

PUTNAM EDGE HIGH SCHOOL

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

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

June 30, 2022



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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**PUTNAM EDGE HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of Putnam Edge High School (the "School"), offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2022. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- ❖ During the year, the School sold its building and used the proceeds from the sale to repay all outstanding loans.
- ❖ The School's net position increased from prior year by approximately \$249,000. The increase in net position is primarily due to the sale of the School buildings providing proceeds to enable the reduction of long-term debt over the value of assets sold.
- ❖ For the fiscal year ended June 30, 2022, the School's combined governmental fund balance increased from \$37,536 to \$144,507.
- ❖ On July 26, 2022 the Putnam edge Board of Directors, after being advised by the School attorney, voted unanimously to voluntarily close Putnam Edge High School as of that date. The School is working collaboratively with Putnam County School District to facilitate a smooth transition and future options for students and staff.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

Government-wide statements are divided into three categories: 1) governmental activities 2) business-type activities and 3) component units. The governmental activities include the School's basic services. The business-type activities are those that the School charges for certain services. For the year ended June 30, 2022, the School had no business-type activities or component units.

Fund Financial Statements

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

Governmental Funds

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

The School adopts an annual budget for its general fund, as required by the Florida Statutes. Management of the School and its Board legally adopts the budget. A budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

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

This report also includes the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

GOVERNMENT - WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets:			
Current assets	\$ 173,199	\$ 104,904	\$ 68,295
Capital assets, net	94,107	925,384	(831,277)
Total assets	<u>267,306</u>	<u>1,030,288</u>	<u>(762,982)</u>
Deferred outflow of resources	<u>123,068</u>	<u>218,290</u>	<u>(95,222)</u>
Liabilities:			
Current liabilities	28,692	67,368	(38,676)
Long-term liabilities	163,947	1,430,352	(1,266,405)
Total liabilities	<u>192,639</u>	<u>1,497,720</u>	<u>(1,305,081)</u>
Deferred inflow of resources	<u>246,547</u>	<u>48,510</u>	<u>295,057</u>
Net Position:			
Investment in capital assets	94,107	38,493	55,614
Unrestricted	<u>(142,919)</u>	<u>(336,145)</u>	<u>193,226</u>
Total net position	<u>\$ (48,812)</u>	<u>\$ (297,652)</u>	<u>\$ 248,840</u>

The change in current assets is a result of an increase in cash and due from other agencies as a result of timing of collections. Capital assets decreased due to the sale of the school facility and current year depreciation. Long-term liabilities decreased primarily due to the pay-off of debt related to the school facility. Current liabilities decreased during the year due to the timing of payments.

Change in Net Position

The School's total expenses exceeded revenues by approximately \$249,000 in fiscal 2022—see table below.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues:			
Federal sources	\$ 203,354	\$ 229,455	\$ (26,101)
State and local sources	423,364	484,827	(61,463)
Contributions and other revenues	9,023	15,973	(6,950)
Sale of asset proceeds	366,903	-	366,903
Gain on the extinguishment of debt	109,020	88,476	20,544
Total revenues	<u>1,111,664</u>	<u>818,731</u>	<u>292,933</u>
Expenses:			
Instruction	331,494	316,786	14,708
Student support services	31,398	2,642	28,756
Instructional staff training	14,394	1,500	12,894
Instructional technology services	16,766	6,563	10,203
Board	18,539	29,080	(10,541)
General administration	21,246	25,385	(4,139)
School administration	169,406	198,934	(29,528)
Facilities acquisition and construction	16,341	34,020	(17,679)
Fiscal services	24,832	28,237	(3,405)
Food services	1,468	370	1,098
Central services	6,099	281	5,818
Transportation services	12,810	3,500	9,310
Operation of plant	161,378	88,414	72,964
Maintenance of plant	10,031	2,922	7,109
Administrative technology	1,162	33	1,129
Interest	25,460	18,648	6,812
Total expenses	<u>862,824</u>	<u>757,315</u>	<u>105,509</u>
Change in net position	<u>\$ 248,840</u>	<u>\$ 61,416</u>	<u>\$ 187,424</u>

The decrease in state and local sources is due to a decrease in FEFP funding which was based on decreased enrollment from the prior year. The increase in gain on extinguishment of debt was the result of a PPP loan forgiven in December 2021. The increase in operation of plant was the result of rent expense associated with the lease-back of the School's facility.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance, compliance and related legal requirements.

Governmental Funds

The focus of School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing School's financing requirements. Specifically, unassigned fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of \$144,507.

