

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE  
AND TECHNOLOGY, INC.  
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JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wakulla's Charter School of Arts, Science and Technology, Inc., as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wakulla's Charter School of Arts, Science and Technology, Inc., as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wakulla's Charter School of Arts, Science and Technology, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wakulla's Charter School of Arts, Science and Technology, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wakulla's Charter School of Arts, Science and Technology, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

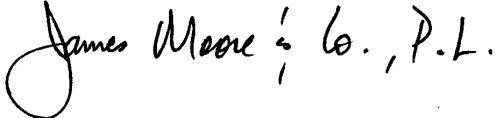
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Emphasis of Matter***

The District adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, (GASB 87). No restatement of the beginning fund balance or net position was required as a result of the implementation of GASB 87, as described further in Note 11 to the financial statements.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2022 on our consideration of Wakulla's Charter School of Arts, Science and Technology, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

James Moore & Co., P.L.

Tallahassee, Florida  
September 7, 2022

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022**

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, 2022.

**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, 2022**

**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 \$1,137,076 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 (61 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, 2022**

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

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current and other assets	\$ 526,565	\$ 603,582
Capital assets	690,694	631,511
Total assets	\$ 1,217,259	\$ 1,235,093
<b>LIABILITIES</b>		
Current and other liabilities	\$ 80,183	\$ 75,883
Long-term liabilities	-	2,336
Total liabilities	\$ 80,183	\$ 78,219
<b>NET POSITION</b>		
Net investment in capital assets	\$ 690,694	\$ 629,175
Restricted for:		
Capital projects	52,981	27,110
Special education	71,698	26,914
Food service	48,651	46,243
Unrestricted	273,052	427,432
Total net position	\$ 1,137,076	\$ 1,156,874

**Governmental activities.** During the current fiscal year, net position for governmental activities decreased \$19,798 from the prior fiscal year for an ending net position of \$1,137,076.

The key element of the decrease is due to an increase in expenditures for instruction and related services.



**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

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

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 1,775	\$ 794
Operating grants and contributions	591,314	674,100
Capital grants and contributions	103,927	113,558
General revenues:		
Unrestricted grants and contributions	1,125,075	1,084,765
Investment earnings	665	868
Total revenues	<u>1,822,756</u>	<u>1,874,085</u>
<b>EXPENSES</b>		
Instruction	1,150,273	1,020,422
School administration	214,312	214,014
Fiscal services	22,989	21,438
Food services	108,988	98,184
Pupil transportation services	65,696	85,466
Operation of plant	255,108	210,097
Maintenance of plant	25,130	20,694
Interest	58	778
Total expenses	<u>1,842,554</u>	<u>1,671,093</u>
Change in net position	(19,798)	202,992
Net position, beginning of year, as restated	1,156,874	953,882
Net position, end of year	<u>\$ 1,137,076</u>	<u>\$ 1,156,874</u>

**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, 2022**

**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, 2022, Wakulla's Charter School of Arts, Science and Technology, Inc.'s governmental funds reported combined fund balances of \$446,382, a decrease of \$81,317 in comparison with the prior year. Approximately 58 percent of this amount (\$260,830) 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 (\$12,222) or 2) restricted for particular purposes (\$173,330).

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 \$260,830, while total fund balance increased to \$270,652. 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 21 percent of total general fund expenditures, while total fund balance represents approximately 22 percent of that same amount. The fund balance of Wakulla's Charter School of Arts, Science and Technology, Inc.'s general fund increased by \$156,780 during the current fiscal year.

**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:

- Funding for the purchase of two buses was budgeted under the general fund. These buses were eventually purchased under the capital projects fund (PECO Fund).

### **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.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE AND TECHNOLOGY, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022**

**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, 2022, amounts to \$690,694 (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 9 percent.

Additional information on Wakulla's Charter School of Arts, Science and Technology, Inc.'s capital assets can be found 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 no long term debt outstanding. Wakulla's Charter School of Arts, Science and Technology, Inc.'s total debt decreased by \$2,336 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 2022-2023 fiscal year budget:

- The school has stable enrollment though the 2022-2023. The school continues to maintain budgetary levels similar to prior year and is closely monitoring the budget as the school year commences.

