

ST. PETER'S ACADEMY, INC.

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

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2021



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>Page</u>
Management's Discussion and Analysis	1 – 6
Independent Auditor's Report	7 – 8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15 – 26
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	27
Budgetary Comparison Schedule – Special Revenue Fund	28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 – 30
Additional Information Required by Rules of the Florida Auditor General, Chapter 10.850, <i>Audits of Charter Schools and Similar Entities</i>:	
Management Letter	31 – 33

ST. PETER'S ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of St. Peter's Academy, Inc. (the "School") offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- ❖ The School qualifies as a high performance School due to their school grades and financial position.
- ❖ The School's total net position increased from prior year. The School paid off loan for building in fiscal year 2021.
- ❖ For the fiscal year ended June 30, 2021, the School's revenue exceeded expenses by approximately \$230,000.
- ❖ At June 30, 2021, the School's governmental funds balance sheet reported combined ending fund balance of \$412,349.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of School. This document also includes the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities

include the School's basic services. The business-type activities are those services that the School charges for that are not directly related to the School's mission. For the year ended June 30, 2021, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out, and what monies are left at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget and may amend it for its general and special revenue funds, as required by the Florida Statutes. The budgets are legally adopted by management of the School and its Board. Budgetary comparison schedules have been included as part of the required supplementary information. The budgetary comparison schedules shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 15 of this report.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 429,126	\$ 320,428	\$ 108,698
Capital assets, net	<u>1,081,792</u>	<u>1,132,904</u>	<u>(51,112)</u>
Total assets	<u>1,510,918</u>	<u>1,453,332</u>	<u>57,586</u>
Liabilities:			
Current liabilities	16,777	20,550	(3,773)
Long-term liabilities	<u>-</u>	<u>168,668</u>	<u>(168,668)</u>
Total liabilities	<u>16,777</u>	<u>189,218</u>	<u>(172,441)</u>
Net Position:			
Investment in capital assets, net of related debt	1,081,792	964,236	117,556
Restricted:			
Food services	152,354	111,353	41,001
Unrestricted	<u>259,995</u>	<u>188,525</u>	<u>71,470</u>
Total net position	<u>\$ 1,494,141</u>	<u>\$ 1,264,114</u>	<u>\$ 230,027</u>

Current assets increased due to current year operating surplus. The net decrease in capital assets is a result of current year depreciation expense. Long-term liabilities decreased due to current year principal payments and the loan being paid off in fiscal year 2021. The increase in total net position is due to the current year surplus and loan payoff.

Change in Net Position

The School's total revenues exceeded expenses by approximately \$230,000 in fiscal 2021—see table below.

	<u>2021</u>	<u>2020</u>	<u>Increases (Decreases)</u>
Revenues:			
Federal sources through			
Local school district	\$ 356,477	\$ 220,598	\$ 135,879
State and local sources	1,491,796	1,355,075	136,721
Other revenues	48,821	58,051	(9,230)
Total revenues	<u>1,897,094</u>	<u>1,633,724</u>	<u>263,370</u>
Expenses:			
Instruction	905,238	954,196	(48,958)
General administration	64,661	22,866	41,795
School administration	280,950	231,153	49,797
Fiscal services	9,400	10,873	(1,473)
Food service	115,988	91,509	24,479
Transportation	67,948	59,826	8,122
Operation of plant	194,674	226,718	(32,044)
Maintenance of plant	23,299	-	23,299
Interest	4,909	9,724	(4,815)
Total expenses	<u>1,667,067</u>	<u>1,606,865</u>	<u>60,202</u>
Change in net position	<u>\$ 230,027</u>	<u>\$ 26,859</u>	<u>\$ 203,168</u>

The School's overall revenue increased due to an increase in student attendance and increase in grant funding due to COVID-19. Instruction and School administration changes due to reclassification in administration wages.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund balance of \$412,349.

General and Special Revenue Funds Budgetary Highlights

In the general fund, actual revenues were approximately \$222,000 more than budgeted amounts. Actual expenditures were approximately \$144,000 more than budgeted amounts.

In the special revenue fund, actual revenues were approximately 49,000 more than the budgeted amounts and actual expenditures were \$46,000 more than the budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2021, the School's investment in capital assets was approximately \$1,830,000 million in capital assets, net of accumulated depreciation of approximately \$749,000.

