

# Idea Hope and Idea Victory

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2022



## IDEA Hope and IDEA Victory

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
IDEA Hope and IDEA Victory

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of IDEA Hope and IDEA Victory (the "Schools"), divisions of IDEA Florida, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

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 Schools, as of June 30, 2022, 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.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Change in Accounting Principle

As described in Note 12 to the financial statements, in 2022, the Schools adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the Schools are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of IDEA Florida, Inc. that is attributable to the transactions of the Schools. They do not purport to, and do not, present fairly the financial position of IDEA Florida, Inc. as of June 30, 2022 and the changes in its financial position and budgetary comparisons, where applicable, for the year ended June 30, 2022 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schools' ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and budgetary comparison for the General Fund and Special Revenue Fund on pages 23 and 24, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 7, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of IDEA Hope and IDEA Victory' (the "Schools") financial performance provides an overview of the Schools' financial activities for the year ended June 30, 2022. Normally comparative information is presented for Management's Discussion and Analysis but since this is the initial year of the Schools' operation and no financial statements for the Schools' financial statements were prepared, no comparative data has been presented. Please read this section in conjunction with the Schools' financial statements, which immediately follow this discussion.

### **Financial Highlights**

The following are the highlights of financial activity for the year ended June 30, 2022:

- The Schools' total assets exceeded its liabilities at June 30, 2022 by \$ 133,187 (net position).
- The Schools' total revenues were \$ 21,989,782 primarily consisting of \$ 18,500,940 from general revenues including FTE revenues and state money from the Department of Education and \$ 3,488,842 from operating grants, capital grants and contributions. The Schools' expenses for the year were \$ 23,023,486. Net position for the year decreased by \$ 1,033,704.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Schools' basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

#### **Government-wide financial statements:**

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the Schools' finances, in a manner similar to a private-sector business:

- The statement of net position presents information on all the Schools' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Schools are improving or deteriorating.
- The statement of activities presents information showing how the Schools' net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The Schools do not have any business-type activities. The governmental activities of the Schools primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 8 and 9 of this report.

**Fund financial statements:**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Schools only have one category of funds - governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Schools' near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Schools' near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Schools maintain several individual governmental funds. The General Fund, Special Revenue Fund and Capital Projects Fund are considered to be the Schools' major funds.

A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budgets.

The governmental fund financial statements can be found on pages 10 through 13 of this report.

**Notes to basic financial statements:**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 21 of this report.

**Other information:**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Schools' General Fund and Special Revenue Fund adopted budgets to actual results. Required supplementary information can be found on pages 22 and 23 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position.



**Government-Wide Financial Analysis (continued)**

The following table reflects the condensed government-wide statements of net position as of June 30, 2022:

IDEA Hope and IDEA Victory Statements of Net Position		2022
Current Assets	\$	1,286,444
Noncurrent Assets		7,496,467
Total assets		8,782,911
Current Liabilities		5,790,403
Noncurrent Liabilities		2,859,321
Total liabilities		8,649,724
Net Position (deficit):		
Net investment in capital assets		1,676,169
Unrestricted		(1,542,982)
Total net position	\$	133,187

A portion of the Schools' net position reflect its investment in capital assets, less any related outstanding debt used to acquire those assets. The Schools use these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Schools' investment in its capital assets is reported net of related debt (if any), it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2022, the Schools had no restricted assets.

As reflected below, the net position is showing a decrease of \$ 1,044,687 for the year ended June 30, 2022 as summarized in the following table:

IDEA Hope and IDEA Victory Statements of Changes in Net Position		2022
<b>Revenues:</b>		
General revenues	\$	18,500,940
Program revenues		3,488,842
Total revenues		21,989,782
<b>Expenses:</b>		
Instruction		6,736,722
Instructional support services		13,180,098
Operation of non-instructional services		3,106,666
Total expenses		23,023,486
Change in net position	\$	(1,033,704)

## **Financial Analysis of the Schools' Funds**

As noted earlier, the Schools use fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Schools' financing requirements. In particular, unreserved fund balance, if any, may serve as a useful measure of the Schools' net resources available for spending at the end of the fiscal year.

