

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

Financial Statements
And
Independent Auditors' Reports

June 30, 2023

PRICE & ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS, LLC

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Financial Statements and Independent Auditors' Reports

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

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Price & Associates Certified Public Accountants, LLC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boulevard Springs Charter School, Inc.

August 30, 2023

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Boulevard Springs Charter School, Inc. (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School, as of June 30, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 School's 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.

Auditors' 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 auditors' 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 GAAS 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.

Report on the Audit of the Financial Statements (concluded)

Auditors' Responsibilities for the Audit of the Financial Statements (concluded)

In performing an audit in accordance with GAAS 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 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 management's discussion and analysis and budgetary comparison information 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 October 13, 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.

Price & Associates Certified Public Accountants, LLC

St Petersburg, Florida
August 30, 2023

Management's Discussion and Analysis

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2023:

- The School's overall net position increased by approximately \$182,000 which is a 20% increase.
- Total ending unrestricted net position was \$823,140.
- The School had total expenses for the year of about \$1,554,000 compared to revenues of approximately \$1,755,000.
- The School educated 158 and 157 students in the years ending June 30, 2023 and June 30, 2022, respectively, serving grades K-5.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the School's activities as a whole and fund financial statements that report on the School's individual funds.

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the School's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position – the difference between assets and liabilities – can be used to measure the School's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the School's financial health is improving or deteriorating. However, other non-financial factors, such as enrollment levels or changes in state funding, must also be considered when assessing the overall health of the School.

In these statements, all of the School's activities are considered to be governmental activities. The School has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the School's funds.

The School maintains one individual governmental fund, the General Fund.

Governmental funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the fund's financial position. A reconciliation is provided with these statements, which helps to explain the differences between the fund financial statements and the government-wide financial statements.

Management's Discussion and Analysis

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position.

	2023 Governmental Activities	2022 Governmental Activities
Net Position		
Assets:		
Non-capital Assets	\$ 741,827	\$ 650,760
Capital Assets, Net	654,442	706,962
Total Assets	<u>1,396,269</u>	<u>1,357,722</u>
Deferred Outflows	<u>97,093</u>	<u>--</u>
Liabilities:		
Current Liabilities	15,780	4,280
Long-term Liabilities	386,954	445,065
Total Liabilities	<u>402,734</u>	<u>449,345</u>
Net position:		
Net investment in Capital Assets	267,488	261,897
Unrestricted	823,140	646,480
Total Net position	<u>\$ 1,090,628</u>	<u>\$ 908,377</u>
Change in Net Position		
Program Revenues:		
Charges for Services	\$ 132,716	\$ 115,526
Capital Grants & Contributions	106,852	103,662
General Revenues:		
ESSER III Grant	96,049	253,506
Other Federal through State Revenues	122,486	94,659
Florida Education Finance Program	1,180,152	1,102,829
Other State Revenues	6,501	9,869
Local Tax Revenue	90,065	67,754
Unrestricted Grants & Contributions	19,269	8,484
Unrestricted Investment Earnings	673	72
Total Revenues	<u>1,754,763</u>	<u>1,756,361</u>
Program Expenses:		
Instruction	979,414	1,036,449
Instructional Support Services	6,067	17,036
General Support	505,486	578,454
Community Services	62,706	55,292
Interest	18,839	22,203
Total Expenses	<u>1,572,512</u>	<u>1,709,434</u>
Change in Net Position	182,251	46,927
Beginning Net Position	908,377	861,450
Ending Net Position	<u>\$ 1,090,628</u>	<u>\$ 908,377</u>

Management's Discussion and Analysis

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated \$239,568 in program revenues and \$1,515,195 of general revenues, and incurred \$1,572,512 of program expenses. This resulted in a \$182,251 increase in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund increased by \$79,567 from \$646,480 to \$726,047.

