

**DISTRICT SCHOOL BOARD, CHARTER SCHOOL AND SIMILAR ENTITY,  
THE FLORIDA VIRTUAL SCHOOL (INCLUDING FLORIDA VIRTUAL SCHOOL  
GLOBAL), AND VIRTUAL INSTRUCTION PROGRAM PROVIDER  
AUDIT REPORT SUBMITTAL CHECKLIST**

Entity Name: the Island School, Inc.

Entity Address: 135 West First Street, P.O. Box 1090  
Boca Grande, FL 33921

Entity Contact Person:  
Name: Jean Thompson  
Title: Head of School  
Phone Number: (941) 964-8016  
E-mail Address: tisjean@comcast.net

CPA or Other (if applicable):  
Name: ALEJANDRA M. JUFFE  
Title: CPA  
Phone Number: (941) 475-7937  
E-mail Address: ajuffe@macpas.com

Fiscal Year Audited: June 30, 2021

Date the auditor delivered the audit report to the entity: 8/20/21

Does the audit report include the following items required by Sections 10.806(2) or 10.856(2), Rules of the Auditor General, as applicable?

- Yes Financial statements, as described in Sections 10.805(3) and 10.855(3) - (6), Rules of the Auditor General, as applicable, together with related notes to financial statements?
- Yes Required supplementary information such as the management's discussion and analysis?
- Yes The auditor's report on the financial statements?
- Yes The auditor's report on internal control and compliance?
- Yes Any other auditor's reports, related financial information, and auditee-prepared documents required pursuant to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or other applicable Federal law?
- Yes The management letter defined in Sections 10.804(1)(f) and 10.854(1)(e), Rules of the Auditor General, as applicable?

Yes

The written statement of explanation or rebuttal required by Sections 10.807(1) and 10.857(2), Rules of the Auditor General, as applicable?

N/A

For district school boards that had an impact fee adopted by ordinance on their behalf, an "affidavit" signed and sworn to by the chief financial officer before an officer authorized to administer oaths (e.g., notary public) stating that the district school board complied with the requirements of Section 163.31801, Florida Statutes, as referenced by Section 10.806(2)(h), Rules of the Auditor General?

In addition to the above, have the following requirements been complied with:

Yes

Are all of the above elements of the audit report included in a **single document** as required by Sections 10.806(2) and 10.856(2), Rules of the Auditor General, as applicable?

Yes

Are **one** paper copy and **one** electronic copy of the audit report being submitted as required by Sections 10.807(3) and 10.857(4), Rules of the Auditor General, as applicable?

Yes

Is the electronic copy named using all lower case letters as follows: [fiscal year] [name of entity].pdf? For example, the converted document for the 2018-19 fiscal year for Alachua County District School Board should be named 2019 alachua county dsb.pdf, while the converted document for the 2018-19 fiscal year for Alachua Learning Center, Inc. should be named 2019 alachua learning center.pdf. If the charter school goes by a DBA (doing business as), use the DBA in the file name.

Yes

Was the audit report submitted within 45 days after receipt of the audit report from the auditor, but no later than 9 months after the end of the fiscal year as required by Section 218.39(7), Florida Statutes, as referenced by Sections 10.807(3) and 10.857(4), Rules of the Auditor General? **NOTE:** There is no provision in law authorizing an extension for filing the audit report.

**This checklist should accompany the audit report.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Telephone: (850) 412-2881

E-mail Address: flaudgen\_dsb\_charter@aud.state.fl.us  
Web site Address: [FLAuditor.gov](http://FLAuditor.gov)

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF**  
**LEE COUNTY, FLORIDA**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Alejandra M. Juffe  
Certified Public Accountant

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

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## INDEPENDENT AUDITOR'S REPORT

August 20, 2021

To the Board of Directors of The Island School, Inc.  
A Charter School and Component Unit of  
The District School Board of Lee County, Florida

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

We have audited the accompanying financial statements of the governmental activities and each major fund of The Island School, Inc., a Charter School and component unit of the District School Board of Lee County, Florida, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise The Island School, Inc.'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 for the Financial Statements**

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

## **Opinion**

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 of The Island School, Inc. as of June 30, 2021, and the results of its operations 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, Analysis, and Budgeting Comparison Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2021, on our consideration of The Island School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Island School, Inc.'s internal control over financial reporting and compliance.