## **General Fund Budgetary Highlights**

The 2021-2022 budget was amended at the end of the fiscal year to update anticipated revenues and expenditures.

## **Capital Assets and Debt Administration**

**Capital assets:** The Schools' investment in capital assets as of June 30, 2022 was \$ 7,490,617, net of accumulated depreciation and amortization. This investment in capital assets is composed of a right of use building, furniture and equipment and vehicles. A more detailed analysis is provided in Note 6 to the financial statements.

**Long-term debt:** At June 30, 2022, the Schools had outstanding debt of \$ 5,814,448. A more detailed analysis is provided in Note 7 to the financial statements.

## **Economic Factors for 2022-2023**

Total funding for capital outlay is expected to increase slightly in the next year, in addition to increases in regular FEFP revenues on a per student basis.. Given student enrollment to increase from 882 to 1,644 in 2022-2023 due to rising grade levels, the overall effect will be a significant increase in total FEFP revenues.

## **Requests for Information**

This financial report is designed to provide a general overview of IDEA Hope and IDEA Victory' finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to IDEA Florida, Inc. 9321 W. Sam Houston Parkway South, Houston, TX 77099

# BASIC FINANCIAL STATEMENTS

**IDEA Hope and IDEA Victory**  
**Statement of Net Position**  
**June 30, 2022**

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**Current Assets:**

Cash	\$ 581,134
Due from government agencies	679,975
Other receivables	4,107
Prepaid items	<u>21,228</u>
Total current assets	<u>1,286,444</u>

**Noncurrent Assets:**

Capital assets, net of accumulated depreciation and amortization	7,490,617
Deposits	<u>5,850</u>
Total noncurrent assets	<u>7,496,467</u>
Total assets	<u>8,782,911</u>

**Current Liabilities:**

Accounts payable	646,832
Accrued liabilities	591,329
Unearned revenues	1,490,321
Due to management company	106,794
Leases	<u>2,955,127</u>
Total current liabilities	<u>5,790,403</u>

**Noncurrent Liabilities:**

Leases	<u>2,859,321</u>
Total liabilities	<u>8,649,724</u>

**Net Position:**

Net investment in capital assets	1,676,169
Unrestricted (deficit)	<u>(1,542,982)</u>
Total net position	<u>\$ 133,187</u>

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

**IDEA Hope and IDEA Victory  
Statement of Activities  
For the Year Ended June 30, 2022**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net Revenues (Expenses) and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>					
Governmental activities:					
Regular instruction	\$ 6,552,805	\$ -	\$ 1,772,814	\$ -	\$ (4,779,991)
Exceptional instruction	183,917	-	-	-	(183,917)
Student support services	968,531	-	-	-	(968,531)
Instructional media services	100,030	-	-	-	(100,030)
Instruction related technology	238,897	-	-	-	(238,897)
Staff training	244,457	-	-	-	(244,457)
General and administrative services	8,898,191	-	300,000	-	(8,598,191)
Plant operations and maintenance	2,729,992	-	-	605,922	(2,124,070)
Transportation	1,292,829	-	-	-	(1,292,829)
Fiscal services	105,018	-	-	-	(105,018)
Community services	42,925	-	-	-	(42,925)
Food services	1,408,791	-	810,106	-	(598,685)
Central services	51,147	-	-	-	(51,147)
Interest expense	205,956	-	-	-	(205,956)
Total governmental activities	<u>\$ 23,023,486</u>	<u>\$ -</u>	<u>\$ 2,882,920</u>	<u>\$ 605,922</u>	<u>(19,534,644)</u>
General revenues:					
FTE nonspecific revenues					18,484,547
Miscellaneous revenues					<u>16,393</u>
Total general revenues					<u>18,500,940</u>
Change in net position					(1,033,704)
Net position, July 1, 2021					<u>1,166,891</u>
Net position, June 30, 2022					<u>\$ 133,187</u>

