities		\$ 202,992

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	<u>Fundraising and Field Trip Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,639
Due from other miscellaneous program	369
Total Assets	<u>\$ 4,008</u>
<u>LIABILITIES</u>	
Due to other miscellaneous programs	\$ 90
Total Liabilities	<u>\$ 90</u>
<u>NET POSITION</u>	
Restricted: Fundraising	\$ 3,918
Total Net Position	<u>\$ 4,008</u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Fundraising and Field Trip Fund</u>
Additions	
Contributions	
Fundraising participants	\$ 2,799
Interest income	3
Total additions	<u>2,802</u>
Deductions	
Fieldtrip and fundraising activities	<u>6,782</u>
Total deductions	6,782
Change in net position	<u>(3,980)</u>
Net position , beginning of year, as restated	7,898
Net position , end of year	<u><u>\$ 3,918</u></u>

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

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of Wakulla's Charter School of Arts, Science and Technology, Inc. (the "School"), which affect significant elements of the accompanying basic financial statements:

(a) **Reporting entity**—Wakulla's Charter School of Arts, Science and Technology, Inc. was created on October 9, 1998, to operate as a charter school under Florida Statutes. The school entered into a contract with Wakulla County School Board ("Sponsor") to provide an educational program for elementary and middle school students in grades pre-kindergarten through eighth. The School receives a majority of its funding through the Sponsor based on a formula of student attendance which is identical to that of other Wakulla County, Florida public pre-kindergarten, elementary and middle schools. The current charter is effective until June 30, 2026 and may be renewed, based on academic performance, by mutual agreement between the School and the Sponsor. At the end of the term of the charter, the Sponsor may choose not to renew the charter under grounds specified in the charter, in which case the Sponsor is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown. Wakulla's Charter School of Arts, Science and Technology, Inc. is considered a component unit of the Wakulla County School Board.

(b) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, are normally supported by intergovernmental revenues, and other nonexchange transactions.

(c) **Basis of presentation – government wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about the government's funds. Separate statement for the fund category, governmental, is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

General Fund—The general fund is used to record the general operations of the School pertaining to education and those operations not provided for in other funds.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

Capital Projects Fund—The capital projects fund is used to account for financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and major maintenance projects.

Elementary and Special Education Act Title 1 Fund—The Elementary and Special Education Act Title 1 Fund is a special revenue fund used to account for financial resources to be used for special education (Title 1).

CARES Act Fund— The CARES Act Fund is used to account for the activities related to grant activities related to the cares act which are typically cost reimbursement.

Additionally, the School reports the following Fiduciary Fund:

Fundraising and Field Trip Fund— The Fundraising and Field Trip Fund is a custodial fund used to account special programs and various student activities and field trips.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

(e) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues, such as monies received from the Wakulla County School Board, are reported as general revenues.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

(f) **Budgetary information**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School's governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenues and expenditures primarily resulting from events unknown at the time of budget adoption.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been approved and adopted for the year.

(g) **Demand deposits, time deposits, and investments**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Certificate of deposits are considered time deposits. All time and demand deposits are insured up to Federal Deposit Insurance Corporation limits. Investments with original maturities of three months or less are considered to be cash equivalents.

(h) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Capital assets**—Capital assets are defined by the School as assets with an initial individual cost of \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Property, plant and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings and improvements	7 – 50
Furniture, fixtures and equipment	5 – 10
Motor vehicles	7 – 10
Audiovisual materials	5 – 7
Computer hardware and software	3 – 5

(j) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

(k) **Use of estimates**—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(l) **Net position flow assumption**—Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Fund balance flow assumptions**—Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(n) **Fund balance policies**—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the School that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The School Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed. In governmental fund financial statements, restricted funds are used first as appropriate. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(o) **Revenue sources**—Revenues for current operations are received primarily from the Wakulla County 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(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the Wakulla County School Board. Under the provisions of Section 1011.62, Florida Statutes, the Wakulla County School Board reports the number of 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 revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during designated FTE student survey periods.

The School may receive federal and state awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These awards may have eligibility requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

(p) **New accounting pronouncements** — Effective for the fiscal year ended June 30, 2021, the Internal Accounts’ financial statements adopted the provisions of GASB Statement No. 84, Fiduciary Activities.

