

**ATHENIAN ACADEMY OF  
TECHNOLOGY AND THE ARTS, INC.**

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

INDEPENDENT AUDITOR'S REPORT

*for the fiscal year ended JUNE 30, 2021*

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

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*Certified Public Accountants*

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# ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.

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**Independent Auditor's Report**

To the Board of Directors Athenian Academy of Technology and the Arts, Inc,  
a Charter School and Component Unit of the  
District School Board of Pasco County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Athenian Academy of Technology and the Arts, Inc. ("School"), a charter school and component unit of the District School Board of Pasco County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

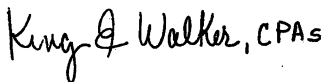
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Respectfully submitted,

 King & Walker, CPAs

August 27, 2021  
Tampa, Florida

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
*A Charter School and Component Unit of the District School Board of Pasco County, Florida*  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

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

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

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2021, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$699,902.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$920,642.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

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

**Government-Wide Financial Statements**

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

# **ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**

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

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

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### **Fund Financial Statements**

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds; a General Fund to account for its general operations and internal account activities; a Debt Service Fund to account for long-term debt; a Capital Projects Fund to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays; and a Special Revenue Fund to account for Federal grant programs and food service operations. For reporting purposes, all funds are considered major funds.

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

### **Notes to Financial Statements**

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
*A Charter School and Component Unit of the District School Board of Pasco County, Florida*  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Net Position, End of Year**

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 1,252,040	\$ 1,149,863	\$ (102,177)
Capital Assets, Net	2,353,908	2,866,617	512,709
Total Assets	3,605,948	4,016,480	410,532
<b>LIABILITIES</b>			
Current Liabilities	640,742	229,221	(411,521)
Noncurrent Liabilities	2,129,961	2,252,112	122,151
Total Liabilities	2,770,703	2,481,333	(289,370)
<b>NET POSITION</b>			
Net Investment in Capital Assets	223,947	614,505	390,558
Unrestricted	611,298	920,642	309,344
Total Net Position	\$ 835,245	\$ 1,535,147	\$ 699,902

The largest portions of the School’s assets are cash and cash equivalents (24%) and capital assets, net of depreciation (71%). Current liabilities consist of salaries and benefits payable and accounts payable. Long term liabilities consist of notes payable for the purchase of its School facility and a playground and equipment. The School reported an unrestricted net position balance of \$920,642.



**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
*A Charter School and Component Unit of the District School Board of Pasco County, Florida*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-20</u>	<u>6-30-21</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal Through State and Local	\$ 124,772	\$ 368,308	\$ 243,536
State	2,855,382	2,882,602	27,220
Local and Other	127,415	73,383	(54,032)
Special Item - Debt Forgiveness	-	362,350	362,350
<b>Total Revenues</b>	<u>3,107,569</u>	<u>3,686,643</u>	<u>579,074</u>
<b>Expenses:</b>			
Instruction	1,598,057	1,602,211	4,154
Student Support Services	230	1,978	1,748
Board	7,500	24,698	17,198
General Administration	244,866	263,727	18,861
School Administration	307,856	362,696	54,840
Facilities Acquisition & Construction	46,350	-	(46,350)
Fiscal Services	91,665	49,817	(41,848)
Food Services	18,319	16,642	(1,677)
Central Services	36,379	20,481	(15,898)
Student Transportation	76,960	90,714	13,754
Operation of Plant	435,340	291,178	(144,162)
Administrative Technology Services	1,168	94	(1,074)
Community Service	19,124	31,963	12,839
Debt Service - Interest	24,779	76,677	51,898
Unallocated Depreciation	79,629	153,865	74,236
<b>Total Expenses</b>	<u>2,988,222</u>	<u>2,986,741</u>	<u>(1,481)</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 119,347</u>	<u>\$ 699,902</u>	<u>\$ 580,555</u>

The largest revenue source for the School is the State of Florida (87%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses was for instruction related functions 36% and operation of plant 8% of total expenditures.

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
*A Charter School and Component Unit of the District School Board of Pasco County, Florida*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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

**Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$920,642.

**BUDGETARY HIGHLIGHTS**

The general fund and special revenue fund budgets for the fiscal year ended June 30, 2021, were developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the school revised the budgets several times. Refer to the Budgetary Comparison Schedule for additional information.

**CAPITAL ASSETS**

The School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$2,866,617 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixed equipment, furniture, fixtures, and equipment, and computers & technology. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

**DEBT**

The School on March 20, 2020, signed a promissory note secured by a mortgage with the US Department of Agriculture Rural Housing Service for \$2,140,000 to be repaid over 30 years. The purpose of the Note was to fund the purchase of its School facility. The current repayment requirement calls for equal monthly payments of \$8,808 for principal and interest until maturity over the next 360 months at an interest rate of 2.75 percent.