**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, 2022**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 318,288
Certificates of deposit	102,535
Due from Wakulla County School Board	90,224
Due from other	3,296
Prepays	12,222
Capital assets, being depreciated, net	690,694
<b>Total assets</b>	<b><u><u>\$ 1,217,259</u></u></b>
<b><u>LIABILITIES</u></b>	
Accounts payable and accrued expenses	\$ 80,183
<b>Total liabilities</b>	<b><u><u>\$ 80,183</u></u></b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	\$ 690,694
Restricted for capital projects	55,381
Restricted for special education	71,698
Restricted for food service	48,651
Unrestricted	270,652
<b>Total net position</b>	<b><u><u>\$ 1,137,076</u></u></b>

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, 2022**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net assets</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instruction and instruction related services	\$ 1,150,273	\$ -	\$ 248,539	\$ -	\$ (901,734)
School administration	214,312	-	-	-	(214,312)
Fiscal services	22,989	-	-	-	(22,989)
Food services	108,988	1,775	110,977	-	3,764
Pupil transportation services	65,696	-	66,576	-	880
Operation of plant	255,108	-	165,222	103,927	14,041
Maintenance of plant	25,130	-	-	-	(25,130)
Interest on long-term debt	58	-	-	-	(58)
Total governmental activities	<u>\$ 1,842,554</u>	<u>\$ 1,775</u>	<u>\$ 591,314</u>	<u>\$ 103,927</u>	<u>(1,145,538)</u>
			General revenues:		
			Grants and contributions not restricted to specific purposes		1,125,075
			Investment earnings		665
			Total general revenues and special items		<u>1,125,740</u>
			Change in net position		<u>(19,798)</u>
			<b>Net position, beginning of year</b>		1,156,874
			<b>Net position, end of year</b>		<u>\$ 1,137,076</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, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund - Elem. And Secondary Educ. Act, Title I Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 225,928	\$ 47,283	\$ -	\$ 45,077	\$ 318,288
Certificates of deposit	102,535	-	-	-	102,535
Due from Wakulla County School Board	-	8,105	75,381	6,738	90,224
Due from other	3,296	-	-	-	3,296
Prepaid items	9,822	2,400	-	-	12,222
<b>Total Assets</b>	<u>\$ 341,581</u>	<u>\$ 57,788</u>	<u>\$ 75,381</u>	<u>\$ 51,815</u>	<u>\$ 526,565</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 70,929	\$ 2,407	\$ 3,683	\$ 3,164	\$ 80,183
<b>Total Liabilities</b>	<u>70,929</u>	<u>2,407</u>	<u>3,683</u>	<u>3,164</u>	<u>80,183</u>
Fund Balances:					
Nonspendable:					
Prepaid items	9,822	2,400	-	-	12,222
Restricted:					
Capital outlay	-	52,981	-	-	52,981
Special education	-	-	71,698	-	71,698
Food service	-	-	-	48,651	48,651
Unassigned	260,830	-	-	-	260,830
<b>Total Fund Balances</b>	<u>270,652</u>	<u>55,381</u>	<u>71,698</u>	<u>48,651</u>	<u>446,382</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 341,581</u>	<u>\$ 57,788</u>	<u>\$ 75,381</u>	<u>\$ 51,815</u>	<u>\$ 526,565</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, 2022**

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

<b>Fund balances - total governmental funds</b>	\$ 446,382
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	690,694
<b>Net position of governmental activities</b>	<u><u>\$ 1,137,076</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund - Elem. And Secondary Educ. Act, Title I Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Intergovernmental					
Florida education finance program	\$ 1,062,037	\$ -	\$ -	\$ -	\$ 1,062,037
Capital outlay funds	-	103,927	-	-	103,927
Federal through state	-	-	-	110,977	110,977
Federal through local	-	-	201,590	46,949	248,539
State through local	129,614	-	-	-	129,614
Local	-	-	-	1,775	1,775
Interest income	614	23	-	28	665
Total revenues	<u>1,192,265</u>	<u>103,950</u>	<u>201,590</u>	<u>159,729</u>	<u>1,657,534</u>
<b>Expenditures</b>					
Instruction and instruction related services	872,349	-	189,948	42,128	1,104,425
School administration	194,431	6,125	11,155	-	211,711
Fiscal services	22,989	-	-	-	22,989
Food services	-	-	-	103,007	103,007
Pupil transportation services	60,313	-	-	-	60,313
Operation of plant	89,886	-	-	-	89,886
Maintenance of plant	1,499	23,631	-	-	25,130
Debt service:					
Principal	-	2,336	-	-	2,336
Interest	-	58	-	-	58
Capital outlay	-	118,996	-	-	118,996
Total expenditures	<u>1,241,467</u>	<u>151,146</u>	<u>201,103</u>	<u>145,135</u>	<u>1,738,851</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(49,202)</u>	<u>(47,196)</u>	<u>487</u>	<u>14,594</u>	<u>(81,317)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	75,467	44,297	-	119,764
Transfers out	(107,578)	-	-	(12,186)	(119,764)
Total other financing sources (uses)	<u>(107,578)</u>	<u>75,467</u>	<u>44,297</u>	<u>(12,186)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(156,780)</u>	<u>28,271</u>	<u>44,784</u>	<u>2,408</u>	<u>(81,317)</u>
<b>Fund balances, beginning of year</b>	427,432	27,110	26,914	46,243	527,699
<b>Fund balances, end of year</b>	<u>\$ 270,652</u>	<u>\$ 55,381</u>	<u>\$ 71,698</u>	<u>\$ 48,651</u>	<u>\$ 446,382</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, 2022**