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

**Idea Hope and Idea Victory  
Balance Sheet - Governmental Funds  
June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash	\$ 581,134	\$ -	\$ -	\$ 581,134
Due from government agencies	679,975			679,975
Other receivables	4,107	-	-	4,107
Prepaid items	21,228	-	-	21,228
Deposits	<u>5,850</u>	<u>-</u>	<u>-</u>	<u>5,850</u>
Total assets	<u>\$ 1,292,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,294</u>
<b>Liabilities:</b>				
Accounts payable	\$ 646,832	\$ -	\$ -	\$ 646,832
Accrued liabilities	591,329	-	-	591,329
Due to management company	106,794	-	-	106,794
Unearned revenue	<u>1,490,321</u>	<u>-</u>	<u>-</u>	<u>1,490,321</u>
Total liabilities	<u>2,835,276</u>	<u>-</u>	<u>-</u>	<u>2,835,276</u>
<b>Fund Balances (Deficit):</b>				
Nonspendable for prepaid items and deposits	27,078	-	-	27,078
Unassigned (deficit)	<u>(1,570,060)</u>	<u>-</u>	<u>-</u>	<u>(1,570,060)</u>
Total fund balances (deficit)	<u>(1,542,982)</u>	<u>-</u>	<u>-</u>	<u>(1,542,982)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,292,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,292,294</u>

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

**Idea Hope and Idea Victory**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2022**

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

Governmental fund balances (deficit): \$ (1,542,982)

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 in the governmental funds.

Cost of capital assets	\$	8,888,161	
Accumulated depreciation and amortization		<u>(1,397,544)</u>	7,490,617

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities both current and long-term, are reported in the government-wide statements.

Leases			<u>(5,814,448)</u>
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<b>Net Position of Governmental Activities</b>			<b>\$ <u><u>133,187</u></u></b>
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The accompanying notes to basic financial statements are an integral part of these statements.

**Idea Hope and Idea Victory  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues:</b>				
State sources	\$ 20,257,361	\$ -	\$ 605,922	\$ 20,863,283
Federal sources	-	1,110,106	-	1,110,106
Local sources	16,393	-	-	16,393
Total revenues	<u>20,273,754</u>	<u>1,110,106</u>	<u>605,922</u>	<u>21,989,782</u>
<b>Expenditures:</b>				
Current:				
Regular Instruction	6,552,805	-	-	6,552,805
Exceptional instruction	183,917	-	-	183,917
Student support services	968,531	-	-	968,531
Instructional media services	100,030	-	-	100,030
Instruction related technology	238,897	-	-	238,897
Staff training	244,457	-	-	244,457
General and administrative services	8,589,073	300,000	-	8,889,073
Plant operations and maintenance	994,953	-	605,922	1,600,875
Transportation	1,044,846	-	-	1,044,846
Fiscal services	105,018	-	-	105,018
Community services	42,925	-	-	42,925
Food services	587,359	810,106	-	1,397,465
Central services	51,147	-	-	51,147
Capital outlay	8,888,161	-	-	8,888,161
Debt service:				
Principal payments on leases	1,289,748	-	-	1,289,748
Interest	205,956	-	-	205,956
Total expenditures	<u>30,087,823</u>	<u>1,110,106</u>	<u>605,922</u>	<u>31,803,851</u>
Excess (deficiency) of revenues over expenditures	(9,814,069)	-	-	(9,814,069)
<b>Other Financing Sources:</b>				
Lease proceeds	7,068,874	-	-	7,068,874
Net changes in fund balances	(2,745,195)	-	-	(2,745,195)
<b>Fund Balances, July 1, 2021</b>	<u>1,202,213</u>	<u>-</u>	<u>-</u>	<u>1,202,213</u>
<b>Fund Balances (Deficit), June 30, 2022</b>	<u>\$ (1,542,982)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,542,982)</u>

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



**Idea Hope and Idea Victory  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2022**

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**Net Change in Fund Balances - Governmental Funds** \$ (2,745,195)

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

Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as a provision for depreciation and amortization.