In the 2019-20 fiscal year, the School received a Paycheck Protection Program (PPP) Loan under the CARES Act for \$362,350 to be used for payroll costs and health care benefits. This was forgiven in the 2020-21 fiscal year.

In August 2020 the School borrowed \$190,000 for the purchase of a playground and equipment. The loan matures in August 2027.

Additional information regarding the School's long-term and short-term liabilities can be found in the Notes to the financial statements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Athenian Academy of Technology and the Arts, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Athenian Academy of Technology and the Arts, Inc., 3118 Seven Springs Blvd., New Port Richey, FL 34655.

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2021*

	<u>Government Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 978,288
Due From Other Agencies	41,337
Accounts Receivable	85,189
Prepaid Items & Deposits	45,049
Capital Assets:	
Land	900,750
Buildings & Fixed Equipment, Net	1,825,793
Furniture, Fixtures, and Equipment, Net	3,653
Computers & Technology, Net	136,421
Total Capital Assets	<u>2,866,617</u>
<b>TOTAL ASSETS</b>	<u><b>4,016,480</b></u>
<b>LIABILITIES</b>	
Salaries and Benefits Payable	220,221
Accounts Payable	9,000
Noncurrent Liabilities:	
Due Within One Year:	
Notes Payable	72,691
Due After One Year:	
Notes Payable	2,179,421
<b>TOTAL LIABILITIES</b>	<u><b>2,481,333</b></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	614,505
Unrestricted	920,642
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 1,535,147</b></u></u>

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

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

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,602,211	\$ -	\$ 169,051	\$ -	\$ (1,433,160)
Student Support Services	1,978		900		(1,078)
Board	24,698		-		(24,698)
General Administration	263,727		-		(263,727)
School Administration	362,696		-		(362,696)
Facilities Acquisition & Construction	-		-		-
Fiscal Services	49,817		-		(49,817)
Food Services	16,642		-		(16,642)
Central Services	20,481		-		(20,481)
Student Transportation	90,714		-		(90,714)
Operation of Plant	291,178		12,508	182,612	(96,058)
Administrative Technology Services	94		-		(94)
Community Service	31,963	40,967	-		9,004
Debt Service - Interest	76,677		85,855		9,178
Unallocated Depreciation	153,865		99,994		(53,871)
<b>Total Governmental Activities</b>	<b>\$ 2,986,741</b>	<b>\$ 40,967</b>	<b>\$ 368,308</b>	<b>\$ 182,612</b>	<b>(2,394,854)</b>
General Revenue					
State Sources					2,699,990
Local and Other					32,416
Special Item - Debt Forgiveness					362,350
Total General Revenues					3,094,756
Change in Net Position					699,902
Net Position - July 1, 2020					773,714
Adjustment to Beginning Net Position					61,531
Net Position - July 1, 2020 - Restated					835,245
Net Position - June 30, 2021					<b>\$ 1,535,147</b>

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 978,288	\$ -	\$ -	\$ -	\$ 978,288
Due From Other Agencies	41,337	-	-	-	41,337
Accounts Receivable	85,189	-	-	-	85,189
Prepaid Items & Deposits	45,049	-	-	-	45,049
Total Assets	\$ 1,149,863	\$ -	\$ -	\$ -	\$ 1,149,863
<b>LIABILITIES</b>					
Salaries and Benefits Payable	\$ 220,221	\$ -	\$ -	\$ -	\$ 220,221
Accounts Payable	9,000	-	-	-	9,000
Total Liabilities	229,221	-	-	-	229,221
<b>FUND BALANCES</b>					
Nonspendable	45,049	-	-	-	45,049
Unassigned	875,593	-	-	-	875,593
Total Fund Balances	920,642	-	-	-	920,642
Total Liabilities and Fund Balances	\$ 1,149,863	\$ -	\$ -	\$ -	\$ 1,149,863

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

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

*June 30, 2021*

<b>Total Fund Balances - Governmental Funds</b>		\$ 920,642
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		2,866,617
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Notes Payable	(2,252,112)	
Capital Leases Payable	-	(2,252,112)
<b>Total Net Position - Governmental Activities</b>		<b>\$ 1,535,147</b>

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
*For the Fiscal Year Ended June 30, 2021*