(2) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School’s deposits may not be returned. The School’s deposits are covered by Federal depository insurance or by collateral held by the School’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes. The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

The carrying amount of deposits consisted of the following as of June 30, 2021:

Cash and cash equivalents	\$	253,306
Certificates of deposit		102,330
Total	\$	355,636

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(3) **Capital Assets:**

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

	Balance July 1, 2020	Additions	Dispositions	Balance June 30, 2021
Capital assets, being depreciated:				
Buildings and fixed equipment	\$ 502,588	\$ -	\$ -	\$ 502,588
Improvements other than building	47,602	4,840	-	52,442
Leasehold improvements	282,999	14,463	-	297,462
Furniture, fixtures and equipment	146,856	-	-	146,856
Motor vehicles	210,795	-	-	210,795
Property under capital lease	10,248	-	-	10,248
Audio-visual materials	5,027	-	-	5,027
Computer hardware and software	3,248	-	-	3,248
Library books	389	-	-	389
Total capital assets, being depreciated	<u>1,209,752</u>	<u>19,303</u>	<u>-</u>	<u>1,229,055</u>
Less accumulated depreciation:				
Buildings and fixed equipment	(150,311)	(13,793)	-	(164,104)
Improvements other than building	(26,419)	(2,222)	-	(28,641)
Leasehold improvements	(123,169)	(12,659)	-	(135,828)
Furniture, fixtures and equipment	(123,363)	(5,345)	-	(128,708)
Motor vehicles	(95,558)	(27,501)	-	(123,059)
Property under capital lease	(6,491)	(2,050)	-	(8,541)
Audio-visual materials	(5,027)	-	-	(5,027)
Computer hardware and software	(3,247)	-	-	(3,247)
Library books	(389)	-	-	(389)
Total accumulated depreciation	<u>(533,974)</u>	<u>(63,570)</u>	<u>-</u>	<u>(597,544)</u>
Capital assets, net	<u>\$ 675,778</u>	<u>\$ (44,267)</u>	<u>\$ -</u>	<u>\$ 631,511</u>

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(3) **Capital Assets:** (Continued)

Capital assets are used for multiple functions within the School and depreciation expense of \$63,570 was charged to governmental functions as follows:

Instruction and instruction related services	\$ 38,778
School administration	12,714
Food services	6,357
Pupil transportations services	5,721
	<u>\$ 63,570</u>

(4) **Transfers:**

The following is a summary of interfund transfers reported in the governmental fund financial statements:

<u>Recipient Fund</u>	<u>Transfer</u>	<u>Reason for Transfer</u>
Capital Projects Fund	\$ 73,176	Transfers in from general fund and special revenue funds for items paid on behalf of the respective funds.
Food Service Fund	10,969	Transfers in from the general fund for items paid on behalf of the respective fund.
Total	<u>\$ 84,145</u>	

(5) **Operating Lease:**

The School leases the St. Marks Community Center from the City of St. Marks, Florida. The initial term of the lease is for fifteen years, beginning May 12, 2011 and ending May 11, 2026. The lease may be extended by mutual consent of both parties. There are no future minimum rental payments. In lieu of monthly rental payments, the School is required to maintain the building in clean working order and pay the full cost of monthly utilities. The value assigned to this inkind support by the City of St. Marks, Florida is \$91,790, the estimated fair market value of the inkind rent, and is included in the Statement of Activities.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(6) Capital Lease:

The School leases equipment under a capital lease that expires in 2023. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments. Leased equipment under the capital lease obligation of \$10,248 is included in property and equipment at June 30, 2021. Accumulated depreciation in the statements of net position includes \$6,490 relating to the leased equipment at June 30, 2021. Depreciation expense reported in the statements of activities includes \$2,050 for the equipment under capital lease for the year ended June 30, 2021. Minimum future lease payments under the capital lease for each of the next five years and in the aggregate are:

Year Ended June 30,	Amount
2022	\$ 2,220
2023	185
2024	-
2025	-
Total minimum lease payments	2,405
Less: Amount representing interest	69
Present value of minimum lease payments	\$ 2,336

Interest rate on the capitalized asset is 5.00% and is imputed based on the lower of the School's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

(7) Long-Term Debt:

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within one year
Governmental activities:					
Notes payable	\$ 125,285	\$ -	\$ (125,285)	\$ -	\$ -
Capital Lease	4,383	-	(2,047)	2,336	2,152
Total	\$ 129,668	\$ -	\$ (127,332)	\$ 2,336	\$ 2,152

(8) Concentrations:

The School maintains cash deposits with one bank. The School has no policy requiring collateral to support its cash deposits, although accounts at the bank are insured by the Federal Deposit Insurance Corporation up to FDIC limits.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(9) **Significant Funding Source:**

The School receives a substantial amount of its funding from the Wakulla County School Board. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the School's programs and activities.