Comparative information regarding the School's capital assets as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Capital assets			
Building and improvements	\$ 1,599,883	\$ 1,599,883	\$ -
Equipment and software	178,021	178,021	-
Vehicles	53,429	53,429	-
Total capital assets	<u>1,831,333</u>	<u>1,831,333</u>	-
Accumulated depreciation	<u>(749,541)</u>	<u>(698,429)</u>	<u>(51,112)</u>
Net capital assets	<u>\$ 1,081,792</u>	<u>\$ 1,132,904</u>	<u>\$ (51,112)</u>

There were no major capital asset additions this year.

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Long-Term Liabilities

Long-term liabilities decreased by approximately \$169,000 due to the current year principal payments. Interest paid during fiscal year 2021 was approximately \$4,900. The loan was paid in full in fiscal year 2021. More detailed information about the School's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ending June 30, 2022

Amounts available for appropriation in the general fund is expected to decrease by approximately \$164,000 compared to current year, which is due to a decrease in student enrollment count.

Budgeted expenditures are expected to decrease to approximately \$51,000 from the fiscal year 2021 due to a decrease in expenses related to instruction and operational costs.

Amounts available for appropriation in the special revenue fund are expected to decrease to approximately \$225,000.

Budgeted expenditures in the special revenue fund are expected to decrease to approximately \$207,000 from the year 2021 actual of \$240,000.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 4250 38th Avenue Vero Beach, FL 32967.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of St. Peter's Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Indian River 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 and 27-28 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 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, 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.

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 21, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccradyandassociates.com
www.mccradyandassociates.com

ST. PETER'S ACADEMY, INC.

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

Statement of Net Position

June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 300,829
Due from other agencies	128,297
Capital assets:	
Buildings and improvements	1,577,276
Improvements other than building	22,607
Furniture, fixtures and equipment	170,969
Computer software	7,052
Vehicles	53,429
Less accumulated depreciation	<u>(749,541)</u>
Total capital assets, net	<u>1,081,792</u>
Total assets	<u><u>\$ 1,510,918</u></u>
LIABILITIES	
Accounts payable and accrued expenses	<u>\$ 16,777</u>
Total liabilities	<u>16,777</u>
NET POSITION	
Invested in capital assets, net of related debt	1,081,792
Restricted:	
Food services	121,375
Unrestricted	<u>290,974</u>
Total net position	<u>1,494,141</u>
Total liabilities and net position	<u><u>\$ 1,510,918</u></u>

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

ST. PETER'S ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Indian River, Florida**

Statement of Activities

For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Specific Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction	\$ 905,238	\$ 38,745	\$ 199,488	\$ -	\$ (667,005)	\$ (667,005)
General administration	64,661	-	-	-	(64,661)	(64,661)
School administration	280,950	-	-	-	(280,950)	(280,950)
Fiscal services	9,400	-	-	-	(9,400)	(9,400)
Food service	115,988	-	156,989	-	41,001	41,001
Transportation	67,948	-	-	-	(67,948)	(67,948)
Operation of plant	194,674	-	-	83,464	(111,210)	(111,210)
Maintenance of plant	23,299	-	-	-	(23,299)	(23,299)
Interest	4,909	-	-	-	(4,909)	(4,909)
Total primary government	\$ 1,667,067	\$ 38,745	\$ 356,477	\$ 83,464	(1,188,381)	(1,188,381)
General revenues:						
State and local sources					1,408,332	1,408,332
Contributions and other revenues					10,076	10,076
Total general revenue					1,418,408	1,418,408
Changes in net position					230,027	230,027
Net position at beginning of year					1,264,114	1,264,114
Net position at end of year					\$ 1,494,141	\$ 1,494,141

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

ST. PETER'S ACADEMY, INC.

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

Balance Sheet - Governmental Funds

June 30, 2021

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 179,454	\$ -	\$ 121,375	\$ 300,829
Due from other agencies	10,701	5,702	111,894	128,297
Due from other funds	117,596	-	-	117,596
Total assets	<u>\$ 307,751</u>	<u>\$ 5,702</u>	<u>\$ 233,269</u>	<u>\$ 546,722</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 16,777	\$ -	\$ -	\$ 16,777
Due to general fund	-	5,702	111,894	117,596
Total liabilities	<u>16,777</u>	<u>5,702</u>	<u>111,894</u>	<u>134,373</u>
FUND BALANCES				
Nonspendable:				
Restricted:				
Food services	-	-	121,375	121,375
Spendable:				
Unassigned	290,974	-	-	290,974
Total fund balances	<u>290,974</u>	<u>-</u>	<u>121,375</u>	<u>412,349</u>
Total liabilities and fund balances	<u>\$ 307,751</u>	<u>\$ 5,702</u>	<u>\$ 233,269</u>	<u>\$ 546,722</u>

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

ST. PETER'S ACADEMY, INC.