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Intergovernmental:					
Federal Through State and Local State	\$ -	\$ 368,308	\$ -	\$ -	\$ 368,308
Local and Other	2,699,990	-	182,612	-	2,882,602
	73,383	-	-	-	73,383
<b>Total Revenues</b>	<b>2,773,373</b>	<b>368,308</b>	<b>182,612</b>	<b>-</b>	<b>3,324,293</b>
<b>Expenditures</b>					
Current - Education:					
Instruction	1,433,160	169,051	-	-	1,602,211
Student Support Services	1,078	900	-	-	1,978
Board	24,698	-	-	-	24,698
General Administration	263,727	-	-	-	263,727
School Administration	362,696	-	-	-	362,696
Facilities Acquisition & Construction	-	-	-	-	-
Fiscal Services	49,817	-	-	-	49,817
Food Services	16,642	-	-	-	16,642
Central Services	20,481	-	-	-	20,481
Student Transportation	90,714	-	-	-	90,714
Operation of Plant	96,058	12,508	182,612	-	291,178
Administrative Technology Services	94	-	-	-	94
Community Service	31,963	-	-	-	31,963
Fixed Capital Outlay:					
Facilities Acquisition & Construction	479,225	85,855	-	-	565,080
Other Capital Outlay	1,500	99,994	-	-	101,494
Debt Service:					
Principal	-	-	-	67,849	67,849
Interest	-	-	-	76,677	76,677
<b>Total Expenditures</b>	<b>2,871,853</b>	<b>368,308</b>	<b>182,612</b>	<b>144,526</b>	<b>3,567,299</b>
Excess/(Deficiency) of Revenues					
Over Expenditures	(98,480)	-	-	(144,526)	(243,006)
Other Financing Sources (Uses):					
Proceeds from Debt	190,000	-	-	-	190,000
Special Item - Debt Forgiveness	362,350	-	-	-	362,350
Transfers In/(Out)	(144,526)	-	-	144,526	-
<b>Total Other Financing Sources (Uses)</b>	<b>407,824</b>	<b>-</b>	<b>-</b>	<b>144,526</b>	<b>552,350</b>
<b>Net Change in Fund Balances</b>	<b>309,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>309,344</b>
<b>Fund Balances, July 1, 2020</b>	<b>611,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611,298</b>
<b>Fund Balances, June 30, 2021</b>	<b>\$ 920,642</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,642</b>

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

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

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	309,344
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

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

Capital Outlays	666,574	
Depreciation Expense	<u>(153,865)</u>	512,709

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

67,849

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

(190,000)

**Change in Net Position - Governmental Activities**

\$ 699,902

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



**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A Charter School and Component Unit of the District School Board of Pasco County, Florida**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

Athenian Academy of Technology and the Arts, Inc., (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Pasco County, Florida, (“District”). The current charter is effective until June 30, 2031 is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

➤ **Basis of Presentation**

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

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

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

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

The School considers all of its funds to be major governmental funds as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for federal grant programs and food service operations.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with bond proceeds and capital outlay funds.

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be

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available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Deposits and Investments**

The School's deposits must be placed with banks and savings and loans which are qualified as public depositories, prior to receipt of public monies, under Chapter 280, Florida statutes and the School's policy. The School maintains its cash accounts with one qualified public depository. The accounts routinely exceed the federally insured limit of \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the bank's pledging securities with the state treasurer in the collateral pool. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit or custodial risk.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$1,000 and all computers & technology purchased. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fixed Equipment	3 - 39 years
Furniture, Fixtures and Equipment	3 - 7 years
Computers & Technology	3 - 5 years

Current-year information relative to changes in capital assets is described in a subsequent note.

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**NOTES TO FINANCIAL STATEMENTS**

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➤ **Long-term Debt**

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

➤ **Deferred Outflows/Inflows of Resources**

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

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

➤ **Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

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

*Fund Financial Statements*

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

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- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

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

➤ **Revenue Sources**

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

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the School during

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designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplies by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 380 unweighted and 408.76 weighted FTE.

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

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

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

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations, fundraising efforts, and local property tax collections. The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

➤ **Income Tax**

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

➤ **Use of Estimates**

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

➤ **Subsequent Events**

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

**2. BEGINNING NET POSITION ADJUSTMENT**

Assets purchased and capitalized and their associated accumulated depreciation in the prior year were added to the beginning net position balance as well as the beginning capital asset balances. The beginning net position of \$773,714, as previously reported, has been increased by \$61,531 to a restated beginning net position balance of \$835,245.

**3. CASH DEPOSITS**

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**4. DUE FROM OTHER AGENCIES**

The amounts Due from Other Agencies included in the accompanying statement of Net Position and balance sheet – governmental funds consists of amounts due from the Pasco County District School Board for FEFP and Capital Outlay funds as well as grant reimbursements. This receivable is considered to be fully collectible and as such, no allowance for uncollectibles is accrued.