Expenditures for capital assets	\$ 8,888,161	
Less: provision for depreciation and amortization	<u>(1,397,544)</u>	7,490,617

Debt proceeds and other financing sources provide current financial resources of governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position in the current period

Issuance of leases	\$ (7,068,874)	
Principal payments on leases	<u>1,289,748</u>	<u>(5,779,126)</u>

**Change in Net Position on the Statement of Activities** \$ (1,033,704)

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

### **Note 1 - Organization and Operations**

IDEA Hope and IDEA Victory (collectively, the “Schools”), are divisions of IDEA Florida, Inc. (the “Entity”). The Schools commenced operations in July 2021 and offer classes for pre-kindergarten through 8<sup>th</sup> grade students in Hillsborough County, Florida. An average of approximately 860 students were enrolled in classes for the Schools year ended in June 2022.

The basic financial statements of the Schools present only the balances, activity and disclosures related to the Schools. They do not purport to, and do not, present fairly the financial position of IDEA Florida, Inc. as of June 30, 2022, and the changes in its financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The Schools operate under a charter granted by the sponsoring Schools district, the Schools Board of Hillsborough County, Florida (the “Schools Board”). The charters are effective until June 30, 2026. At the end of the term of the charter, the Schools Board may choose not to renew the charters under grounds specified in the charter in which case the Schools Board is required to notify the Schools in writing at least ninety days prior to the charter's expiration. During the term of the charter, the Schools Board may also terminate the charter if good cause is shown.

**Component units:** The Schools may also be financially accountable if an organization is fiscally dependent on the Schools regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the Schools are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result of evaluating the above criteria, management has determined that no component units exist for which the Schools are financially accountable which would require inclusion in the Schools' financial statements.

**Basis of presentation:** Based on the guidance presented in the American Institute of Certified Public Accountants Audit and Accounting Guide – Not-for-Profit Organizations and provisions of Section 228.056(9), Florida Statutes, the Schools are presented as a governmental organization for financial statement reporting purposes.

**Government-wide financial statements:** Government-wide financial statements, including the statement of net position and the statement of activities, present information about the Schools as a whole.

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

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

**Note 2 - Summary of Significant Accounting Policies (continued)**

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

The Schools report the following major governmental funds:

- **General Fund** – This fund is used to account for all operating activities of the Schools except for those required to be accounted for in another fund.
- **Special Revenue Fund** – This fund is used to account for federal grants that are legally restricted to expenditures for particular purposes.
- **Capital Projects Fund** – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets (if any).
- Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that will need to be funded by future operations.

**Fund balance:** The Schools have implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance classifications to report on the nature and extent to which the Schools are bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – consists of amounts that are not in spendable form and of net position that are legally or contractually required to be maintained intact.
- Restricted fund balance – consists of amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

**Note 2 - Summary of Significant Accounting Policies (continued)**

- Committed fund balance – consists of amounts that can be used for specific purposes pursuant to constraints imposed by the government itself, using its highest level of decision making authority.
- Assigned fund balance – consists of amounts that are constrained by the government’s intended use of resources but are neither restricted or committed.
- Unassigned – consists of net resources in excess of what can be properly classified in one of the above categories.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Schools consider restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Schools consider amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Schools’ governing body or its delegated official or body has provided otherwise in its commitment or assignment actions. The details of the fund balances are included in the Balance Sheet – Governmental Funds on page 9.

**Measurement focus and basis of accounting:** The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the current period is defined as sixty days.

**Cash and cash equivalents:** Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting period and are recorded as prepaid items.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Capital assets:** Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the Schools as assets with a cost of \$ 1,000 or more and a useful life of over one year. Donated capital assets are valued at their estimated fair market value as of the date received. Additions, improvements, and other expenditures that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs for repairs and maintenance are expensed as incurred.