BUDGETARY HIGHLIGHTS

General Fund. There were no significant changes to the original budget. There were no differences between the final budget and actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The School completed construction projects that were begun in the previous fiscal year. The School experienced no other significant capital asset activity during the year. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the School's capital asset activity.

Debt Administration. The School incurred no new debt and made scheduled payments on its lease liability. Please refer to a note to the accompanying financial statements entitled *Long-Term Liabilities* for more detailed information about the School's long-term debt activity.

ECONOMIC FACTORS

The School currently is not aware of any conditions that are expected to have a significant effect on the School's financial position or results of operations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tiffany White, Director, Boulware Springs Charter School, Inc., 1303 NE 23rd Avenue, Gainesville, FL 32609.

Statement of Net Position
June 30, 2023
Boulevard Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

	Governmental Activities
<hr/>	
Assets:	
Cash	\$ 632,258
Receivables	75,870
Prepaid Expenses	27,999
Deposits	5,700
Depreciable Capital Assets, Net	654,442
Total Assets	<u>1,396,269</u>
Deferred Outflows	<u>97,093</u>
Liabilities:	
Accounts Payable	2,256
Retirement Contribution Payable	13,524
Lease Liability	386,954
Total Liabilities	<u>402,734</u>
Net Position:	
Net Investment in Capital Assets	267,488
Unrestricted	823,140
Total Net Position	<u>\$ 1,090,628</u>

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ (979,414)	\$ 12,484	\$ --	\$ --	\$ (966,930)
Instructional Support Services	(6,067)	--	--	--	(6,067)
General Support	(505,486)	--	--	88,013	(417,473)
Community Services	(62,706)	120,232	--	--	57,526
Interest	(18,839)	--	--	18,839	--
Total	<u>\$ (1,572,512)</u>	<u>\$ 132,716</u>	<u>\$ --</u>	<u>\$ 106,852</u>	<u>(1,332,944)</u>

General Revenues:

Federal through State:	
Title I Grant	111,336
Title II Grant	6,957
Title IV Grant	4,193
ESSER III Grant	96,049
State Revenue:	
Florida Education Finance Program	1,180,152
Other State Revenues	6,501
Local Tax Revenue	90,065
Unrestricted Grants and Contributions	19,269
Unrestricted Investment Earnings	673

Total General Revenues 1,515,195

Change in Net Position 182,251

Net Position – Beginning of Year 908,377

Net Position – End of Year \$ 1,090,628

See accompanying notes.

Balance Sheet – Governmental Funds
June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

	General Fund
Assets	
Cash	\$ 632,258
Accounts Receivable	75,870
Prepaid Expenses	27,999
Deposits	5,700
Total Assets	\$ 741,827
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 2,256
Retirement Contribution Payable	13,524
Total Liabilities	15,780
Fund Balances:	
Non-spendable - Prepaids	27,999
Non-spendable - Deposits	5,700
Unassigned	692,348
Total Fund Balances	726,047
Total Liabilities and Fund Balances	\$ 741,827

See accompanying notes.

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

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

Fund Balances – Total Governmental Funds	\$ 726,047
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not reported in the governmental funds:

Capital Assets – Net of Accumulated Depreciation	654,442
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Long-term liabilities are not reported in the governmental funds:

Long-Term Debt	(386,954)
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Accounting for the School's participation in the Florida Retirement System

Deferred Outflows	97,093
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Net Position of Governmental Activities	<u>\$1,090,628</u>
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See accompanying notes.

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds**
For the Year Ended June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

	General Fund
Revenues	
Federal through State:	
Title I Grant	\$ 111,336
Title II Grant	6,957
Title IV Grant	4,193
ESSER III Grant	96,049
State Revenue:	
Florida Education Finance Program	1,180,152
Capital Outlay	106,852
Other State Revenues	6,501
Local Revenue:	
Local Tax Revenue	90,065
After School Revenue	119,644
Other Local Revenues	33,014
Total Revenues	1,754,763
Expenditures and Changes in Fund Balances	
Expenditures:	
Current:	
Instruction	1,044,967
Instructional Support Services	6,067
General Support	484,220
Community Services	62,992
Debt Service:	
Principal	58,111
Interest	18,839
Total Expenditures	1,675,196
Change in Fund Balance	79,567
Fund Balances, July 1, 2022	646,480
Fund Balances, June 30, 2023	\$ 726,047

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities - Governmental Funds**
For the Year Ended June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

Excess of Revenues over Expenditures – Total Governmental Funds \$ 79,567

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 depreciated over their estimated useful lives.