General Fund Budgetary Highlights

During the fiscal year, the School amended its budgets once. Generally, budget amendments fall into one of the three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize changes in funding amounts; 3) changes in appropriations necessary to maintain services.

In the general fund, budgeted revenues were greater than actual amounts by approximately \$91,000. Budgeted expenditures were approximately \$95,000 more than actual amounts, exclusive of other financing sources.

CAPITAL ASSETS

At the end of fiscal 2022, the School had invested \$134,891, net of accumulated depreciation in capital assets.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Capital assets			
Land	\$ -	\$ 95,732	\$ (95,732)
Buildings	8,500	825,142	(816,642)
Furniture, fixtures and equipment	126,391	99,275	27,116
Total capital assets	<u>\$ 134,891</u>	<u>\$ 1,020,149</u>	<u>\$ (885,258)</u>

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

Long-Term Liabilities

Long-term liabilities consist of a pension liability associated with the Florida Retirement System in the amount of approximately 163,947. More detailed information about the School's long-term liabilities are presented in Note 6 to the financial statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ended June 30, 2023

The School closed as of July 26, 2022. Therefore, there are no budget highlights for next year.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 200 South 7th Street, Palatka, FL 32177.



McCrary & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Putnam Edge High School,
A Charter School and Component Unit of the District
School Board of Putnam County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Putnam Edge High School, Inc. (the "School"), a Charter School and Component Unit of the District School Board of Putnam County, Florida as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the Putnam Edge High School, Inc. a Charter School and Component Unit of the District School Board of Putnam County, Florida as of and for the year ended 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. 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension liability 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 August 24, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

McCrary & Associates, PLLC

Altamonte Springs, Florida
August 24, 2022

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PUTNAM EDGE HIGH SCHOOL

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

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 78,038
Due from Other Agencies	71,320
Deposits	12,038
Prepaid Expenses	11,803
Capital assets:	
Buildings	8,500
Furniture, fixtures and equipment	126,391
Less accumulated depreciation	<u>(40,784)</u>
Total capital assets, net	<u>94,107</u>
Total assets	<u><u>\$ 267,306</u></u>
DEFERRED OUTFLOW OF RESOURCES	
Amount deferred on pension liability	123,068
LIABILITIES	
Accounts payable	\$ 19,442
Payroll deductions and withholdings	9,250
Long-term liabilities:	
Portion due or payable after one year:	
Pension liabilities	<u>163,947</u>
Total liabilities	<u>192,639</u>
DEFERRED INFLOW OF RESOURCES	
Amount deferred on pension liability	246,547
NET POSITION	
Invested in capital assets, net of related debt	94,107
Unrestricted	<u>(142,919)</u>
Total net position	<u><u>\$ (48,812)</u></u>

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

PUTNAM EDGE HIGH SCHOOL

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

Statement of Activities

For the Year Ended June 30, 2022

	Program Specific Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 331,494	\$ -	\$ 119,589	\$ -	(211,905)	\$ (211,905)
Student support services	31,398	-	5,314	-	(26,084)	(26,084)
Instructional staff training	14,394	-	8,572	-	(5,822)	(5,822)
Instructional technology services	16,766	-	-	-	(16,766)	(16,766)
Board	18,539	-	-	-	(18,539)	(18,539)
General administration	21,246	-	-	-	(21,246)	(21,246)
School administration	169,406	-	500	-	(168,906)	(168,906)
Facilities acquisition and construction	16,341	-	-	-	(16,341)	(16,341)
Fiscal services	24,832	-	-	-	(24,832)	(24,832)
Food service	1,468	-	-	-	(1,468)	(1,468)
Central services	6,099	-	-	-	(6,099)	(6,099)
Transportation services	12,810	-	-	-	(12,810)	(12,810)
Operation of plant	161,378	-	500	-	(160,878)	(160,878)
Maintenance of plant	10,031	-	-	-	(10,031)	(10,031)
Administrative technology	1,162	-	-	-	(1,162)	(1,162)
Interest	25,460	-	-	-	(25,460)	(25,460)
Total primary government	\$ 862,824	\$ -	\$ 134,475	\$ -	(728,349)	(728,349)
General revenues:						
Federal sources passed through local school district					68,879	\$ 68,879
State and local sources					423,364	423,364
Sale of asset proceeds					366,903	366,903
Contributions and other revenues					9,023	9,023
Gain on the extinguishment of debt					109,020	109,020
Total general revenues					977,189	977,189
Changes in net position					248,840	248,840
Net position at beginning of year					(297,652)	(297,652)
Net position at end of year					(48,812)	\$ (48,812)