Depreciation and amortization on all assets is provided on the straight-line basis over the capital assets estimated useful lives as follows:

Building – right of use	5 years
Furniture and equipment	5 years
Vehicles	5 years

**Right to use asset:** The Schools have recorded a right to use lease asset as a result of implementing GASB 87. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease.

**Compensated absences:** The Schools’ policy allows employees to carry over unused vacation time during the year. Unused sick leave benefits are not paid upon separation from service. No liability for compensated absences was recorded for the year ending June 30, 2022.

**Unearned revenue:** Unearned revenue arises when the Schools receive inflows or resources that do not meet the criteria for revenue recognition. At June 30, 2022 the Schools had unearned revenue of \$ 1,490,321, which represented referendum funds not yet earned.

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

In addition to liabilities, the statement of net 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 Schools have not recorded any deferred inflows as of June 30, 2022

**Revenue recognition:** Student funding is provided by the State of Florida through the District. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements.. This funding is received on a pro rata basis over a twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

**Grant and contract revenue:** Grant and contract revenue is recognized when the allowable costs, as defined by the individual grant or contract, are incurred.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Use of estimates:** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Income taxes:** The Schools are a division of a nonprofit corporation that qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**Date of management review:** Subsequent events were evaluated by management through December 7, 2022, which is the date the financial statements were available for issuance.

**Note 3 - Cash and Cash Equivalents**

The Schools use a pooled cash method of accounting as part of the IDEA Florida, Inc. At June 30, 2022, the carrying amount of the deposits and cash on hand totaled \$ 581,134 with a bank balance of \$ 590,246.

State statutes require, and it is the Schools' policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as "qualified public depositories" as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should need arise. The Schools' deposits are held in a qualified public depository and are covered by the collateral pool because the Schools has identified itself as a public entity.

**Note 4 - Budgets**

The Schools formally adopted budgets for the General and Special Revenue Funds by function for the year ended June 30, 2022. The budgets have been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the budgeted amounts for the General Fund and Special Revenue Fund are presented as required supplementary information.

For the year ended June 30, 2022, expenditures exceeded appropriations in the General Fund by approximately \$ 3.5 million. These over expenditures were mainly caused by the Schools not budgeting for the capital outlay expenditures, which were mostly offset by lease issuances as well as cost savings in operations.

**IDEA Hope and IDEA Victory**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**Note 5 - Due from Government Agencies**

Due from government agencies at June 30, 2022 consists primarily of amounts due from the District for capital outlay, and from the Department of Education for Elementary and Secondary Emergency Assistance Grants (ESSER).

**Note 6 - Capital Assets**

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022
Capital assets being depreciated/ amortized:				
Intangible right to use:				
Building	\$ -	\$ 7,104,196	\$ -	\$ 7,104,196
Furniture and equipment	-	48,103	-	48,103
Vehicles	-	1,735,862	-	1,735,862
	<u>-</u>	<u>1,735,862</u>	<u>-</u>	<u>1,735,862</u>
Total capital assets being depreciated/amortized	<u>-</u>	<u>8,888,161</u>	<u>-</u>	<u>8,888,161</u>
Accumulated depreciation/ amortization:				
Intangible right to use:				
Building	-	1,128,781	-	1,128,781
Furniture and equipment	-	11,662	-	11,662
Vehicles	-	257,101	-	257,101
	<u>-</u>	<u>1,397,544</u>	<u>-</u>	<u>1,397,544</u>
Total accumulated depreciation/amortization	<u>-</u>	<u>1,397,544</u>	<u>-</u>	<u>1,397,544</u>
Net capital assets	<u>\$ -</u>	<u>\$ 7,490,617</u>	<u>\$ -</u>	<u>\$ 7,490,617</u>

The provision for depreciation and amortization for the year ended June 30, 2022 amounted to \$ 1,397,544. The Schools allocated 8% of the depreciation to instructional support services and 92% to the operation of the facility.