**Alejandra M. Juffe**

Alejandra M. Juffe  
Certified Public Accountant

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021

This section of the annual financial report of The Island School, Inc. (The School) presents management's discussion and analysis of the school's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the school's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The School's total net position increased by \$20,405 from the prior year. The increase in the net position is a strong indicator that the School's financial position keeps improving.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

The first two statements are *government-wide financial* statements that provide both long-term and short-term information about the School's overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements. The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains the information in the basic financial statements.

This document also includes the independent auditor's report on compliance and internal control required by *Government Auditing Standards*, as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

The following table summarizes the major features of the School's basic financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	<u>Government-Wide Statements</u>	<u>Fund Statements Governmental Funds</u>
Scope	Entire School	The activities of the school that are not proprietary or fiduciary.
Required Financial Statements.	Statement of net position. Statement of activities.	Balance sheet. Statement of revenues, expenditures and changes in fund balances.
Accounting basis and measurement focus.	Accrual accounting and economic resources focus.	Modified accrual basis of accounting and current financial resources focus.
Type of asset/liability information.	All assets and liabilities, both financial and capital, and short-term & long-term.	Only assets expected to be used up and liabilities that come due during the year, or soon thereafter; no capital assets included.
Type of inflow/outflow information.	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the School as a whole, using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.



**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021

The two government-wide financial statements report the School's net assets and how they have changed. Net assets – the difference between the School's assets and liabilities – is one way to measure the School's Financial health or position. Over time, increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the School, one needs to consider additional non-financial factors such as changes in the School's student base.

The government-wide financial statements of the School are generally divided into three categories:

*Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program (FEFP) and state and federal grants finance most of these activities.

*Component units* – there are currently no component units included within the reporting entity of the School.

#### FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has one kind of fund:

*Governmental funds* – most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future, to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the difference between them.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

The School's combined net position increased from fiscal year 2020 to 2021:

<b>Assets</b>	<b>Governmental Activities</b>		<b>Change</b>
	<b>2020</b>	<b>2021</b>	
Current and other assets	\$ 1,565,122	\$ 1,634,741	\$ 69,619
Capital assets, net	2,061,247	2,012,033	(49,214)
<b>Total assets</b>	<b>\$ 3,626,369</b>	<b>\$ 3,646,774</b>	<b>\$ 20,405</b>
<b>Liabilities</b>			
Current and other liabilities	\$ 7,140	\$ 7,140	\$ -
<b>Net Position</b>			
Invested in capital assets	2,061,247	2,012,033	(49,214)
Restricted For:			
Restricted, Magazines or Covid -19 supplies	2,000	-	(2,000)
Restricted, Technology	17,500	3,715	(13,785)
Restricted, Medical Needs	200	200	-
Restricted, STEAM	6,530	6,300	(230)
Restricted, Art	5,514	5,514	-
Restricted, Science Equipment	317	317	-
Restricted, Counseling	289	-	(289)
Restricted, Reading Curriculum	5,192	3,635	(1,557)
Restricted, Teacher Training	9,965	9,965	-
Restricted, Field Trips	12,945	12,945	-
Restricted, Board Approved	1,080,063	1,141,325	61,262
<b>Total Restricted</b>	<b>1,140,515</b>	<b>1,183,916</b>	<b>43,401</b>
<b>Unrestricted</b>	<b>417,467</b>	<b>443,685</b>	<b>26,218</b>
<b>Total Net Position</b>	<b>\$ 3,619,229</b>	<b>\$ 3,639,634</b>	<b>\$ 20,405</b>

The Statement of Net Position presents information on all of the assets and liabilities as of June 30, 2021, showing total assets of \$3,646,774 and total liabilities of \$7,140.

Net position of \$3,639,634 is the difference between total assets and total liabilities.

The increase of the net position from the prior year is an indicator that the financial position of the Charter School improved compared to the prior year.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**CHANGE IN NET POSITION**

The School's total revenues decreased in the fiscal year 06/30/21 compared to the prior year. The main reason for the decrease in revenue is from not having fundraising events due to Covid-19. Total cost of all programs and services increased from the prior fiscal year.