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

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

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ 900,750	\$ -	\$ -	\$ 900,750
Buildings & Fixed Equipment	1,749,196	565,080	-	2,314,276
Furniture, Fixtures and Equipment	18,563	1,500	-	20,063
Computers & Technology	556,824	99,994	(270,665)	308,129
Total Capital Assets	<u>3,225,333</u>	<u>666,574</u>	<u>(270,665)</u>	<u>3,543,218</u>
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(398,304)	(90,179)	-	(488,483)
Furniture, Fixtures and Equipment	(12,448)	(3,962)	-	(16,410)
Computers & Technology	(399,142)	(59,724)	270,665	(171,708)
Total Accumulated Depreciation	<u>(809,894)</u>	<u>(153,865)</u>	<u>270,665</u>	<u>(676,601)</u>
Governmental Activities Capital Assets, net	<u>\$ 2,415,439</u>	<u>\$ 512,709</u>	<u>\$ -</u>	<u>\$ 2,866,617</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

**6. NOTES PAYABLE**

	Balance at 6-30-21
<u>Promissory Notes</u>	
<u>US Department of Agriculture Rural Housing Service</u>	
Promissory note dated March 20, 2020 secured by a mortgage with the US Department of Agriculture Rural Housing Service for \$2,140,000 to be repaid over 30 years. The Note was used to purchase the School facility. The current repayment requirement calls for equal monthly payments of \$8,808 for principal and interest until maturity an interest rate of 2.75 percent.	\$ 2,082,186
<u>Truist Bank</u>	
Promissory note dated August 14, 2020 secured by collateral of the School \$190,000 to be repaid 84 months. The Note was used to purchase a playground and equipment. The current repayment requirement calls for equal monthly payments of \$2,590 for principal and interest until maturity an interest rate of 3.86 percent.	169,926
Total Notes Payable	<u>\$ 2,252,112</u>



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

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The annual requirements to amortize the notes payable outstanding at June 30, 2021, is as follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2022	\$ 138,095	\$ 72,691	\$ 65,404
2023	138,133	75,032	63,101
2024	138,171	77,450	60,721
2025	138,211	79,948	58,263
2026	138,251	82,528	55,723
2027-2031	572,325	325,734	246,591
2032-2036	537,752	334,645	203,107
2037-2041	539,150	385,121	154,029
2042-2046	540,760	443,211	97,549
2047-2050	408,365	375,752	32,613
Total	<u>\$3,289,213</u>	<u>\$ 2,252,112</u>	<u>\$ 1,037,101</u>

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

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Notes Payable	\$ 2,128,599	\$ 190,000	\$ (66,487)	\$ 2,252,112	\$ 72,691
Capital Leases Payable	1,362	-	(1,362)	-	-
Total Governmental Activities	<u>\$ 2,129,961</u>	<u>\$ 190,000</u>	<u>\$ (67,849)</u>	<u>\$ 2,252,112</u>	<u>\$ 72,691</u>

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A Charter School and Component Unit of the District School Board of Pasco County, Florida**

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

**8. SCHEDULE OF STATE REVENUE SOURCES**

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

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$2,233,116
Categorical Programs:	
Class Size Reduction	462,116
Charter School Capital Outlay	182,612
Miscellaneous	4,758
Total State Revenue	<u>\$2,882,602</u>

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$86,985.

**9. DEBT FORGIVENESS**

The School was granted a loan from Cadence Bank, N.A. June 2020 in the amount of \$362,350, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act. The School met the qualifications for loan forgiveness under the PPP and was provided repayment forgiveness in June 2021. Revenue of \$362,350 was recorded in the statement of activities and in other financing sources in the statement of revenues, expenditures and changes in fund balances – governmental funds as Special Item – Debt Forgiveness.

**10. INTERFUND TRANSFERS**

The School’s General Fund transferred \$144,526 to the Debt Service Fund for the payment of long-term debt. These amounts of interfund transfers are netted together and not reported in the statement of activities.

**11. RISK MANAGEMENT PROGRAMS**

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

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A Charter School and Component Unit of the District School Board of Pasco County, Florida**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**12. AGREEMENT WITH MANAGEMENT COMPANY**

Effective July 1, 2010 the School renewed the management agreement with Link-Up, Inc. Similar to the prior agreement, Link-Up, Inc. shall provide administrative and consultant services to the School and to the Board of Directors in the areas of finance, administration, academic operations, and human resources. Link-Up, Inc. reports directly to the Board of Directors. The renewed contract period with Link-Up, Inc. is extended through June 30, 2022. The agreement requires the School to pay Link-Up, Inc. an annual management fee for each academic year during the term of the agreement, in an amount equal to 8.5 percent of the gross receipts of State revenues. Management fees for the year ended June 30, 2021 amounted to \$263,727 for the services provided.