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

PUTNAM EDGE HIGH SCHOOL

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

Balance Sheet - Governmental Funds

June 30, 2022

	General Fund	Capital Projects Funds	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash	\$ 78,038	\$ -	\$ -	\$ 78,038
Due from Other Agencies	1,617	-	69,703	71,320
Deposits	12,038	-	-	12,038
Due from other funds	69,703	-	-	69,703
Prepays Expenditures	11,803	-	-	11,803
Total assets	\$ 173,199	\$ -	\$ 69,703	\$ 242,902
LIABILITIES				
Accounts payable	\$ 19,442	\$ -	\$ -	\$ 19,442
Payroll deductions and withholdings	9,250	-	-	9,250
Accrued interest payable	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	69,703	69,703
Total liabilities	28,692	-	69,703	98,395
FUND BALANCES (Deficit)				
Nonspendable:				
Deposits	12,038	-	-	12,038
Spendable:				
Unassigned	132,469	-	-	132,469
Total fund balance	144,507	-	-	144,507
Total liabilities and fund balances	\$ 173,199	\$ -	\$ 69,703	\$ 242,902

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

PUTNAM EDGE HIGH SCHOOL

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

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

June 30, 2022

Total Fund Balance - Governmental Funds **\$ 144,507**

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

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

Capital assets	134,891	
Accumulated depreciation	<u>(40,784)</u>	94,107

Net pension liability and related deferred inflows/outflows are
not due and payable in the current period and, therefore,
are not reported in the funds.

Net Pension Liability	(163,947)	
Deferred Outflows	123,068	
Deferred Inflows	<u>(246,547)</u>	(287,426)

Total net position - governmental activities **\$ (48,812)**

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

PUTNAM EDGE HIGH SCHOOL

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

**Statement of Revenues, Expenditures and
Change in Fund Deficit of Governmental Funds**

For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
REVENUES				
Federal sources passes through local school district	\$ -	\$ -	\$ 203,354	\$ 203,354
State and local sources	423,364	-	-	423,364
Contributions and other revenue	9,023	-	-	9,023
Total revenues	<u>432,387</u>	<u>-</u>	<u>203,354</u>	<u>635,741</u>
EXPENDITURES				
Current:				
Instruction	218,102	-	119,589	337,691
Student support services	30,902	-	5,314	36,216
Instructional staff training	5,822	-	8,572	14,394
Instructional technology services	16,167	-	-	16,167
Board	18,539	-	-	18,539
General administration	21,246	-	-	21,246
School administration	171,811	-	500	172,311
Facilities acquisition and construction	10,607	-	-	10,607
Fiscal services	24,832	-	-	24,832
Food services	1,228	-	-	1,228
Central services	6,099	-	-	6,099
Transportation services	12,810	-	-	12,810
Operation of plant	160,911	-	500	161,411
Maintenance of plant	10,031	-	-	10,031
Administrative technology	4,977	-	-	4,977
Debt service:				
Principal	-	854,751	-	854,751
Interest	-	25,460	-	25,460
Capital outlay	-	-	-	-
Total expenditures	<u>714,084</u>	<u>880,211</u>	<u>134,475</u>	<u>1,728,770</u>
Excess of revenues over expenditures	<u>(281,697)</u>	<u>(880,211)</u>	<u>68,879</u>	<u>(1,093,029)</u>
Other Financing Sources (uses)				
Proceeds from sale of assets	18,754	1,181,246	-	1,200,000
Operating transfer in	68,879	-	-	68,879
Operating transfer out	-	-	(68,879)	(68,879)
Total other financing sources	<u>87,633</u>	<u>1,181,246</u>	<u>(68,879)</u>	<u>1,200,000</u>
Net change in fund balance	(194,064)	301,035	-	106,971
Fund Balance at beginning of year	338,571	(301,035)	-	37,536
Fund Balance at end of year	<u>\$ 144,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,507</u>

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

PUTNAM EDGE HIGH SCHOOL

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

**Reconciliation of the Statement of Revenues, Expenditures and
Change in Fund Balance (deficit) of Governmental Funds
To the Statement of Activities**

For the Year Ended June 30, 2022

Net Changes in Fund Balance - Governmental Funds \$ 106,971

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount incurred in the current period:

Capital outlays	35,616	
Disposal of capital assets	(920,874)	
Accumulated depreciation on disposed assets	87,777	
Depreciation expense	<u>(33,796)</u>	(831,277)

Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.

854,752

In the Statement of Activities, some revenues and expenses are recognized that do not provide current financial resources and are not recognized in the governmental funds, such as deferred inflow and outflow of resources.