Current Year Expenditures for Capital Assets	35,758
Current Year Depreciation Expense	(88,278)

Issuance of long term debt provides current financial resources to governmental funds, but has no effect on net position. Repayment of principal is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.

Current Year Principal Payments	58,111
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Accounting for the School’s participation in the Florida Retirement System

Adjustment of required contribution to net pension expense	97,093
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Change in Net Position of Governmental Activities \$ 182,251

See accompanying notes.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 1 – REPORTING ENTITY

Boulware Springs Charter School, Inc. (the Corporation) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation conducts business as Boulware Springs Charter School (the School). The governing body of the School is the not-for-profit corporation's Board of Directors. The Corporation is considered a component unit of the Alachua County District School Board (the District).

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district. The current charter is effective until June 30, 2033, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities.

Any internal inter-fund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position reports the School's financial position as of the end of the fiscal year. In this statement, the School's net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (concluded)

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The general fund is the only governmental fund used by the School. The General Fund is the general operating fund of the School. It is used to account for all financial resources. Because of this, the School has no non-major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other items are considered to be measurable and available only when cash is received.

Cash

Cash consists of deposits in federally insured banks. The School held approximately \$199,000 in excess of Federal Deposit Insurance Corporation limits at June 30, 2022. The School has no policy regarding deposit custodial credit risk.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as “non-spendable” in the funds financial statements to indicate that prepaids do not represent available expendable resources.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation/Amortization

Capital assets are defined by the School as assets with an initial, individual cost of \$2,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost if purchased. These assets are recorded at historical cost if purchased, at the net present value of future cash flows for leased assets and at estimated fair value if acquired through a donation. All assets are depreciated or amortized using a straight-line basis. Leased assets are amortized over the shorter of the expected useful life of the leased asset or the lease term. Depreciable capital assets are depreciated using their estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land/Facility Lease – Lease Term	14
Improvements	3
Furniture, Fixtures and Equipment	3-5
Building and Fixed Equipment	15-30

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Educational Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods. The School also receives other financial assistance. This assistance is generally based on applications submitted to and approved by the granting agency.

Compensated Absences

The School pays employees for unused sick and vacation time upon separation. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

Net Position

Net position represents the difference between assets and liabilities and is reported in three categories as hereafter described. *Net investment in capital assets* represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as *restricted* when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. The balance of the net position is reported as *unrestricted*.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, and then unrestricted resources as they are needed.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Fund Balance Classifications

Governmental funds report separate classifications of fund balance.

Non-Spendable. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors.

Assigned. Assigned fund balance is defined as amounts that are constrained by the intent of the School's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The School has given the authority to assign fund balance to the School's Director. Assigned fund balance includes spendable fund balance amounts established by the Director that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Director. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

Unassigned. Unassigned fund balance is the residual classification for the general fund.