**13. COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

**14. FUNDING AND CREDIT CONCENTRATIONS**

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

**15. LEGAL MATTERS**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA**

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

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>								
Intergovernmental:								
Federal Through State and Local State	\$ -	\$ -	\$ -	\$ -	\$ 203,661	\$ 368,308	\$ 368,308	\$ -
Local and Other	2,777,241	2,699,990	2,699,990	-	-	-	-	-
Total Revenues	132,350	73,383	73,383	-	-	-	-	-
	<u>2,909,591</u>	<u>2,773,373</u>	<u>2,773,373</u>	<u>-</u>	<u>203,661</u>	<u>368,308</u>	<u>368,308</u>	<u>-</u>
<b>Expenditures:</b>								
Current - Education:								
Instruction	1,578,311	1,433,160	1,433,160	-	203,661	169,051	169,051	-
Student Support Services	5,380	1,078	1,078	-	-	900	900	-
Board	17,157	24,698	24,698	-	-	-	-	-
General Administration	265,072	263,727	263,727	-	-	-	-	-
School Administration	365,026	362,696	362,696	-	-	-	-	-
Facilities Acquisition & Construction	194,892	-	-	-	-	-	-	-
Fiscal Services	94,874	49,817	49,817	-	-	-	-	-
Food Services	14,544	16,642	16,642	-	-	-	-	-
Central Services	24,665	20,481	20,481	-	-	-	-	-
Student Transportation	75,806	90,714	90,714	-	-	-	-	-
Operation of Plant	86,455	96,058	96,058	-	-	12,508	12,508	-
Administrative Technology Services	1,168	94	94	-	-	-	-	-
Community Service	31,444	31,963	31,963	-	-	-	-	-
Fixed Capital Outlay:								
Facilities Acquisition & Construction	-	479,225	479,225	-	-	85,855	85,855	-
Other Capital Outlay	-	1,500	1,500	-	-	99,994	99,994	-
Debt Service:								
Principal	52,600	-	-	-	-	-	-	-
Interest	70,000	-	-	-	-	-	-	-
Total Expenditures	<u>2,877,394</u>	<u>2,871,853</u>	<u>2,871,853</u>	<u>-</u>	<u>203,661</u>	<u>368,308</u>	<u>368,308</u>	<u>-</u>
Excess (Deficiency) of Revenues								
Over Expenditures	32,197	(98,480)	(98,480)	-	-	-	-	-
Other Financing Sources (Uses):								
Proceeds from Debt	-	190,000	190,000	-	-	-	-	-
Special Item - Debt Forgiveness	-	362,350	362,350	-	-	-	-	-
Transfers (Out)	-	(144,526)	(144,526)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	407,824	407,824	-	-	-	-	-
Net Change in Fund Balance	32,197	309,344	309,344	-	-	-	-	-
Fund Balance, July 1, 2020	611,298	611,298	611,298	-	-	-	-	-
Fund Balance, June 30, 2021	<u>\$ 643,495</u>	<u>\$ 920,642</u>	<u>\$ 920,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

**ATHENIAN ACADEMY OF TECHNOLOGY AND THE ARTS, INC.**  
**A Charter School and Component Unit of the District School Board of Pasco County, Florida**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2021**

**1. BUDGETARY BASIS OF ACCOUNTING**

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



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**Independent Auditor's Report on Internal Control Over Financial Reporting and  
Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

To the Board of Directors of the Athenian Academy of Technology and the Arts, Inc.  
a Charter School and Component Unit of the  
District School Board of Pasco County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Athenian Academy of Technology and the Arts, Inc. ("School"), a charter school and component unit of the District School Board of Pasco County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

## **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

August 27, 2021  
Tampa, Florida



Members:  
Florida Institute of CPAs  
American Institute of CPAs  
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**Management Letter as Required by Rules of the Florida Auditor General,  
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Athenian Academy of Technology and the Arts, Inc.  
a Charter School and Component Unit of the  
District School Board of Pasco County, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Athenian Academy of Technology and the Arts, Inc. ("School"), a Charter School and Component Unit of the District School Board of Pasco County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated August 27, 2021.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated August 27, 2021, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Athenian Academy of Technology and the Arts, 514321.



## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Transparency**

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

## **Additional Matters**

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

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

## **Purpose of this Letter**

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

Respectfully submitted,

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

August 27, 2021  
Tampa, Florida