Net Pension Liability	302,633	
Deferred outflows related to net pension liability	(95,222)	
Deferred inflows related to net pension liability	<u>(198,037)</u>	9,374

Extinguishment of long-term debt is recorded as other income on the Statement of Activities, but recorded as an other financial source in the governmental funds in the fiscal year awarded.

This amount is the extinguishment of the long-term liabilities in the current period.

109,020

Change in net position of governmental activities \$ 248,840

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

PUTNAM EDGE HIGH SCHOOL

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

Notes to Financial Statements

For the Year Ended June 30, 2022

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Putnam Edge High School (the "School"), is a not-for-profit corporation that operates under a charter approved by the sponsoring district, the District School Board of Putnam County Florida (the "School Board"). The governing body of the School is the Board of Directors of Putnam Edge High School, which is composed of at least three members.

Charter Contract

The current charter expires June 30, 2031 and may be renewed for a maximum of an additional fifteen years by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Financial Statements

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

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

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

PUTNAM EDGE HIGH SCHOOL

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

Notes to Financial Statements (continued)

Fund Financial Statements

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

- General Fund – is the School's primary operating fund that accounts for all financial resources of the school, except those require to be accounted for in another fund.
- Special Revenue Fund – to account for the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by School purchased with capital outlay funds.

For the purpose of these statements, the general, capital projects and special revenue funds are considered major funds.

Basis of Accounting

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

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing of the related cash flows take place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

PUTNAM EDGE HIGH SCHOOL

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**Notes to Financial Statements
(continued)**

Budgetary Basis Accounting

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

Cash and Cash Equivalents

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

The School maintains its cash with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant risks.

Interfund receivables and payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded total receivables of \$69,703 which is from the state and other governmental funds for amounts paid by the general funds on behalf of the other funds.

Capital Assets and Depreciation

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

Estimated useful lives of the assets are as follows:

	<u>Years</u>
Furniture, fixtures and equipment	5
Buildings	30

PUTNAM EDGE HIGH SCHOOL

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**Notes to Financial Statements
(continued)**

Pensions

In the government-wide statement of net position, liabilities are recognized for the School's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The School's retirement plans and related amounts are described in Note 5.

Net position and Fund Balance Classifications

Government-wide financial statements

The net position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted – consist of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. There were no restricted balances as of June 30, 2022.
- Unrestricted – all other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund financial statements

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

- Non-spendable – 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 non-spendable fund balances at year end relate to assets that are in not spendable form.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation. There were no restricted balances as of June 30, 2022.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Governance.

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Notes to Financial Statements (continued)

- Assigned – fund balance classification includes amounts that are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There were no assigned balances as of June 30, 2022.
- Unassigned – fund balance that is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

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

Order of Fund Balance Spending Policy

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The school has one item that qualifies for reporting in this category which is the deferred amount on pension reported in the government-wide statement of net position. The deferred outflows of resources related to pensions are discussed in a subsequent note.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The School has one item, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category, which is the deferred amount on pension reported in the government-wide statement of net position. A deferred amount on pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provide with pensions through the pension plan except earnings which are amortized over 5 years.

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**A Charter School and Component Unit of the
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**Notes to Financial Statements
(continued)**

Revenue Sources

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

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2022, the School reported 59.37 unweighted FTE.

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

Use of Estimates

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

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Notes to Financial Statements (continued)

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. This pronouncement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about a school's leasing activities. The cumulative effect of any changes implemented to conform to this pronouncement would be reported as a restatement of beginning net position and fund balance. The original effective implementation date was June 30, 2021. However, GASB Statement No. 95 postponed the implementation of this statement to be effective for reporting periods beginning after June 15, 2021. Therefore, management's adoption of this Statement did not result in any adjustments to the prior year's financial statements as the School is not currently engaged in leasing activities.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement would now require interest costs incurred before the end of construction period to be recognized as an expense in the period in which the cost is incurred under the economic resource measurement focus. The effective implementation date is June 30, 2022. Currently, the School is not engaged in any construction projects but is aware of the effect of the adoption of this Statement for future projects.

2 FAIR VALUE MEASUREMENTS

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

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

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

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

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**Notes to Financial Statements
(continued)**

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

The estimated fair value of the School's pension liability and related deferred outflows and inflows determined using Level 3 inputs is based on information provided by the Auditor General. The estimated fair value of the School's pensions and related deferred outflows and inflows using Level 3 inputs is determined by calculating the present value of the future distributions expected to be paid, using published life expectancy tables and discount rates ranging from approximately 2% to 4.3%. There were no changes in valuation techniques during the year.