It is the policy of the School that they will use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed the School will then use unassigned resources. The School does not have a formal policy requiring a minimum fund balance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Pensions

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) and the Health Insurance Subsidy (HIS), and additions to/deductions from the FRS and HIS 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

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 3 – RISK MANAGEMENT

The School is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the School has purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in the current or previous two years.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets Not Being Depreciated/Amortized:				
Construction in Progress	\$ 134,267	\$ 22,640	\$ 156,907	\$ --
Capital Assets Being Depreciated/Amortized:				
Lease	801,345	--	--	801,345
Buildings	280,147	165,220	--	445,367
Improvements other than Buildings	7,906	--	--	7,906
Furniture, Fixtures & Equipment	162,019	4,805	--	166,824
Total Capital Assets	<u>1,385,684</u>	<u>192,665</u>	<u>156,907</u>	<u>1,421,442</u>
Accumulated Depreciation/Amortization:				
Lease	459,944	56,900	--	516,844
Buildings	87,977	20,831	--	108,808
Improvements other than Buildings	2,110	263	--	2,373
Furniture, Fixtures & Equipment	128,691	10,284	--	138,975
Total Accumulated Depreciation	<u>678,722</u>	<u>88,278</u>	<u>--</u>	<u>767,000</u>
Net Capital Assets	<u>\$ 706,962</u>	<u>\$ 104,387</u>	<u>\$ 156,907</u>	<u>\$ 654,442</u>

Depreciation was charged to functions/programs as follows:

Instruction	\$ 10,284
General Support	<u>77,994</u>
Total Depreciation Expense	<u>\$ 88,278</u>

NOTE 5 – RELATED PARTY TRANSACTIONS

The School signed an agreement with ABC Appletree, Inc., to lease the School's premises. ABC Appletree, Inc., is owned by one of the School's board members and her husband. The School paid ABC Appletree, Inc., \$76,950 in lease payments for the year ending June 30, 2023.

The School pays two employees who are related to the School's co-director. The School paid these employees approximately \$64,000 and \$22,500 in compensation during the year ended June 30, 2023.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 6 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	(Restated) Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2023</u>	Amount Due <u>In 1 Year</u>
Lease Liability	<u>\$ 445,065</u>	<u>\$ --</u>	<u>\$ 58,111</u>	<u>\$ 386,954</u>	<u>\$ 70,599</u>

The School obtained the right to use assets under a lease agreement with ABC Appletree, Inc., a related party, to lease the School's premises, consisting of land and a building. The lease calls for monthly payments of \$6,413 and runs through June 30, 2023. This lease has a five-year option to renew with monthly payments of \$7,214; the School is reasonably certain to exercise this option.

The School recorded lease assets and liabilities of \$801,345, the present value of lease payments for the lease term using an estimated incremental borrowing rate of 4.5%. The lease asset is amortized on a straight-line basis for the remainder of the lease term.

Principal and interest requirements on the lease liability are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 70,599	\$ 15,969	\$ 86,568
2025	73,843	12,725	86,568
2026	77,235	9,333	86,568
2027	80,783	5,785	86,568
2028	84,494	2,074	86,568
Total	<u>\$ 386,954</u>	<u>\$ 45,886</u>	<u>\$ 432,840</u>

NOTE 7 – CONTINGENCIES

In 2020, the Florida Auditor General performed an audit of the School's compliance with requirements for documentation of recorded class attendance reports for October 2018 and February 2019. The audit revealed a lack of compliance which could result in a required repayment of FEFP funding of approximately \$120,000. The School is cooperating with the District and the Auditor General, to provide documentation supporting the claimed student enrollment. The School is not able to estimate the ultimate outcome of this audit.

In addition, the School is subject to occasional lawsuits and claims arising in the normal conduct of business. The School is not aware of any pending or threatened litigation, claims, or assessments.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 8 – EMPLOYEE RETIREMENT 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). The School entered the plan in August of 2022 and participates in two defined benefit plans administered by the Division. The Division issues 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. The System's ACFR and the actuarial valuation reports, which provide detailed information about the plans, are available on line at: http://www.dms.myflorida.com/workforce_operations/retirement/publications. The system's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at: Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or call 850-488-5706 or toll free at 877-377-1737.