As part of the Schools' charter contract, all capital assets purchased with public funds will automatically revert to the District upon the non-renewal or termination of this contract.

**Note 7 - Leases**

During the year, the Schools occupied their locations activating their facility leases effective through June 30, 2026. In addition they entered into several other equipment leases for operations. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2021. The discount rate used to recognize the intangible right to use asset and the lease liability was 5.17%. Payments are due monthly of approximately \$ 264,000 for 2023 and lower to an average of \$ 173,000 due to the expiration of certain of the leases.

**Note 7 - Leases (continued)**

The following is a schedule of the Schools' future base rent payments as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,955,127	\$ 223,450	\$ 3,178,577
2024	1,989,616	90,395	2,080,011
2025	690,330	21,592	711,922
2026	179,375	3,533	182,908
Thereafter	-	-	-
	<u>\$ 5,814,448</u>	<u>\$ 338,970</u>	<u>\$ 6,153,418</u>

The lease activity of the year ended June 30, 2022 are as follows:

	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Amount Due Within One Year
Leases:					
Building	\$ -	\$ 6,988,880	\$ 1,254,195	\$ 5,734,685	\$ 2,923,257
Equipment	35,322	79,994	35,553	79,763	31,870
Leases - building and equipment	<u>\$ 35,322</u>	<u>\$ 7,068,874</u>	<u>\$ 1,289,748</u>	<u>\$ 5,814,448</u>	<u>\$ 2,955,127</u>

**Note 8 - Contingencies and Commitments**

**Grant agreements:** The Schools, as a department of the Entity, received financial assistance from Federal and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Entity is required to conduct "single audits" when either the threshold for federal awards or state financial assistance exceeds \$ 750,000. The federal threshold is exceeded for the Entity, and as a result, the Entity is in the process of completing this requirement.

**Management Agreement:**

The Entity entered into a management services agreement with IPS Enterprises, Inc. ("IPS") effective January 1, 2020 and ending June 30, 2026. The agreement is automatically renewed concurrently with the renewal of any charter Schools contract entered into by the Organization. The agreement also applies to any new charter Schools performance-based agreements into by the Organization.



**Note 8 - Contingencies and Commitments (continued)**

The agreement provides the Entity with the authority to manage, administer, oversee and supervise all the operation and activities of the charter Schools. For the services rendered, IPS will charge 15% of all revenues received by the Schools, exclusive of those received from the “Schools of Hope Program”. The management fee for the year ended June 30, 2021 was approximately \$95,700. In addition the Schools have a balance due to the management company of approximately \$106,800 representing temporary amounts due for various transactions consummated on the Schools behalf.

**Note 9 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the Schools. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the Schools’ allocation are transferred to the Schools once a CSCO Plan has been provided to and approved by the sponsoring district. The Schools’ CSCO Award totaled \$605,922 for the 2021/2022 school year, which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the even of nonrenewal, termination or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The Schools have elected to use these funds to pay for a portion of the operation of plant expenses.

**Note 10 - Risk Financing**

The Schools are exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The Schools have obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the current year.

**Note 11 - Deficit Fund Balance**

The Schools’ overall fund balance shows a deficit of \$1,553,965 at June 30, 2022. This is a result of certain start-up capital costs that were necessary during the initial year of operations. The Schools’ believe this balance will be relieve through future operations including certain conditional monies that expect to be received.

**Note 12 - Change in Accounting Principles and Restatement**

For 2022, the Schools implemented Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the Schools' leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Schools' 2022 financial statements and had the following effect on the beginning net position of the governmental activities.