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**

June 30, 2021

Total fund balances - governmental funds \$ 412,349

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The costs at year end consist of:

Capital assets	1,831,333
Accumulated depreciation	<u>(749,541)</u>

Total net position - governmental activities \$ 1,494,141

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

ST. PETER'S ACADEMY, INC.

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

**Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds**

For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Federal sources passed through local school district	\$ -	\$ -	\$ 279,381	\$ 77,096	\$ 356,477
State and local sources	1,408,332	83,464	-	-	1,491,796
Contributions and other revenues	48,821	-	-	-	48,821
Total revenues	<u>1,457,153</u>	<u>83,464</u>	<u>279,381</u>	<u>77,096</u>	<u>1,897,094</u>
EXPENDITURES					
Current:					
Instruction	672,925	-	153,371	77,096	903,392
General administration	64,661	-	-	-	64,661
School administration	280,950	-	-	-	280,950
Fiscal services	9,400	-	-	-	9,400
Food service	-	-	115,988	-	115,988
Transportation	61,170	-	-	-	61,170
Operation of plant	68,722	83,464	-	-	152,186
Maintenance of plant	23,299	-	-	-	23,299
Debt service:					
Principal	-	-	-	168,668	168,668
Interest	-	-	-	4,909	4,909
Total expenditures	<u>1,181,127</u>	<u>83,464</u>	<u>269,359</u>	<u>250,673</u>	<u>1,784,623</u>
Excess (deficiencies) of revenue over expenditures	276,026	-	10,022	(173,577)	112,471
OTHER FINANCING SOURCES (USES)					
Operating transfer in	-	-	-	173,577	173,577
Operating transfer out	<u>(173,577)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,577)</u>
Total other financing sources	<u>(173,577)</u>	<u>-</u>	<u>-</u>	<u>173,577</u>	<u>-</u>
Net changes in fund balances	102,449	-	10,022	-	112,471
Fund balances at beginning of year	188,525	-	111,353	-	299,878
Fund balances at end of year	<u>\$ 290,974</u>	<u>\$ -</u>	<u>\$ 121,375</u>	<u>\$ -</u>	<u>\$ 412,349</u>

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

ST. PETERS ACADEMY, INC.

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

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2021

Net changes in fund balance - total governmental funds	\$ 112,471
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amounts incurred in the current period:	
Depreciation expense	(51,112)
Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	<u>168,668</u>
Change in net assets of governmental activities	<u><u>\$ 230,027</u></u>

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

ST. PETER’S ACADEMY, INC.

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

Notes to Financial Statements

For the Year Ended June 30, 2021

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Peter’s Academy, Inc. (the “School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The School began its operations as a division of St. Peter’s Human Services, Incorporated. Effective July 1, 2006, the School was separated from St. Peter’s Human Services, Inc. into a separate not-for-profit organization, St. Peter’s Academy, Inc. and applied for charter school status. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of six 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 Indian River County Florida, (the “School Board”). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board (“GASB”).

Charter Contract

The current charter expires on June 30, 2027 and may be renewed by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the “Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book” issued by the Florida Department of Education (“FDOE”).

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and its liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program and grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are individual governmental funds reported in the fund financial statements:

- General Fund – the School's primary operating fund that accounts for all financial resources of the school, except those that are required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest, and related costs.

For the purpose of these statements, the general, special revenue, and capital projects funds are considered major funds and debt service funds are included in other governmental funds.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days after 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, revenues is recognized at the time the expenditure is made.

Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the acquisition of long-term debt are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with a financial institution.

Under current regulations, all deposit accounts at a single FDIC insured institution are insured up to \$250,000. The School currently has deposit accounts at one insured institution. Additionally, the balance may exceed the limit through the year. Management does not expect to incur any losses related to it. As of June 30, 2021, the School's cash balances exceeded FDIC coverage by approximately \$63,000.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

Interfund receivables and payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded total receivables of approximately \$118,000 from the special revenue funds and capital projects fund for amounts by the general fund on behalf of the funds.