Plan Descriptions

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, is administered, and may be amended in accordance with Chapter 121, Florida Statutes. 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 non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Benefits under the FRS Pension Plan are computed based on age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

The percentage value for each year of service credit earned ranges from 1.60% to 1.68%. Benefits received are increased by an annual cost-of-living adjustment each July, ranging from 0% to 3% depending on effective dates of enrollment and retirement.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established, administered, and subject to amendment in accordance with section 112.363, Florida Statutes. 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, 2023, 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 can include Medicare.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 8 – EMPLOYEE RETIREMENT PLANS (continued)

Contributions

Contribution requirements of active employees and participating employers are established and may be amended only through an act of the Florida Legislature. The FRS requires a contribution of 3% of covered pay from most employees. The School is required to contribute at an actuarially determined rate. Contribution rates and amounts are listed in the table below. Amounts contributed were equal to the required contribution for 2023.

	<u>Regular</u>
Contribution Rates – %	
Retirement– Employer	10.19
HIS – Employer	1.66
Administrative – Employer	.06
Employee	3.00
Total	14.91
Contribution Amounts	
Employer	\$ 97,585
Employee	24,581
Totals	\$122,166

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Since the School did not join the plan until August of 2022. At June 30, 2023, the School reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022.

For the year ended June 30, 2023, the School recognized pension expense of \$658. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.	--	--
Changes of assumptions.	--	--
Net difference between projected and actual earnings on pension plan investments.	--	--
Changes in proportion and differences between School contributions and proportionate share of contributions.	--	--
School contributions subsequent to the measurement date.	97,093	--
Total	\$ 97,093	\$ --

The School reported \$97,093 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 8 – EMPLOYEE RETIREMENT PLANS (continued)

Actuarial Assumptions and Discount Rate

The total pension liability for cost-sharing defined benefit plans was determined by an actuarial valuation as of July 1, 2022, using the 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 6.7%. 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 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index.) Mortality assumptions for the FRS Pension Plan and the HIS Program were changed as noted below.

The following changes in actuarial assumptions occurred in 2022:

- FRS: The long-term expected rate of return and discount rate was decreased from 6.80% to 6.70%.
- HIS: The municipal bond rate used to determine total pension liability increased from 2.16% to 3.54%.

Long-term expected rate of return.

The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the

4.38 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2022 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%

Notes to the Financial Statements

June 30, 2023

Boulware Springs Charter School, Inc.

A Component Unit of the Alachua County District School Board

NOTE 8 – EMPLOYEE RETIREMENT PLANS (concluded)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

NOTE 9 – EMPLOYEE RETIREMENT PLAN – DEFINED CONTRIBUTION

The School made contributions on behalf of its employees to a SIMPLE-IRA plan (the Plan) administered by Fidelity. The School contributes 2% of the employee's gross pay. Effective August 2022, the Board of Directors has authorized the School to participate in the Florida Retirement System AND is, therefore, no longer making contributions to the Plan.

<u>Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
2021	\$ 700	\$ 17,286
2022	\$ 746	\$ 17,661
2023	\$ 60	\$ 1,067

Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

	BUDGETED AMOUNTS		Actual Amounts
	Original	Final	
Revenues			
Federal through State:			
Title I Grant	\$ 98,000	\$ 111,336	\$ 111,336
Title II Grant	5,327	6,957	6,957
Title IV Grant	2,884	4,193	4,193
ESSER III Grant	103,345	96,049	96,049
State Revenue:			
Florida Education Finance Program	1,130,275	1,180,152	1,180,152
Capital Outlay	102,762	106,852	106,852
Other State Revenues	--	6,501	6,501
Local Revenue:			
Local Tax Revenue	91,902	90,065	90,065
After School Revenue	75,000	119,644	119,644
Other Local Revenues	16,900	33,014	33,014
Total Revenues	1,626,396	1,754,763	1,754,763
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	944,780	1,044,967	1,044,967
Instructional Support Services	--	6,067	6,067
General Support	522,330	484,220	484,220
Community Services	29,722	62,992	62,992
Debt Service:			
Principal	7,979	58,111	58,111
Interest	2,100	18,839	18,839
Total Expenditures	1,506,911	1,675,196	1,675,196
Change in Fund Balance	119,485	79,567	79,567
Fund Balances, July 1, 2022	247,185	646,480	646,480
Fund Balances, June 30, 2023	\$ 366,670	\$ 726,047	\$ 726,047

Note to Schedule:

An annual Budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. A final budget amendment is made so that final budgeted amounts agree to actual amounts. The fund is the legal level of control.