	Governmental Activities		
	2020	2021	Change
Revenues:			
State and local sources	\$ 478,337	\$ 496,778	\$ 18,441
Contributions and other revenues	863,290	748,532	(114,758)
Total revenues	1,341,627	1,245,310	(96,317)
Expenses:			
Instruction & instruction-related services	643,935	684,157	40,222
Administrative support services	224,106	276,652	52,546
Other support services	102,591	118,719	16,128
Operation of plant	126,595	134,328	7,733
Total expenses	1,097,227	1,213,856	116,629
Net , After School Program	(29,364)	(29,785)	(421)
Excess revenues over expenses	\$ 215,036	\$ 1,669	(213,367)
OTHER SOURCES (USES)			
Investment income, net	18,374	12,704	(5,670)
Unrealized Gain on Investment	(227)	(9,893)	(9,666)
Net Restricted Funds	3,522	15,925	12,403
Change in net position	236,705	20,405	(216,300)
Net position - beginning	3,382,524	3,619,229	236,705
Net position - ending	\$ 3,619,229	\$ 3,639,634	\$ 20,405

Revenues from state sources increased due to the increase of the State's funds allocation compared to prior year.

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

As the School completed the year, its governmental funds reported a combined fund balance of 1,627,601, which was an increase from the prior year.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual contributions and other revenue exceeded budgeted revenue by \$41,132  
(without counting temporarily restricted donations).

Budgeted costs exceeded actual costs by \$37,027, not including capital expenditures of \$33,785

**CAPITAL ASSET ADMINISTRATION**

At the end of the fiscal year 2021, the School had invested \$3,167,614 in a range of capital assets.

	Governmental Activities		Change
	2020	2021	
Buildings and improvements	\$ 2,945,969	\$ 2,945,969	\$ -
Furniture, fixtures and equipment	164,626	198,411	33,785
Smart Boards	43,768	43,768	-
Science room equipment & curriculum	13,251	13,251	-
Total capital assets	<u>\$ 3,167,614</u>	<u>\$ 3,201,399</u>	<u>33,785</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The number of enrolled students during the fiscal year of June 30, 2021 was 59.  
At the beginning of the 2021-2022 school year, there are 68 enrolled students.  
The Board and Staff are continuing fund raising efforts to keep the community  
aware of the continuing growth of the school.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

ASSETS	Governmental Activities
Current Assets	
Cash and cash equivalents	\$ 477,368
Restricted cash and cash equivalents	1,141,325
Accounts Receivable	13,571
Prepaid expenses	2,477
Total Current Assets	<u>1,634,741</u>
Capital assets:	
Buildings and Improvements	2,945,969
Furniture, fixtures and equipment	198,411
Smart boards	43,768
Science room equipment and curriculum	13,251
Less accumulated depreciation	<u>(1,189,366)</u>
Total capital assets, net	<u>2,012,033</u>
<b>TOTAL ASSETS</b>	<u><b>3,646,774</b></u>
 LIABILITIES	
Current Liabilities	
Notes payable- current	<u>7,140</u>
Total Current Liabilities	<u>7,140</u>
 Net Position	
Invested in capital assets	2,012,033
Restricted For:	
Restricted, Medical Needs	200
Restricted, Teacher Training	9,965
Restricted, STEAM	6,300
Restricted, Art	5,514
Restricted, Field Trips	12,945
Restricted, Reading Curriculum	3,635
Restricted, Science Equipment	317
Restricted, Technology	3,715
Restricted, Board Approved	<u>1,141,325</u>
Total Restricted Funds	<u>1,183,916</u>
Unrestricted	443,685
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 3,639,634</b></u></u>

The accompanying notes are an integral part  
of these financial statements.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONAL PROGRAMS	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Operating Grants and Contributions	Charges for Services	
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 673,133	\$ -	\$ -	\$ 673,133
Instruction staff development	11,023	-	-	11,023
Administrative support services	276,652	-	-	276,652
Other support services	118,719	-	-	118,719
Operation of plant	134,328	-	-	134,328
Community Service (After School)	42,894	-	13,109	29,785
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,256,749	\$ -	\$ -	\$ 1,243,640
GENERAL REVENUES				
State aid:				
Formula grants				\$ 459,640
Professional development				\$ 3,492
Capital outlay funds				33,646
Contributions and other revenue				748,532
TOTAL GENERAL REVENUES				1,245,310
Excess of revenue over expenditures				1,670
Interest & Investment Income				2,810
Restricted program support - in				20,000
Restricted program support - out				(4,075)
Net changes in net position				20,405
NET POSITION AT JULY 1, 2020				3,619,229
NET POSITION AT JUNE 30, 2021				\$ 3,639,634

The accompanying notes are an integral part  
of these financial statements.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**JUNE 30, 2021**