Net position, June 30 2021	\$ 1,202,213
Adjustments:	
Lease liability	<u>(35,322)</u>
Restated net position, June 30, 2021	\$ <u><u>1,166,891</u></u>

# REQUIRED SUPPLEMENTARY INFORMATION

**Idea Hope and Idea Victory**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources	\$ 22,241,712	\$ 22,316,712	\$ 20,257,361	\$ (2,059,351)
Local sources	-	-	16,393	16,393
Total revenues	<u>22,241,712</u>	<u>22,316,712</u>	<u>20,273,754</u>	<u>(2,042,958)</u>
<b>Expenditures:</b>				
Current:				
Instruction	5,975,453	8,277,714	6,736,722	1,540,992
Student support services	988,999	1,571,666	968,531	603,135
Instructional media services	202,551	227,904	100,030	127,874
Instruction related technology	266,385	266,385	238,897	27,488
Staff training	65,865	399,501	244,457	155,044
General and administrative services	8,402,909	8,608,236	8,589,073	19,163
Transportation services	982,746	994,746	1,044,846	(50,100)
Plant operations and maintenance	2,072,359	2,205,099	994,953	1,210,146
Fiscal services	1,413,165	1,495,311	105,018	1,390,293
Community services	197,852	190,730	42,925	147,805
Food services	-	106,695	587,359	(480,664)
Central services	-	-	51,147	(51,147)
Capital outlay	-	-	8,888,161	(8,888,161)
Debt service:				
Principal payments	2,200,000	2,198,300	1,289,748	908,552
Interest	-	-	205,956	(205,956)
Total expenditures	<u>22,768,284</u>	<u>26,542,287</u>	<u>30,087,823</u>	<u>(3,545,536)</u>
Excess (deficiency) of revenues over expenditures	(526,572)	(4,225,575)	(9,814,069)	(5,588,494)
<b>Other Financing Sources:</b>				
Lease proceeds	-	-	7,068,874	7,068,874
Net change in fund balance	<u>\$ (526,572)</u>	<u>\$ (4,225,575)</u>	<u>\$ (2,745,195)</u>	<u>\$ 1,480,380</u>

**Idea Hope and Idea Victory  
 Budgetary Comparison Schedule - Special Revenue Fund  
 For the Year Ended June 30, 2022**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
National School Lunch and Breakfast Programs	\$ 4,494,194	\$ 5,841,331	\$ 810,106	\$ (5,031,225)
ESSER	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total revenues	<u>4,494,194</u>	<u>6,141,331</u>	<u>1,110,106</u>	<u>(5,031,225)</u>
<b>Expenditures:</b>				
General and administrative	-	850,000	300,000	550,000
Food services	<u>1,872,331</u>	<u>1,872,331</u>	<u>810,106</u>	<u>1,062,225</u>
Total expenditures	<u>1,872,331</u>	<u>2,722,331</u>	<u>1,110,106</u>	<u>1,612,225</u>
Net change in fund balance	<u>\$ 2,621,863</u>	<u>\$ 3,419,000</u>	<u>\$ -</u>	<u>\$ (3,419,000)</u>

# OTHER AUDITOR'S REPORTS

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  
IDEA Hope and IDEA Victory

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 of IDEA Hope and IDEA Victory (collectively, the "Schools"), divisions of IDEA Florida, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements, and have issued our report thereon dated December 7, 2022.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Schools' 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 Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Schools' 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.

## Reporting on Compliance and Other Matters

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

## Purpose of This Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 7, 2022



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors  
IDEA Hope and IDEA Victory

### Report on the Financial Statements

We have audited the financial statements of IDEA Hope and IDEA Victory (collectively the "Schools"), a division of IDEA Florida, Inc., as of and for the year ended June 30, 2022, and have issued our report thereon dated December 7, 2022.

### 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 Standard*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated December 7, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the Schools code assigned by the Florida Department of Education be disclosed in this management letter. The official titles and School codes assigned by the Florida Department of Education of the Schools, respectively, are IDEA Hope and IDEA Victory and 297840 and 297835.

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### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the Schools have 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 Schools 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 Schools. It is management's responsibility to monitor the Schools' 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 Schools maintain on their website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Schools maintained on their website the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 7, 2022