(10) **Risk Management:**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Loss mitigation is provided through purchased commercial insurance. Settled claims resulting from insurance coverage above have not exceeded purchased insurance coverage for the past three fiscal years.

(11) **Defined Contribution Plan:**

The School is a single employer that contributes to an individual employee retirement plan, which is a defined contribution plan. Eligible employees include all regular full-time employees with at least one full year of service. Contributions to the retirement program may vary annually as provided by the School's Board of Directors and are included in the budget and contractual agreement with each employee. School contributions to the retirement program for the year ending June 30, 2021 were \$26,829.

(12) **Contingent Liabilities:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally Federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

During the year ending June 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while School management cannot quantify the financial and other impact to the School as of August 26, 2021 **August 26, 2021**, management believes that a material impact on the school's financial position and results of future operations is reasonably possible.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(13) **Restatement of Beginning Fiduciary Net Position:**

The GASB issued Statement No. 84, Fiduciary Activities, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. During the year ended June 30, 2021, the School implemented Statement No. 84, which required the reclassification in the fiduciary fund of the prior year balance due to other funds to beginning restricted net position for fundraising activity. The impact of the restatement of beginning net position increased the fiduciary fund net position by \$7,898.

(14) **Restatement of Beginning Elementary and Secondary Education Act, Title I Fund Balance/Governmental Activities Net Position:**

During the year ended June 30, 2021, the School received funding for \$10,490 in the ESEA fund that should have been recorded as a receivable at June 30, 2020. The impact of the restatement of beginning fund balance/net position was an increase of \$10,490.

(15) **Recent Accounting Pronouncements**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the School’s financial statements:

GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.
REQUIRED SUPPLEMENTARY INFORMATION**

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Florida education finance program	\$ 1,005,567	\$ 1,005,567	\$ 1,030,520	\$ 24,953
State through local	134,220	134,220	96,384	(37,836)
Local	-	-	15,302	15,302
Interest income	1,700	1,700	855	(845)
Total revenues	<u>1,141,487</u>	<u>1,141,487</u>	<u>1,143,061</u>	<u>1,574</u>
Expenditures				
Instruction and instruction related services	758,160	758,160	620,702	137,458
School administration	213,352	213,352	192,300	21,052
Fiscal services	21,000	21,000	21,100	(100)
Pupil transportation services	88,741	88,741	59,218	29,523
Operation of plant	76,080	76,080	100,372	(24,292)
Maintenance of plant	1,000	1,000	12,265	(11,265)
Total expenditures	<u>1,158,333</u>	<u>1,158,333</u>	<u>1,005,957</u>	<u>152,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,846)</u>	<u>(16,846)</u>	<u>137,104</u>	<u>153,950</u>
Other financing sources (uses)				
Transfers out	-	-	(68,991)	(68,991)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(68,991)</u>	<u>(68,991)</u>
Net change in fund balance	<u>(16,846)</u>	<u>(16,846)</u>	<u>68,113</u>	<u>84,959</u>
Fund balances, beginning of year	359,319	359,319	359,319	-
Fund balances, end of year	<u>\$ 342,473</u>	<u>\$ 342,473</u>	<u>\$ 427,432</u>	<u>\$ 84,959</u>

The accompanying notes to required supplementary information
are an integral part of this schedule.

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL - ELEMANTARY AND
SPECIAL EDUCATION ACT TITLE 1 FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Federal through local	\$ 122,302	\$ 122,302	\$ 164,012	\$ 41,710
Total revenues	<u>122,302</u>	<u>122,302</u>	<u>164,012</u>	<u>41,710</u>
Expenditures				
Instruction and instruction related services	117,088	117,088	160,864	(43,776)
School administration	5,214	5,214	3,150	2,064
Total expenditures	<u>122,302</u>	<u>122,302</u>	<u>164,014</u>	<u>(41,712)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Other financing sources (uses)				
Transfers out	-	-	(15,154)	(15,154)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,154)</u>	<u>(15,154)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(15,156)</u>	<u>(15,156)</u>
Fund balances, beginning of year, as restated	42,070	42,070	42,070	-
Fund balances, end of year	<u>\$ 42,070</u>	<u>\$ 42,070</u>	<u>\$ 26,914</u>	<u>\$ (15,156)</u>

The accompanying notes to required supplementary information
are an integral part of this schedule.