ASSETS	Governmental Fund
Cash and cash equivalents	\$ 490,939
Restricted cash and cash equivalents	1,141,325
Prepaid expenses	2,477
<b>TOTAL ASSETS</b>	<b>\$ 1,634,741</b>
 <b>LIABILITIES AND FUND BALANCE</b>	
 <b>LIABILITIES</b>	
Notes payable - current	7,140
<b>TOTAL LIABILITIES</b>	<b>7,140</b>
 <b>FUND BALANCE</b>	
Nonspendable	2477
 Restricted For:	
Restricted, medical needs	200
Restricted, STEAM	6,300
Restricted, Art	5,514
Restricted, Teacher Training	9,965
Restricted, science equipment	317
Restricted, Field trips	12,945
Restricted, Reading Curriculum	3,635
Restricted, Technology	3,715
Restricted, Board Approval	1,141,325
<b>Total Restricted</b>	<b>1,183,916</b>
 Unassigned:	 441,208
 <b>TOTAL FUND BALANCE</b>	 <b>1,627,601</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <b>\$ 1,634,741</b>

The accompanying notes are an integral part  
of these financial statements.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

TOTAL FUND BALANCE – GOVERNMENTAL FUND	\$ 1,627,601
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund. The cost basis of the assets are \$3,201,399 and the accumulated depreciation is (\$1,189,366).

2,012,033

TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES	\$ 3,639,634
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The accompanying notes are an integral part  
of these financial statements.



**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>			
State Funds	\$ 463,132	\$ 33,646	\$ 496,778
Contributions and other revenue	748,532	-	748,532
After school program	13,109	-	13,109
<b>TOTAL REVENUES</b>	<b>1,224,773</b>	<b>33,646</b>	<b>1,258,419</b>
<b>EXPENDITURES</b>			
Current - Education			
Instruction	663,912	-	663,912
Instructional staff development	11,023	-	11,023
Administrative support services	276,652	-	276,652
Other support services	118,719	-	118,719
Operation of plant	60,550	-	60,550
After school program	42,894	-	42,894
Capital Outlay:			
Furniture & equipment purchase	-	33,785	33,785
<b>TOTAL EXPENDITURES</b>	<b>1,173,750</b>	<b>33,785</b>	<b>1,207,535</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>51,023</b>	<b>(139)</b>	<b>50,884</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
INTEREST AND INVESTMENT INCOME	2,810	-	2,810
RESTRICTED PROGRAM SUPPORT			
TRANSFER OF RESTRICTED FUNDS - IN	20,000	-	20,000
TRANSFER OF RESTRICTED FUNDS - OUT	(4,075)	-	(4,075)
<b>NET CHANGES IN FUND BALANCE</b>	<b>69,758</b>	<b>(139)</b>	<b>69,619</b>
<b>FUND BALANCE AT JULY 1, 2020</b>	<b>1,557,982</b>	<b>-</b>	<b>1,557,982</b>
<b>FUND BALANCE AT JUNE 30, 2021</b>	<b>\$ 1,627,740</b>	<b>\$ (139)</b>	<b>\$ 1,627,601</b>

The accompanying notes are an integral part  
of these financial statements.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

NET CHANGES IN FUND BALANCES – TOTAL GOVERNMENTAL FUND	\$ 69,619
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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 useful lives as depreciation expense. This is the amount by which depreciation expense of \$82,999. exceeds capital outlays of \$33,785 in the current period.	( 49,214 )
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NET CHANGES IN NET POSITION	\$ 20,405
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The accompanying notes are an integral part  
of these financial statements.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

The Island School, Inc. (the “School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of eight 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 Lee County, Florida (the “School Board”). The current charter is effective until June 30, 2035 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In the case, the School Board 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 School Board may also terminate the charter if good cause is shown.

In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board. The School is considered a component unit of the School Board; 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 of the School which should be reported with 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 provide 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.

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

The School’s financial instruments are cash and cash equivalents, pledge receivables and accounts payable. The recorded values of these assets and liabilities approximate their fair values based on their short-term nature.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**BASIS OF PRESENTATION**

The School's basic financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. Accordingly, both government-wide and fund financial statements are presented. The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. See Note 6 for discussion pertaining to Restricted Funds.

The government-wide financial statements of the School are generally divided into three categories:

Governmental activities - most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program (FEFP) and state and federal grants finance most of these activities.

Component units – there currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for as individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

**Governmental Funds:**

General Fund – to account for all financial resources not 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.