Interfund transfers

The School reports its debt service and capital fund expenditures in the other governmental funds. For the year ended June 30, 2021, the general fund transferred approximately \$174,000 to the other governmental fund for current year expenditures and pay off loan.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date donated. The School capitalizes assets with a cost of \$1,000 or more. Expenditures of normal maintenance and repair that do not add to the asset value or extend the useful life are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Buildings and improvements	5 – 40
Furniture, fixtures and equipment	3 – 15
Computer software	3
Vehicles	5

Information related to the change in capital assets is described in Note 4.

Long-Term Liabilities

Long-term liabilities 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. Changes in long-term liabilities for the current year are reported in Note 5.

Net Position and Fund Balance Classifications

Government-wide financial statements

The net position are classified and reported in three components:

- Investment in capital assets, net of related debt – 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.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

•
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:

- 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.

This statement also clarifies the definition of the special revenue fund to denote it may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

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 non spendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for the non-general fund.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

Revenue Sources

Revenues for operations are received primarily from the District School Board of Indian River County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 2% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is 2% opposed to 5% because the school is considered a high performing school. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of 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 reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida 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 year ended June 30, 2021, the School reported 156 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred. However, if the expenditures and funding occur close to the closing of period federal and state grants may have

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Recently Issued Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, which provides additional clarity and improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Fiduciary activities include the cumulative effect of any changes adopted to conform to the provisions of this guidance would be reported as a restatement of beginning net position and fund balance. The School did not identify fiduciary activities that would materially affect financial statements for this reporting period. The effective implementation date is June 30, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. This pronouncement requires recognition and reporting of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about a school's leasing activities. The cumulative effect of any changes implemented to conform to this pronouncement would be reported as a restatement of beginning net position and fund balance. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The effective implementation date is June 30, 2021.

In June 2018, the GASB issued Statement No. 89, Capitalized Interest. GASB would now require interest costs incurred during the construction period to be recognized as an expense in the period in which the cost is incurred under the economic resource measurement focus. The effective implementation date is June 30, 2021.

However, the GASB issued in May 2021, Statement No 95, Postponement of the Effective Dates of Certain Authoritative Guidance, due to the ramifications of the Pandemic this pronouncement was effective immediately upon issuance. The School will continue to evaluate these pronouncements with their current situation.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

3 DUE FROM OTHER AGENCIES

Due from other agencies included in the accompanying financial statements includes approximately \$117,596 in federal funds. Based on the sources of these funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Buildings & improvements	\$ 1,577,276	\$ -	\$ -	\$ 1,577,276
Improvements other than building	22,607	-	-	22,607
Furniture, fixtures & equipment	170,969	-	-	170,969
Computer software	7,052	-	-	7,052
Vehicles	53,429	-	-	53,429
Total capital assets	<u>1,831,333</u>	-	-	<u>1,831,333</u>
Accumulated depreciation:				
Buildings & improvements	(478,966)	(42,285)	-	(521,251)
Improvements other than building	(21,199)	(203)	-	(21,402)
Furniture, fixtures & equipment	(160,564)	(1,846)	-	(162,410)
Computer software	(7,052)	-	-	(7,052)
Vehicles	(30,648)	(6,778)	-	(37,426)
Total accumulated depreciation	<u>(698,429)</u>	<u>(51,112)</u>	-	<u>(749,541)</u>
Capital assets, net	<u>\$ 1,132,904</u>	<u>\$ (51,112)</u>	<u>\$ -</u>	<u>\$ 1,081,792</u>
Depreciation expense:				
Instruction			\$ 1,846	
Transportation			6,778	
Operation of plant			42,488	
Total governmental activities depreciation expense			<u>\$ 51,112</u>	

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

5 LONG-TERM LIABILITY

On May 17, 2011, the School refinanced the 2006 note on the building for \$470,361 with Seacoast National Bank. The note is secured by a mortgage on the real property. The interest rate is calculated at variable plus 3.5% which is 4.875% at June 30, 2021. Effective June 2017, the monthly principal and interest payments decreased to \$3,614. The School paid the loan off in fiscal year 2021.

Long-term liability activity as of June 30, 2021 is as follows:

Balance outstanding at beginning of year	\$ 168,668
Additions	
Reductions	<u>(168,668)</u>
Balance outstanding at end of year	-

Interest paid during the year ended June 30, 2021 totaled approximately 4,900.