**WAKULLA'S CHARTER SCHOOL OF ARTS,
SCIENCE AND TECHNOLOGY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL - CARES ACT FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Federal through local	\$ -	\$ -	\$ 210,941	\$ 210,941
Total revenues	<u>-</u>	<u>-</u>	<u>210,941</u>	<u>210,941</u>
Expenditures				
Instruction and instruction related services	-	-	172,479	(172,479)
Pupil transportation services	-	-	20,527	(20,527)
Operation of plant	<u>-</u>	<u>-</u>	<u>17,935</u>	<u>(17,935)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>210,941</u>	<u>(210,941)</u>
Net change in fund balance	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to required supplementary information
are an integral part of this schedule.

**WAKULLA’S CHARTER SCHOOL OF ARTS, SCIENCE
AND TECHNOLOGY, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:**

The Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual are presented using the School’s budget format for all major governmental funds.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors. The budget presented for fiscal year ended June 30, 2021, was amended.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

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

To the Board of Directors,
Wakulla's Charter School of Arts, Science and Technology, Inc.:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wakulla's Charter School of Arts, Science and Technology, Inc. (the School), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control.

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

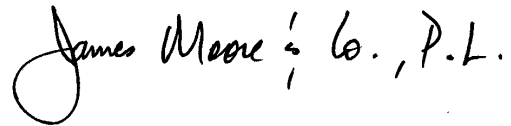
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Tallahassee, Florida
August 26, 2021

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850,
RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,
Wakulla's Charter School of Arts, Science and Technology, Inc.:

Report on the Financial Statements

We have audited the financial statements of Wakulla's Charter School of Arts, Science and Technology, Inc., as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated August 26, 2021.

Auditors' 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 Auditors' 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 August 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. There were no findings and recommendations made in the preceding annual financial audit report.

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 Wakulla's Charter School of Arts, Science and Technology, Inc. and 650005, respectively.

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 Wakulla's Charter School of Arts, Science and Technology, Inc. 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 Wakulla's Charter School of Arts, Science and Technology, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the Wakulla's Charter School of Arts, Science and Technology, Inc. It is management's responsibility to monitor the Wakulla's Charter School of Arts, Science and Technology, Inc.'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.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the Wakulla's Charter School of Arts, Science and Technology, Inc. maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Wakulla's Charter School of Arts, Science and Technology, Inc. maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did note two such findings below.

2021-001: Charter Filing Requirements

During the audit period, it was noted Wakulla's Charter School of Arts, Science and Technology, Inc. did not fulfill certain financial filing requirements requiring submitting monthly financial reports to the district as outlined in the District charter. See management response letter for management's corrective action plan related to this finding.

2021-002: Budgets

We noted the School only included a portion of the Cares Act funding received in its amended annual budget. We recommend the School include all grant funds in its annual budget. See management response letter for management's corrective action plan related to this finding.

Wakulla's Charter School of Arts, Science and Technology, Inc's Response to Findings

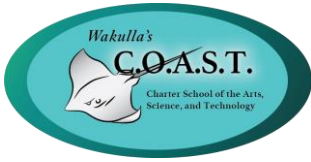
Wakulla's Charter School of Arts, Science and Technology, Inc.'s response to the findings identified in our audit is described in the accompanying corrective action plan. Wakulla's Charter School of Arts, Science and Technology, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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, Wakulla County District School Board, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Tallahassee, Florida
August 26, 2021



COAST Charter School

48 Shell Island Rd, St. Marks, Florida 32355

Telephone (850) 925-6344

8/26/2021

James Moore & Cp., P.L.

2477 Tim Gamble Place, Suite 200

Tallahassee, FL 32308

In Reference to:

Wakulla's Charter School of the Arts, Sciences and Technology 2020-2021 Audit Findings

To Whom it May Concern,

Regarding the finding in reference to Florida Statute 1002.33. After review, our school does appear to be out of compliance for the 2020-2021 school year. The solution will be to send financial statements, as done in the past, on a monthly basis during reconciliation.

Regarding the budgetary finding. After review, it was determined that a revision to the budget should have occurred due to the addition of ESSER funding. However, due to a state decision to withhold funding during the October FTE, the retraction of CARES Act Coronavirus prevention and response funding, and the funds being added after the initial budgeting proposal, it was decided by the executive director to not revise the budget because of the extreme and unpredictable shifting of funds. However, as the ESSER II fund is being received again for the 2021-2022 school year, it has already been added as a separate income line item in the budget proposed in June of 2021 and will continue to be added should funding continue in the future.

Both findings were not done with malicious or misleading intentionality. It is our organization's aspiration to amend these findings and have no findings in future audits. Should anyone have further questions or concerns please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Jeff LaChapelle".

Jeffrey LaChapelle

Principal