For purposes of these statements, the general fund constitutes a major fund. There are no other major funds.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and 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 presented using the accrual basis of accounting with an economic resource focus. Revenues are recognized when earned and expenses are recognized when incurred. The modified accrual basis of accounting and current financial resource focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principle exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

DEPOSITS AND INVESTMENTS

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The School's cash consist primarily of demand deposits.

RESTRICTED CASH, RESTRICTED AND PERMANENT ENDOWMENT

Restricted cash in the accompanying financial statements represents amounts held for a permanent Endowment. The restriction was created by the Board. All income generated from this permanent endowment is fully expendable as unrestricted support.

The School had \$317 remaining at the beginning of the year from a prior year donation to be used for science and math curriculum. There were no expenditures charged against this fund during the fiscal year, leaving a year-end balance of \$317.

The School had \$6,530 remaining at the beginning of the year from a prior year donation to be used for steam class. The School expended \$230 during the fiscal year. The June 30, 2021 balance is \$6,300.

The School had \$5,514 remaining at the beginning of the year from a prior year donation to be used for art. There were no expenditures charged against this fund during the fiscal year, leaving a year-end balance of \$5,514.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

The School had \$200 remaining at the beginning of the year from a prior year donation to be used for medical needs. There were no expenditures charged against this fund during the fiscal year, leaving a year-end balance of \$200.

The School had \$5,192 remaining at the beginning of the year from a prior year donation to be used for reading curriculum. The School expended \$1,557 leaving a balance as of June 30, 2021 of \$3,635.

The School had \$9,965 remaining at the beginning of the year from a prior year donation to be used for teacher training. There were no expenditures charged against this fund during the fiscal year, leaving a year-end balance of \$9,965.

The School had \$289 remaining at the beginning of the year from a prior year donation to be used for counseling, which was fully spent in the fiscal year.

The School had \$12,945 remaining at the beginning of the year from a prior year donation to be used for field trips. There were no expenditures charged against this fund during the fiscal year, leaving a year-end balance of \$12,945.

The School has \$17,500 remaining at the beginning of the year from a prior year donation to be used for technology. The School received an additional \$20,000 donation in the fiscal year to be used for technology purposes. The School spent \$33,785 in technology equipment during the fiscal year, leaving a balance as of June 30, 2021 of \$3,715.

The School had \$2,000 remaining at the beginning of the year from a prior year donation to be used for magazines or for Covid-19 supplies which was fully spent in Covid-19 supplies during the fiscal year.

CAPITAL ASSETS AND DEPRECIATION

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. The capital assets acquired are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

Buildings and improvements	40 years
Furniture, fixtures and equipment	2 – 7 years
Smart boards	7 years
Reading curriculum	7 years
Science room equipment & curriculum	7 years
Project child learning system	5 years

Information relative to changes in capital assets is described in Note 2.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

REVENUE SOURCES

Revenues for current operations are received from the District School Board of Lee 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(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board 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 Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The administrative fee paid to the School Board is 2% of the Florida Education Finance Program Funds, or \$9,700 for the year ended June 30, 2021. The fee was decreased from 5% to 2% in November of 2019. The cost is reflected as a school administration expenditure in the statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

Revenue is received in the form of donations from local community organizations and community members. These donations are in the form of unrestricted and temporary restricted funds for the general school operations and for donors' specific purposes.

USE OF ESTIMATES

In preparing the financial statements, 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 affect revenues and expenditures for the period presented. Actual results could differ significantly from those estimates.

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 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 that time. The School does not have any items that qualify for reporting in this category.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Net Position and Fund Balance Classification

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

- 1) 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 of those assets.
- 2) 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.
- 3) Unrestricted Net Position – all other net positions 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 balances categories:

- 1) 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.
- 2) Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- 3) Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- 4) 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.
- 5) Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amount not contained in the other classifications.

Income Tax Exemption

The School is exempt from federal income taxes under the provision of Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made.

Management is not aware of any tax positions that are more likely than not to change in the next twelve months, or that would not sustain an examination by applicable taxing authorities.