The carrying values of cash and cash equivalents, cash restricted for long-term purposes, and the note payable do not differ materially from reasonable estimates of fair value, as short-term receivables and payables, the terms of such instruments do not vary significantly from the assumptions that would be made in estimating fair value.

Estimated fair value of certain assets and (liabilities) measured on a recurring basis at June 30, 2022, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Deferred outflows related				
to pension liability	\$ -	\$ -	\$ 218,290	\$ 218,290
Pension liability	-	-	(466,580)	(466,580)
Deferred inflows related				
to pension liability	-	-	(48,510)	(48,510)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (296,800)</u>	<u>\$ (296,800)</u>

3 DUE FROM OTHER AGENCIES

Due from other agencies included in the accompanying financial statements includes approximately \$71,000 in reimbursement from the School Board due to the School. Based on the source of these funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

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**Notes to Financial Statements
(continued)**

4 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets:				
Assets not being depreciated:				
Land	\$ 95,732	\$ -	\$ (95,732)	\$ -
Total non-depreciable assets	95,732	-	(95,732)	-
Assets being depreciated:				
Buildings	825,142	8,500	(825,142)	8,500
Furniture, fixtures & equipment	99,275	27,116	-	126,391
Total depreciable assets	924,417	35,616	(825,142)	134,891
Accumulated depreciation:				
Buildings	(73,826)	(283)	73,826	(283)
Furniture, fixtures & equipment	(20,939)	(33,513)	13,951	(40,501)
Total accumulated depreciation	(94,765)	(33,796)	87,777	(40,784)
Capital assets, net	\$ 925,384	\$ 1,820	\$ (833,097)	\$ 94,107

5 LONG-TERM DEBT

The School had several sources of long-term debt as described below.

Related Party Note:

The School entered into a secured note payable with a member of its board. Proceeds from the note were used to support the construction project of the School. The loan was repaid with funds from the building sale in December 2021 and bore no interest.

Building Loan:

The School also entered into a loan agreement with Lift Putnam for the building purchases for \$385,000 in fiscal year 2019. The loan was scheduled to mature in 2029 with an interest rate of 5% and one annual payment of \$49,849. A board member secured the loan with a promissory note dated March 20, 2020 between Putnam Edge and the board member. The building was sold in December 2021 and proceeds from the sale were used to payoff the outstanding loan balance.

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**Notes to Financial Statements
(continued)**

Paycheck Protection Program Loan:

This Loan was established under the CARES ACT by the Payroll Protection Plan (PPP) and funded under Small Business Administration. In May 2021, the School entered into a note payable with Community State Bank, as lender, in the amount of \$109,020 and used the debt method to record the transaction. The terms of the note provide for no principal or interest payments for the first six months. Commencing on the seventh month, and thereafter, monthly principal and interest payments of approximately \$1,887 are required through August 2027, with a fixed interest rate of 1% per annum. During 2022, the School was granted a full extinguishment of the loan which is recognized in the Statement of Activity as a gain on the extinguishment of debt.

The following schedule provides a summary of changes in the loans for the year ended June 30, 2022:

	<u>Balance 7/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/22</u>
Related party loan	\$ 532,500	\$ -	\$ (532,500)	\$ -
Lift Putnam	322,251	-	(322,251)	-
Payroll Protection Program	109,020	-	(109,020)	-
	<u>\$ 963,771</u>	<u>\$ -</u>	<u>\$ (963,771)</u>	<u>\$ -</u>

There are no future debt service requirements related to the long-term liabilities as all loans were paid in full by June 30, 2022. Interest expense for fiscal year ending June 30, 2022 totaled approximately \$19,000.

6 RETIREMENT PLANS

PENSION PLANS

The Florida Department of Management Services, Division of Retirement (division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (system). For the fiscal year ended June 30, 2021, the division administered two cost-sharing, multiple employer defined benefit plans, one single employer defined benefit plan, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. The division issued a publicly available, audited annual comprehensive financial report (ACFR) on behalf of the system that includes financial statements, notes and required supplementary information for each of the pension plans. Detailed information about the plans is provided in the ACFR, which is available online, or by contacting the Division.

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Notes to Financial Statements (continued)

Cost-Sharing Defined Benefit Plans

As required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), this report includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for each of the participating employers in the system's cost-sharing, multiple employer defined benefit plans:

- The Florida Retirement System (“FRS”) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (“DROP”) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.
- The Retiree Health Insurance Subsidy (“HIS”) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Over 1,000 participating employers are served by the two defined benefit plans. Of these, more than 900 employers, referred to as reporting employers, report payroll and remit contributions to the division for their covered employees and, in some cases, for the covered employees of associated participating employers.