6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Indian River County, Florida:

Florida Education Finance Program	\$ 752,310
Class size reduction	208,336
Discretionary local effort	138,819
Proration of millage local	89,125
Capital outlay	83,464
Transportation	48,242
School district 2 mil reimbursement	40,262
Supplemental academic instruction	34,458
Teacher salary increase	27,856
ESE guaranteed allocation	26,017
Instructional materials	11,856
Safe schools	10,309
Total funds compression	9,076
Reading allocation	7,836
Lead teacher	2,900
Digital classroom allocation	<u>930</u>
Total	<u>\$ 1,491,796</u>

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

The administrative fee paid to the School Board during the year ended June 30, 2021 totaled approximately \$65,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

7 RELATED PARTY TRANSACTIONS

Facility lease

The school leases a portion of its facilities under an annually renewable lease agreement with St. Peter's Missionary Baptist Church (the "Church") for \$3,650 per month plus utilities and lawn maintenance. Several of the members of the School's Board of Directors are associated with the Church. At June 30, 2021, there were no amounts outstanding. The current lease expires December 31, 2022 and future minimum payments approximately \$26,000.

8 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

9 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal 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 receivable at year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related 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.

ST. PETER'S ACADEMY, INC.

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

**Notes to Financial Statements
(continued)**

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.

10 INCOME TAXES

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

11 403(b) PLAN

The School participates in a salary deferral plan under the Internal Revenue Code 403(b). Employees may make elective contributions of up to 20% of their compensation and the limit established by federal law. The School makes matching contributions of up to 5% to the 403(b) plan on behalf of the employees. For the year ended June 30, 2021, the School made contributions for eligible participants to the 403(b) plan in the amount of approximately \$8,000, which is included in instruction expense/expenditure on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

12 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 21, 2021, which is the date the financial statements were available to be issued.

Management continues to evaluate the ongoing impact of the COVID-19 pandemic on the industry. The School has concluded this it is reasonably possible that the ongoing pandemic could have a negative impact on its financial position and results of operations, however, any possible impact is not readily determinable as of the date of these financial statements. The School has not recognized any provisions for possible ongoing impact in these financial statements.

ST. PETERS ACADEMY, INC.

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

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 1,200,000	\$ 1,200,000	\$ 1,408,332	\$ 208,332
Contributions and other revenues	35,000	35,000	48,821	13,821
Total revenues	1,235,000	1,235,000	1,457,153	222,153
EXPENDITURES				
Current:				
Instruction	652,581	652,581	672,925	20,344
General administration	-	-	64,661	64,661
School administration	206,905	206,905	280,950	74,045
Fiscal services	16,000	19,000	9,400	(9,600)
Transportation	64,990	65,000	61,170	(3,830)
Operation of plant	121,300	77,500	68,722	(8,778)
Maintenance of plant	16,000	16,000	23,299	7,299
Total expenditures	1,077,776	1,036,986	1,181,127	144,141
Excess (deficiencies) of revenue over expenditures	157,224	198,014	276,026	78,012
Other Financing Sources (Uses)				
Operating transfer out	-	-	(173,577)	(173,577)
Net changes in fund balances	157,224	198,014	102,449	(95,565)
Fund balances at beginning of year,	188,525	188,525	188,525	-
Fund balances at end of year	\$ 345,749	\$ 386,539	\$ 290,974	\$ (95,565)

See Independent Auditor's Report.

ST. PETERS ACADEMY, INC.

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

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Federal sources passed through local school district	\$ 230,000	\$ 230,000	\$ 279,381	\$ 49,381
Total revenues	230,000	230,000	279,381	49,381
EXPENDITURES				
Current:				
Instruction	130,527	130,527	153,371	22,844
Food service	92,833	92,833	115,988	23,155
Total expenditures	223,360	223,360	269,359	45,999
Net changes in fund balances	6,640	6,640	10,022	3,382
Fund balances at beginning of year	111,353	111,353	111,353	-
Fund balances at end of year	\$ 117,993	\$ 117,993	\$ 121,375	\$ 3,382

See Independent Auditor's Report.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River 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 and each major fund, and the aggregate remaining fund information for St. Peters Academy, Inc., a Charter School and Component Unit of the District School Board of Indian 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 21, 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) as a basis for designing 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 School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instance 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.

McCrary & Associates, PLLC

Altamonte Springs, Florida
August 21, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccraryandassociates.com
www.mccraryandassociates.com

**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**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 St. Peter's Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Indian River County, Florida

Report on the Financial Statements

We have audited the financial statements of St. Peter's Academy, Inc. (the "School") as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated August 21, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is St. Peter's Academy, Inc. The School code is 5002.

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 the review of financial information provided by same.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the 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)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 note any such findings.

Purpose of this Letter

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 21, 2021