THE ISLAND SCHOOL, INC  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CHANGES IN CAPITAL ASSETS

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

	Beginning Balance	Increase / (Decrease)	Ending Balance
Governmental activities:			
Other capital assets:			
Buildings and Improvements	\$ 2,945,969	\$ -	\$ 2,945,969
Furniture, fixtures and equipment	164,626	33,785	198,411
Smart boards	43,768	-	43,768
Reading curriculum	-	-	-
Science room equipment	13,251	-	13,251
Project child learning system	-	-	-
Total capital assets at historical cost	<u>3,167,614</u>	<u>33,785</u>	<u>3,201,399</u>
Less accumulated depreciation for:			
Buildings and Improvements	819,028	73,777	892,805
Furniture, fixtures and equipment	287,339	9,222	296,561
Total accumulated depreciation	<u>1,106,367</u>	<u>82,999</u>	<u>1,189,366</u>
Governmental activities capital assets, net	<u>\$ 2,061,247</u>	<u>\$ (49,214)</u>	<u>\$ 2,012,033</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction and instruction-related services	\$ 9,222
Operation of plant	<u>73,777</u>
Total governmental activities depreciation expense	<u>\$ 82,999</u>

NOTE 3 - SCHEDULE OF STATE REVENUE SOURCES

The following is a detailed schedule of state funds received from the District School Board of Lee County, Florida:

Florida Education Finance Program	\$ 463,132
Capital outlay	<u>33,646</u>
Total	<u>\$ 496,778</u>

The administration fee paid to the School Board during the year ending June 30, 2021 totaled \$9,700, which is reflected as a school administration expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds.

**THE ISLAND SCHOOL, INC.**  
A CHARTER SCHOOL AND COMPONENT UNIT  
OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 – RISK MANGEMENT PROGRAM

General liability and professional liability are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Workers' compensation coverage, health and hospitalization are purchased as part of the leased employee program. Settled claims resulting from these risks have not exceeded commercial coverage. The School's exterior of the building is covered under the lease agreement with the county. The School's personal property is covered through a separate policy.

NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES

GRANTS

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 collection of any related receivable at June 30, 2021 may be impaired.

It is the opinion of the School that 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.

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.

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School's deposit policy for custodial credit risk is to spread its deposits among various institutions to the extent possible in order to limit its exposure to any one institution. As of June 30, 2021, \$227,371 of the School's \$1,618,696 bank and investment balances were exposed to custodial credit risk.

OPERATING LEASES

The School utilizes classroom and administrative facilities under an informal operating lease with an unrelated party. The lease amount is \$1 per year. Gift-in-kind revenue and related rent expense are not reflected in the accompanying financial statements due to significant uncertainty regarding the fair value of the facilities used.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)**

**LAND LEASE**

The School entered into a land lease agreement with Lee County on April 25, 2006. The lease is for real property at 131 1<sup>st</sup> Street West, Boca Grande, Florida and is located at the County's Boca Grande Community Center. The lease is for a term not to exceed 30 years and has an option to renew for another 30 upon written agreement with all parties. The rent is \$1 per year. The County will maintain the roof and windows and provide routine maintenance. The School will bear the cost of water/sewer, trash, electricity and telephone. The School may not assign the lease, nor sublet without written approval from the County. The County can not terminate the lease without good cause and the School has the right to terminate the lease with one year's written notice. Upon termination of the lease, the lessee may remove personal property, however, the building, fixtures and real property belong to the County.

During the fiscal year June 30, 2008 the building was transferred to Lee County Parks and Recreations in exchange for a 30 year lease with a 30 year option.

**NOTE 6 – FUND BALANCES**

Nonspendable fund balances represents the amount of net capital assets that cannot be spent because they are not in spendable form and the School does not hold title to a major asset still retained within the fund balance.

Restricted fund balances represent the amount that has been restricted to a specific purpose by the Donor, once the purpose has been satisfied the amount will be transferred to the Unrestricted fund balance.

Unassigned fund balance is the residual classification for the general fund. This classification represents the fund balance that has not been assigned to other funds, that is not nonspendable, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**NOTE 7 – AFTER SCHOOL PROGRAM**

During the fiscal year ended June 30, 2021, the after school program had revenues of \$13,109 from fees. Expenses for the program including direct wages and operational expenses were \$42,894 resulting in a net program loss of \$29,785. Staff members and Board members are engaged in making the Community aware of the program to obtain donations and grants.

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 8 – RELATED PARTY**

During fiscal 2021, board members made contributions totaling approximately \$23,200 to the School for general operating purposes.

On May 4, 2009 former Island School Board members formed a foundation organized as a public charity under Internal Revenue code 501 (c)(3) known as The Island School Foundation, Inc. The Foundation's mission is to exclusively support the advancement of education in Boca Grande, FL including but not limited to the assistance of The Island School, Inc. During the June 30, 2021, the Foundation made grants to the School for \$305,000.