Schedules of School's Contributions – Last 10 Fiscal Years
For Year Ended June 30, 2023
Boulware Springs Charter School, Inc.
A Component Unit of the Alachua County District School Board

Florida Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2010</u>
Required contribution	\$ 83,492									
Contributions in relation to the required contribution	(83,492)									
Contribution deficiency (excess)	\$ --	\$ --								
Covered-employee payroll	\$ 819,354									
Contributions as a percentage of covered-employee payroll	10.19%									

Health Insurance Subsidy Program

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2010</u>
Required contribution	\$ 13,601									
Contributions in relation to the required contribution	(13,601)									
Contribution deficiency (excess)	\$ --									
Covered-employee payroll	\$ 819,354									
Contributions as a percentage of covered-employee payroll	1.66%									

Note: The amounts presented were determined as of June 30 for each fiscal year.

Note: Amounts will be presented prospectively.

Note: There are no significant trends in the amounts reported.

Price & Associates Certified Public Accountants, LLC

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

August 30, 2023

To the Board of Directors
Boulevard Springs Charter School, Inc.

We have audited the special purpose financial statements of Boulevard Springs Charter School, Inc. (the School), for the year ended June 30, 2023, and have issued our report thereon dated August 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated April 20, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Accounting Policies. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The School began participation in the Florida Retirement System during the year. There a variety of estimates require to calculate the amounts reported each year. See Note 8 to the financial statements for more information.

Disclosures. As discussed above, the School's participation in the Florida Retirement System requires significant additional disclosures.

Corrected and Uncorrected Misstatements. Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have communicated all known and likely adjustments to management and all adjustments have been reflected in the financial statements

Our Working Relationship with Management

Difficulties Encountered in Performing the Audit. We encountered no difficulties in dealing with management in performing and completing our audit.

Disagreements with Management. For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations. We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants. In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Consultations Prior to Engagement. We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This letter is intended solely for the information and use of management and the Board of Directors of the School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Price & Associates Certified Public Accountants, LLC

St Petersburg, Florida
August 30, 20

Price & Associates Certified Public Accountants, LLC

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MANAGEMENT LETTER

To the Board of Directors,
Boulware Springs Charter School, Inc.

August 30, 2023

Report on the Financial Statements. We have audited the financial statements of Boulware Springs Charter School, Inc. (the School), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated August 30, 2023.

Auditors' Responsibility. 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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*. Disclosures in that report, which is dated August 30, 2023, 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. In that regard we have not repeated any findings reported for the year ended June 30, 2023.

Official Title. Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Boulware Springs Charter School, and the school code assigned by the Florida Department of Education is 01-1012.

Financial Condition and Management.

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Transparency. Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School is in compliance with the 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 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, the local district school board, the Board of Directors and management of the School, and is not intended to be and should not be used by anyone other than these specified parties.

* * * * *

Thank you for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or any other matters.

Price & Associates Certified Public Accountants, LLC

St Petersburg, Florida
August 30, 2023

Price & Associates Certified Public Accountants, LLC

9800 4th Street N. Suite 200 St Petersburg, Florida 33702 727-937-3116 www.pricebussolutions.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Directors of
Boulware Springs Charter School, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Boulware Springs Charter School, Inc. (the School), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 30, 2023.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

* * * * *

As required by the Rules of the Auditor General of the State of Florida, we noted certain matters that we reported to management of the School in the management letter dated August 30, 2023

Price & Associates Certified Public Accountants, LLC

St Petersburg, Florida
August 30, 2023