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

Net change in fund balances-total governmental funds		\$ (81,317)
--	--	-------------

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.

Depreciation expense	(59,813)	
Capital outlay	<u>118,996</u>	59,183

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.

Principal payments on capital lease	2,336	2,336
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Change in net position of governmental activities		<u><u>\$ (19,798)</u></u>
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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, 2022**

	<b><u>Fundraising and Field Trip Fund</u></b>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 1,729
Due from other miscellaneous program	165
<b>Total Assets</b>	<b><u>\$ 1,894</u></b>
<b><u>LIABILITIES</u></b>	
Due to other miscellaneous programs	\$ -
<b>Total Liabilities</b>	<b><u>\$ -</u></b>
<b><u>NET POSITION</u></b>	
Restricted: Fundraising	\$ 1,894
<b>Total Net Position</b>	<b><u>\$ 1,894</u></b>

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, 2022**

	<b>Fundraising and Field Trip Fund</b>
<b>Additions</b>	
Contributions	
Fundraising participants	\$ 27,200
Interest income	3
Total additions	27,203
<b>Deductions</b>	
Fieldtrip and fundraising activities	29,227
Total deductions	29,227
Change in net position	(2,024)
<b>Net position</b> , beginning of year	3,918
<b>Net position</b> , end of year	\$ 1,894

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, 2022**

(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, 2022**

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

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, 2022**

(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, 2022**

(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, 2022**

(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, 2022**

(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.

(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, 2022:

Cash and cash equivalents	\$	320,017
Certificates of deposit		102,535
Total	\$	422,552

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE  
AND TECHNOLOGY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

(3) **Capital Assets:**

Capital asset activity for the year ended June 30, 2022, was as follows:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Balance June 30, 2022</b>
Capital assets, being depreciated:				
Buildings and fixed equipment	\$ 502,588	\$ 6,227	\$ -	\$ 508,815
Improvements other than building	52,442	-	-	52,442
Leasehold improvements	297,462	-	-	297,462
Furniture, fixtures and equipment	146,856	3,327	-	150,183
Motor vehicles	210,795	109,442	-	320,237
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>1,229,055</u>	<u>118,996</u>	<u>-</u>	<u>1,348,051</u>
Less accumulated depreciation:				
Buildings and fixed equipment	(164,104)	(14,210)	-	(178,314)
Improvements other than building	(28,641)	(1,784)	-	(30,425)
Leasehold improvements	(135,828)	(12,865)	-	(148,693)
Furniture, fixtures and equipment	(128,708)	(5,616)	-	(134,324)
Motor vehicles	(123,059)	(23,630)	-	(146,689)
Property under capital lease	(8,540)	(1,708)	-	(10,248)
Audio-visual materials	(5,027)	-	-	(5,027)
Computer hardware and software	(3,248)	-	-	(3,248)
Library books	(389)	-	-	(389)
Total accumulated depreciation	<u>(597,544)</u>	<u>(59,813)</u>	<u>-</u>	<u>(657,357)</u>
Capital assets, net	<u>\$ 631,511</u>	<u>\$ 59,183</u>	<u>\$ -</u>	<u>\$ 690,694</u>

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE  
AND TECHNOLOGY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

Capital assets are used for multiple functions within the School and depreciation expense of \$59,813 was charged to governmental functions as follows:

Instruction and instruction related services	\$	36,486
School administration		11,963
Food services		5,981
Pupil transportations services		5,383
		\$ 59,813

(4) **Transfers:**

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

<b>Recipient Fund</b>	<b>Transfer</b>	<b>Reason for Transfer</b>
Capital Projects Fund	\$ 75,467	Transfers in from General and Nonmajor funds and for items paid on behalf of the general fund and nonmajor funds.
ESEA Title 1 Fund	44,297	Transfers in from the general fund for items paid on behalf of the respective fund.
Nonmajor Funds	(12,186)	Transfers out to the capital project fund for items paid on behalf of the respective fund.
General Fund	(107,578)	Transfers out to the capital project and ESEA Title 1 funds for items paid on behalf of the respective funds.