**NOTE 9 – NOTE PAYABLE**

The School entered into an agreement with the Institute for School Innovation on April 15, 2011 and agreed to pay a total of \$36,756 for a program titled Project Child. As of June 30, 2012, \$29,346 was paid. The remaining balance was set-up as a note of \$7,140 due by June 30, 2013. The vendor, Institute for School Innovation has ceased operations as of June 30, 2013. The School is awaiting final billing for payment of the outstanding note payable.

**NOTE 10 – SUBSEQUENT EVENTS**

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through August 20, 2021, the date the financial statements were available to be issued.

**THE ISLAND SCHOOL, INC**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
State formula grants	\$ 468,500	\$ 463,132	\$ (5,368)
Contributions and other revenue	707,400	748,532	41,132
After school program	30,000	13,109	(16,891)
Miscellaneous	1,000		
<b>TOTAL REVENUES</b>	<b>1,206,900</b>	<b>1,224,773</b>	<b>17,873</b>
<b>EXPENDITURES</b>			
Instruction	730,280	663,912	66,368
Instruction staff development	7,700	11,023	(3,323)
Administrative support services	264,997	276,652	(11,655)
Other support services	133,900	118,719	15,181
Operation of plant	71,901	60,550	11,351
After school program	4,000	42,894	(38,894)
<b>TOTAL EXPENDITURES</b>	<b>1,212,778</b>	<b>1,173,750</b>	<b>39,028</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,878)</b>	<b>\$ 51,023</b>	<b>\$ 56,901</b>

## REQUIRED SUPPLEMENTARY INFORMATION

**THE ISLAND SCHOOL, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT**  
**OF THE DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA**  
  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 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, material and supplies and capital outlay) within each activity (e.g. instruction, school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

*Alejandra M. Juffe CPA*  
**Certified Public Accountant**  
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**Englewood, FL 34223**  
**(941) 475-7937**  
**ajuffe@finacpas.com**

**Report of Independent Auditor's 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 The Island School, Inc.  
a Charter School and Component Unit of  
the District School Board of Lee County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund of The Island School, Inc. (the "School"), a charter school and component unit of the District School Board of Lee 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 basis financial statements, and have issued our report thereon dated August 20, 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 opinion 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 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 over financial reporting 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

August 20, 2021

Date

*Alejandra M. Juffe*

By: Alejandra M. Juffe



*Alejandra M Juffe CPA*  
Certified Public Accountant  
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(941) 475-7937  
ajuffe@fmacpas.com

### **Independent Auditor's Management Letter**

To the Board of Directors of The Island School, Inc.  
a Charter School and Component Unit of  
the District School Board of Lee County, Florida

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

We have audited the financial statements of The Island School, Inc. as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated August 20, 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 Required by Government Auditing Standards**

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*. Disclosures in those reports and schedule, which are dated August 20, 2021, should be considered in conjunction with this management letter.

#### **Prior Audit Findings**

The Rules of the Auditor General (Section 10.854 (1)(e)(1)) require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding financial audit report. No specific recommendations were made in the prior year.

#### **Official Title**

Section 10.854 (1)(e) 1., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is The Island School, Inc.

#### **Financial Condition**

The *Rules of the Auditor General* (Section 10.854 (1)(e)(2)) requires a statement as to whether or not the entity has met one or more of the conditions described in Section 218.503 (1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determine 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 Auditor General (for charter schools and centers only)*, we applied financial condition assessment procedures. It is management's responsibility to monitor, The Island School's, Inc. financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### **Transparency**

Sections 10.854 (1) (e) 7. And 10.855 (13), Rules of the Auditor General, require that we report the results of our determination as to whether the 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.

### **Other Matters**

The *Rules of the Auditor General* (Section 10.854 (1)(e)(3) requires disclosure in the management letter of any recommendations to improve present financial management, accounting procedures, and internal controls. There are no recommendations.

Section 10.854 (1)(e)(4), *Rules of the Auditor General*, requires that we address non compliance with provision of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have effect on the financial statements that is less than material but more than inconsequential. 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 the District School Board of Lee and is not intended to be and should not be used by anyone else other than these specified parties.

*Alejandra M. Juffe*

By Alejandra M. Juffe, CPA  
Englewood, FL  
August 20, 2021