Basis of Accounting

Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the system's ACFR, provide employers with the required information for reporting.

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**Notes to Financial Statements
(continued)**

The underlying financial information used to prepare the pension allocation schedules is based on the system's records. The financial statements for the cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States. The system's financial statements are available online or by contacting the Division. There have been no significant changes since the publication of the financial statements.

Employer Contributions

Contributions are recognized as revenue in the period for which the contributions are due pursuant to statutory and contractual requirements. Employee contributions required pursuant to section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis. Pension expense reported in the pension allocation schedules is reduced by these amounts.

Total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. Employer contributions reflected in the financial statements and in the pension allocation schedules for the cost-sharing defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer.

Use of Estimates

The preparation of these schedules, and the associated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements. Actual results could differ from those estimates.

Contributions

Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. Effective July 1, 2011, FRS members are required to make employee contributions in addition to employer contributions to establish service credit for work performed in a regularly established position. The total uniform contribution rates by membership class for Fiscal Year 2020-21- are as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Regular class	3%	10.00%
Senior management	3%	27.29%
Drop	N/A	17.04%

(A) Employer rates include 1.66% for the Retiree Health Insurance Subsidy,

PUTNAM EDGE HIGH SCHOOL

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**Notes to Financial Statements
(continued)**

assessment of 0.06% for administration for the FRS Investment Plan and the administration of the MyFRS Financial Guidance Program for both plans, and an unfunded actuarial liability contribution determined by membership class.

Net Pension Liability

The components of the collective net position liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2021 are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total pension liability	\$ 209,636,046	\$ 12,719,121
Plan fiduciary net position	(202,082,183)	(452,618)
Net pension liability	\$ 7,553,863	\$ 12,266,503
Plan fiduciary net position as a percentage Of the total pension liability	96.40%	3.56%

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2021. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The Division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

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**Notes to Financial Statements
(continued)**

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2021:

- FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2021.

School's Proportionate Share of FRS Net Pension Liability			School's Proportionate Share of HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%	1.16%	2.16%	3.16%
\$169,197	\$37,834	(\$71,790)	\$145,799	\$126,113	\$109,985

Basis of Allocation

At June 30, 2020, the School reported a liability of \$163,947 for its proportionate share of the Plan's net pension liability. The School's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods

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**Notes to Financial Statements
(continued)**

included in the system’s fiscal years ended June 30, 2013, through June 30, 2021, for employers that were members of the FRS and HIS during those fiscal years.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer’s proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The School’s proportionate share of the net pension liability was based on the School’s 2020-21 fiscal year contributions of all participating members.

The School’s proportions are as follows:

	<u>FRS</u>	<u>HIS</u>
June 30, 2021	0.000500%	0.001028%
June 30, 2020	<u>0.000685%</u>	<u>0.001386%</u>
Change	<u>0.000185%</u>	<u>0.000358%</u>

Pension Expense and Deferred Outflow / Inflow of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the School’s proportionate share of the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes in proportion and differences between contributions and proportionate share of contributions amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years.

Employer contributions to the pension plans from the School’s employers are not included in

PUTNAM EDGE HIGH SCHOOL

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

**Notes to Financial Statements
(continued)**

collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021, was 5.7 years for FRS and 6.4 years for HIS.

At June 30, 2020, the School reported deferred outflows of resources and deferred inflow of resources related to the pensions from the following sources:

<u>Description</u>	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,485	\$ -
Changes of assumptions	25,888	-
Net difference between projected and actual investment earnings	-	131,994
Employer-specific amounts due to changes in employer proportion	12,914	62,886
School FRS contributions subsequent to the measurement date	23,562	-
Total	<u>\$ 68,849</u>	<u>\$ 194,880</u>

PUTNAM EDGE HIGH SCHOOL

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

**Notes to Financial Statements
(continued)**

<u>Description</u>	<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,220	\$ 53
Changes of assumptions	9,910	5,196
Net difference between projected and actual investment earnings	131	-
Employer-specific amounts due to changes in employer proportion	34,606	46,418
School FRS contributions subsequent to the measurement date	5,352	-
Total	\$ 54,219	\$ 51,667

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Measurement period ending June 30,	FRS Expense	HIS Expense
2022	\$ (26,347)	\$ (771)
2023	(30,723)	(246)
2024	(40,696)	(507)
2025	(52,150)	(673)
2026	323	(503)
Thereafter	-	(100)
Total	\$ (149,593)	\$ (2,800)