(5) **Long-Term Debt:**

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2022</b>	<b>Due within one year</b>
Governmental activities:					
Capital Lease	2,336	-	(2,336)	-	-
<b>Total</b>	<b>\$ 2,336</b>	<b>\$ -</b>	<b>\$ (2,336)</b>	<b>\$ -</b>	<b>\$ -</b>

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE  
AND TECHNOLOGY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**(6) 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.

**(7) 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.

**(8) 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.

**(9) 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, 2022 were \$26,653.

**(10) 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.

**WAKULLA'S CHARTER SCHOOL OF ARTS, SCIENCE  
AND TECHNOLOGY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

(11) **Implementation of Accounting Standards:**

GASB Statement No. 87, *Leases* 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The School evaluated the effect of the implementation of the new standard and have determined no recognition is necessary.

(12) **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. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The School is currently evaluating the effect that Statement No. 96 will have on its financial statements.

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental				
Florida education finance program	\$ 1,060,662	\$ 1,074,754	\$ 1,062,037	\$ (12,717)
State through local	53,100	53,432	129,614	76,182
Local	2,544	2,544	-	(2,544)
Interest income	1,700	1,700	614	(1,086)
Total revenues	<u>1,118,006</u>	<u>1,132,430</u>	<u>1,192,265</u>	<u>59,835</u>
<b>Expenditures</b>				
Instruction and instruction related services	685,183	724,198	872,349	(148,151)
School administration	252,974	203,462	194,431	9,031
Fiscal services	21,700	21,700	22,989	(1,289)
Pupil transportation services	75,150	72,935	60,313	12,622
Operation of plant	89,875	78,016	89,886	(11,870)
Maintenance of plant	-	-	1,499	(1,499)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	195,000	-	195,000
Total expenditures	<u>1,124,882</u>	<u>1,295,311</u>	<u>1,241,467</u>	<u>53,844</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(6,876)</u>	<u>(162,881)</u>	<u>(49,202)</u>	<u>113,679</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(107,578)	(107,578)
<b>Net change in fund balance</b>	<u>(6,876)</u>	<u>(162,881)</u>	<u>(156,780)</u>	<u>6,101</u>
<b>Fund balances, beginning of year</b>	427,432	427,432	427,432	-
<b>Fund balances, end of year</b>	<u>\$ 420,556</u>	<u>\$ 264,551</u>	<u>\$ 270,652</u>	<u>\$ 6,101</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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental				
Federal through local	\$ 240,904	\$ 224,844	\$ 201,590	\$ (23,254)
Total revenues	<u>240,904</u>	<u>224,844</u>	<u>201,590</u>	<u>(23,254)</u>
<b>Expenditures</b>				
Instruction and instruction related services	234,161	214,628	189,948	24,680
School administration	6,743	6,743	11,155	(4,412)
Total expenditures	<u>240,904</u>	<u>221,371</u>	<u>201,103</u>	<u>20,268</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>3,473</u>	<u>487</u>	<u>(2,986)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	44,297	44,297
<b>Net change in fund balance</b>	<u>-</u>	<u>3,473</u>	<u>44,784</u>	<u>41,311</u>
<b>Fund balances, beginning of year</b>	26,914	26,914	26,914	-
<b>Fund balances, end of year</b>	<u>\$ 26,914</u>	<u>\$ 30,387</u>	<u>\$ 71,698</u>	<u>\$ 41,311</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, 2022**

(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, 2022, 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, 2022 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 7, 2022.

***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.

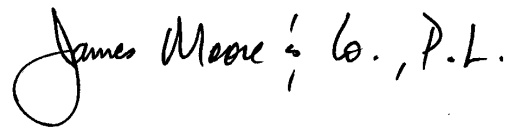
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies 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, prominent initial "J".

Tallahassee, Florida  
September 7, 2022



**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, 2022, and have issued our report thereon dated September 7, 2022.

**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 September 7, 2022, 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 have been taken to address findings and recommendations made in the preceding annual financial audit.

**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 us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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, 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  
September 7, 2022