Additional Financial and Actuarial Information

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the Florida Retirement System Pension Plan and Other State-Administered Systems ACFR for the fiscal year ended June 30, 2021. The system's ACFR and the actuarial valuation reports referenced herein are available online at: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

PUTNAM EDGE HIGH SCHOOL

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

**Notes to Financial Statements
(continued)**

7 SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of state revenue sources

District School Board of Putnam County, Florida:

Florida Education Finance Program	\$	257,710
Class size reduction		53,133
Discretionary local		20,366
Sparsity Supplement		18,373
Supplemental academic instruction		17,166
Discretionary millage funds		14,605
ESE guaranteed allocation		14,451
Teacher salary increase allocation		10,229
Safe Schools		4,686
Instructional materials		4,052
Mental Health Assistance		2,866
Reading allocation		2,789
Additional student reserve		1,840
Digital classroom allocation		594
Total funds compression allocation		504
Total	\$	<u>423,364</u>

The administrative fee paid to the School Board during the year ended June 30, 2022 totaled approximately \$21,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

8 RISK MANAGEMENT PROGRAM

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

9 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Cost charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School

PUTNAM EDGE HIGH SCHOOL

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**Notes to Financial Statements
(continued)**

has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at year end may be impaired.

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

Legal matters

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

10 RELATED PARTY TRANSACTIONS

The School had a note payable from a member of its board which was repaid in full by year-end. See Note 5 for more details.

11 INCOME TAXES

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

12 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 24, 2022, which is the date the financial statements were available to be issued.

On July 26, 2022 the Putnam edge Board of Directors, after being advised by the School attorney, voted unanimously to voluntarily close Putnam Edge High School as of that date. The School is working collaboratively with Putnam County School District to facilitate a smooth transition and the best educational and employment options for students and teachers.

PUTNAM EDGE HIGH SCHOOL

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

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 613,582	\$ 513,582	\$ 423,364	\$ (90,218)
Contributions and other revenue	1,000	10,000	9,023	(977)
Total revenues	614,582	523,582	432,387	(91,195)
EXPENDITURES				
Current:				
Instruction	166,003	231,003	218,102	12,901
Student support services	1,900	31,400	30,902	498
Instructional staff training	500	65,000	5,822	59,178
Instructional technology services	5,500	16,200	16,167	33
Board	21,000	19,000	18,539	461
General administration	30,679	22,179	21,246	933
School administration	145,109	171,909	171,811	98
Facilities acquisition and construction	-	15,000	10,607	4,393
Fiscal services	22,493	24,993	24,832	161
Food services	120	1,620	1,228	392
Central services	300	6,800	6,099	701
Transportation services	18,000	13,000	12,810	190
Operation of plant	139,188	181,188	160,911	20,277
Maintenance of plant	2,600	10,100	10,031	69
Administrative technology	-	-	4,977	(4,977)
Total expenditures	553,392	809,392	714,084	95,308
Excess (deficiency) of expenditures over expenditures	61,190	(285,810)	(281,697)	(186,503)
Other Financing Sources (uses)				
Proceeds from sale of assets	-	-	18,754	(18,754)
Operating transfer in	-	-	68,879	(68,879)
Operating transfer out	(53,847)	(63,847)	-	(63,847)
Total other financing sources	(53,847)	(63,847)	87,633	(151,480)
Net changes in fund balances	7,343	(349,657)	(194,064)	(337,983)
Fund balance at beginning of year	338,571	338,571	338,571	-
Fund balance at end of year	\$ 345,914	\$ (11,086)	\$ 144,507	\$ (337,983)

See report of independent auditors.

PUTNAM EDGE HIGH SCHOOL

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

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Special Revenue Funding	\$ 136,196	\$ 203,354	\$ 203,354	\$ -
Total revenues	136,196	203,354	203,354	-
EXPENDITURES				
Current:				
Instruction	101,615	119,588	119,589	(1)
Student support services	-	5,314	5,314	-
Instructional staff training	-	8,572	8,572	-
General administration	2,150	-	-	-
School administration	27,004	500	500	-
Central services	5,427	-	-	-
Operation of plant	-	500	500	-
Total expenditures	136,196	134,474	134,475	(1)
Excess of revenues over expenditures	-	68,880	68,879	(1)
OTHER FINANCING SOURCES(Uses)				
Operating transfer out	-	(68,880)	(68,879)	(1)
Total Other Financing Sources	-	(68,880)	(68,879)	(1)
Net change in fund balance	-	-	-	(2)
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ (2)

See report of independent auditors.

PUTNAM EDGE HIGH SCHOOL

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

**Required Supplementary Information
(continued)**

Schedule of the School's Proportionate Share of the Net Pension Liability-
Florida Retirement System Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School's proportion of the FRS net pension liability (asset)	0.00050%	0.00068%	0.00061%	0.00070%	0.00076%	0.00084%
School's proportionate share of the FRS net pension liability (asset)	\$ 37,834	\$ 297,254	\$ 212,507	\$ 209,620	\$ 224,006	\$ 211,075
School's covered-employee payroll	\$ 434,423	\$ 375,970	\$ 412,916	\$ 334,878	\$ 409,452	\$ 469,179
School's proportionate share if the FRS net pension liability (asset) as a percentage of its covered-employee payroll	8.71%	79.06%	51.46%	62.60%	54.71%	44.99%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Schedule of School Contributions
Florida Retirement System Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required FRS contribution	\$ 23,562	\$ 23,562	\$ 19,834	\$ 19,834	\$ 19,834	\$ 20,386
FRS contribution in relation to the contractually required FRS contribution	\$ (23,562)	\$ (23,562)	\$ (19,834)	\$ (19,834)	\$ (19,834)	\$ (20,386)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 434,423	\$ 375,970	\$ 412,916	\$ 334,878	\$ 409,452	\$ 469,179
FRS contribution as a percentage of covered employee payroll	5.42%	6.27%	4.80%	5.92%	4.84%	4.35%

PUTNAM EDGE HIGH SCHOOL

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

**Required Supplementary Information
(continued)**

Schedule of the School's Proportionate Share of the Net Pension Liability-
Health Insurance Subsidy Pension Plan

	2021	2020	2019	2018	2017	2016
School's proportion of the HIS net pension liability (asset)	0.00103%	0.00139%	0.00105%	0.00108%	0.00123%	0.00136%
School's proportionate share of the HIS net pension liability (asset)	\$ 126,113	\$ 169,326	\$ 117,078	\$ 114,741	\$ 131,011	\$ 158,926
School's covered-employee payroll	\$ 434,423	\$ 375,970	\$ 412,916	\$ 334,878	\$ 409,452	\$ 469,179
School's proportionate share if the HIS net pension liability (asset) as a percentage of its covered-employee payroll	29.03%	45.04%	28.35%	34.26%	32.00%	33.87%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.10%

Schedule of School Contributions
Health Insurance Subsidy Pension Plan

	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 5,352	\$ 5,352	\$ 6,999	\$ 5,879	\$ 5,879	\$ 6,990
HIS contribution in relation to the contractually required HIS contribution	\$ (5,352)	\$ (5,352)	\$ (6,999)	\$ (5,879)	\$ (5,879)	\$ (6,990)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$ 434,423	\$ 375,970	\$ 412,916	\$ 334,878	\$ 409,452	\$ 469,179
HIS contribution as a percentage of covered employee payroll	1.23%	1.42%	1.70%	1.76%	1.44%	1.49%



McCrary & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of Putnam Edge High School, Inc.,
A Charter School and Component Unit of the District School Board of Putnam County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Putnam Edge High School, a Charter School and Component Unit of the District School Board of Putnam County, Florida, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 24, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 24, 2022

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



McCrary & Associates
CERTIFIED PUBLIC ACCOUNTANTS

**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Putnam Edge High School, Inc., a Charter School
and Component Unit of the District School Board of Putnam County, Florida

Report on the Financial Statements

We have audited the financial statements of Putnam Edge High School (the “School”) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated August 24, 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 Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, if applicable, which is dated, August 24, 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. There were no findings or recommendations in the prior year audit report.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Putnam Edge High School, Inc. The School code is 0071.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. A financial condition assessment pursuant to Section 10.855(12) and 10.805(7), Rules of the Auditor General were applied to the School. As a result, it has been determined based on this financial guidance that the School does not meet the definition of a deteriorating financial condition as of June 30, 2021. However, results of the previous audit indicated the school did meet the definition of a deteriorating financial condition as of June 30, 2020.

During the year ended June 30, 2022 the School Board governance and management monitored expenses not to exceed revenues. As of the year-end, the School decreased its deficit in net position by \$65,000. Management operated the School in a surplus for fiscal year 2022, therefore the total fund balance was \$41,187, which is a increase of approximately \$141,000 from prior year. Additionally, a board member has contributed funds to the School in the past and continues to assist in meeting capital project and operating expenditures. The School continues to strive to increase enrollment.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

McCrady & Associates, PLLC

Altamonte Springs, Florida
August 24, 2022

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