

IDEA Bassett and IDEA River Bluff

A division of IDEA Florida, Inc.
(A component unit of the Duval County Public
School District)

Basic Financial Statements
and Additional Information
For the Year Ended June 30, 2023



IDEA Bassett and IDEA River Bluff

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
IDEA Bassett and IDEA River Bluff

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of IDEA Bassett and IDEA River Bluff (the "Schools"), divisions of IDEA Florida, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Schools, as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Schools are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of IDEA Florida, Inc. that is attributable to the transactions of the Schools. They do not purport to, and do not, present fairly the financial position of IDEA Florida, Inc. as of June 30, 2023 and the changes in its financial position and budgetary comparisons, where applicable, for the year ended June 30, 2023 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CPAs + Trusted Advisors

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Our discussion and analysis of IDEA Bassett's and IDEA River Bluff's (the "Schools") financial performance provides an overview of the Schools' financial activities for the year ended June 30, 2023. Normally, comparative information is presented for Management's Discussion and Analysis but since this is the initial year of the Schools' operation and no financial statements for the Schools' financial statements were previously prepared, no comparative data has been presented. Please read this section in conjunction with the Schools' financial statements, which immediately follow this discussion.

Financial Highlights

The following are the highlights of financial activity for the year ended June 30, 2023:

- The Schools' total liabilities exceeded its assets at June 30, 2023 by \$ 1,608,217 (net deficit).
- The Schools' total revenues were \$ 20,214,777 primarily consisting of \$ 17,592,701 from general revenues including FTE revenues and state money from the Department of Education and \$ 2,618,602 from operating grants, capital grants, and contributions. The Schools' expenses for the year were \$ 21,849,500. Net position for the year decreased by \$ 1,634,723.

Overview of the Financial Statements

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

Government-wide financial statements:

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

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

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

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

Fund financial statements:

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

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

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

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

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

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

Notes to basic financial statements:

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 22 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Schools' General Fund and Special Revenue Fund adopted budgets to actual results. Required supplementary information can be found on pages 23 and 24 of this report.

Government-Wide Financial Analysis

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

**IDEA Bassett and IDEA River Bluff
Management's Discussion and Analysis
June 30, 2023**

Government-Wide Financial Analysis (continued)

The following table reflects the condensed government-wide statements of net position as of June 30, 2023:

IDEA Bassett and IDEA River Bluff Net Position (Deficit)		2023
Current Assets	\$	4,896,224
Noncurrent Assets		9,977,952
Total assets		14,874,176
Current Liabilities		5,802,201
Noncurrent Liabilities		10,680,192
Total liabilities		16,482,393
Net Position (deficit):		
Net investment in capital assets		1,230,930
Unrestricted		(2,839,147)
Total net position (deficit)	\$	(1,608,217)

A portion of the Schools' net position reflect its investment in capital assets, less any related outstanding debt used to acquire those assets. The Schools use these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Schools' investment in its capital assets is reported net of related debt (if any), it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2023, the Schools had no restricted assets.

As reflected below, the net position is showing a decrease of \$ 1,634,723 for the year ended June 30, 2023 as summarized in the following table:

IDEA Bassett and IDEA River Bluff Changes in Net Position		2023
Revenues:		
General revenues	\$	17,596,175
Program revenues		2,618,602
Total revenues		20,214,777
Expenses:		
Instruction		6,895,965
Instructional support services		11,367,540
Operation of non-instructional services		3,585,995
Total expenses		21,849,500
Change in net position	\$	(1,634,723)

Financial Analysis of the Schools' Funds

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

General Fund Budgetary Highlights

The 2022-2023 budget was amended at the end of the fiscal year to update anticipated revenues and expenditures.

Capital Assets and Debt Administration

Capital assets: The Schools' investment in capital assets as of June 30, 2023 was \$ 9,977,952, net of accumulated depreciation and amortization. This investment in capital assets is composed of a right of use building and equipment, construction in progress, furniture and equipment, and vehicles. A more detailed analysis is provided in Note 6 to the financial statements.

Long-term debt: At June 30, 2023, the Schools had outstanding debt of \$ 5,388,037. A more detailed analysis is provided in Notes 7 and 8 to the financial statements.

Economic Factors for 2023-2024

Total funding for capital outlay is expected to increase slightly in the next year, largely offset by reduced ESSER. Given student enrollment increases from 737 to 1418 in 2023-2024 due to rising grade levels, the overall effect will be a significant increase in total FEFP revenues.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**IDEA Bassett and IDEA River Bluff
Statement of Net Position (Deficit)
June 30, 2023**

Current Assets:

Cash	\$ 3,716,207
Due from government agencies	913,198
Due from management company	<u>266,819</u>
Total current assets	<u>4,896,224</u>

Noncurrent Assets:

Capital assets, net of accumulated depreciation and amortization	<u>9,977,952</u>
Total noncurrent assets	<u>9,977,952</u>
Total assets	<u>14,874,176</u>

Current Liabilities:

Accounts payable	1,540,092
Accrued liabilities	807,147
Unearned revenues	95
Debt	638,037
Leases	<u>2,816,830</u>
Total current liabilities	<u>5,802,201</u>

Noncurrent Liabilities:

Line of credit	4,750,000
Leases	<u>5,930,192</u>
Total noncurrent liabilities	<u>10,680,192</u>
Total liabilities	<u>16,482,393</u>

Net Position (Deficit):

Net investment in capital assets	1,230,930
Unrestricted (deficit)	<u>(2,839,147)</u>
Total net position (deficit)	<u>\$ (1,608,217)</u>

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

**IDEA Bassett and IDEA River Bluff
Statement of Activities
For the Year Ended June 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenues (Expenses) and Change in Net Position</u>
Functions/Programs:					
Governmental activities:					
Regular instruction	\$ 6,895,965	\$ -	\$ 1,638,279	\$ -	\$ (5,257,686)
Student support services	827,737	-	-	-	(827,737)
Instruction related technology	294,022	-	-	-	(294,022)
Staff training	3,305	-	-	-	(3,305)
General and administrative services	6,397,659	-	-	-	(6,397,659)
Plant operations and maintenance	3,844,817	-	-	374,044	(3,470,773)
Transportation	1,351,317	-	-	-	(1,351,317)
Fiscal services	299,777	-	-	-	(299,777)
Community services	28,474	-	-	-	(28,474)
Food services	1,208,601	-	606,279	-	(602,322)
Central services	4,320	-	-	-	(4,320)
Debt service	183,874	-	-	-	(183,874)
Interest expense	509,632	-	-	-	(509,632)
Total governmental activities	\$ <u>21,849,500</u>	\$ <u>-</u>	\$ <u>2,244,558</u>	\$ <u>374,044</u>	<u>(19,230,898)</u>
General revenues:					
FTE nonspecific revenues and Schools of Hope Funding					17,592,701
Miscellaneous revenues					<u>3,474</u>
Total general revenues					<u>17,596,175</u>
Change in net position					(1,634,723)
Net position, July 1, 2022					<u>26,506</u>
Net position (Deficit), June 30, 2023					\$ <u>(1,608,217)</u>

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

IDEA Bassett and IDEA River Bluff
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Assets:				
Cash	\$ 3,716,207	\$ -	\$ -	\$ 3,716,207
Due from government agencies	913,198	-	-	913,198
Due from management company	266,819	-	-	266,819
	<u>4,896,224</u>	<u>-</u>	<u>-</u>	<u>4,896,224</u>
Total assets	<u>\$ 4,896,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,896,224</u>
Liabilities:				
Accounts payable	\$ 1,540,092	\$ -	\$ -	\$ 1,540,092
Accrued liabilities	807,147	-	-	807,147
Unearned revenue	95	-	-	95
	<u>2,347,334</u>	<u>-</u>	<u>-</u>	<u>2,347,334</u>
Total liabilities	<u>2,347,334</u>	<u>-</u>	<u>-</u>	<u>2,347,334</u>
Fund Balances:				
Unassigned	<u>2,548,890</u>	<u>-</u>	<u>-</u>	<u>2,548,890</u>
Total fund balances	<u>2,548,890</u>	<u>-</u>	<u>-</u>	<u>2,548,890</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,896,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,896,224</u>

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

**IDEA Bassett and IDEA River Bluff
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position (Deficit)
 June 30, 2023**

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

Governmental fund balances: \$ 2,548,890

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

Capital assets used in governmental activities
 are not financial resources and therefore are
 not reported in the governmental funds.

Cost of capital assets	\$	12,886,652	
Accumulated depreciation and amortization		<u>(2,908,700)</u>	9,977,952

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

Debt		(5,388,037)	
Leases		<u>(8,747,022)</u>	

Net Position (Deficit) of Governmental Activities \$ (1,608,217)

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

**IDEA Bassett and IDEA River Bluff
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Revenues:				
State sources	\$ 17,592,701	\$ -	\$ 374,044	\$ 17,966,745
Federal sources	-	2,244,558	-	2,244,558
Local sources	3,474	-	-	3,474
Total revenues	<u>17,596,175</u>	<u>2,244,558</u>	<u>374,044</u>	<u>20,214,777</u>
Expenditures:				
Current:				
Regular Instruction	6,569,679	326,286	-	6,895,965
Student support services	609,363	218,374	-	827,737
Instruction related technology	241,669	52,353	-	294,022
Staff training	3,305	-	-	3,305
General and administrative services	6,220,395	130,055	-	6,350,450
Plant operations and maintenance	968,585	69,873	374,044	1,412,502
Transportation	502,553	505,844	-	1,008,397
Fiscal services	299,777	-	-	299,777
Community services	28,474	-	-	28,474
Food services	264,784	941,773	-	1,206,557
Central services	4,320	-	-	4,320
Professional services	183,874	-	-	183,874
Capital outlay	10,955,270	-	-	10,955,270
Debt service:				
Principal payments on debt	561,963	-	-	561,963
Principal payments on leases	2,029,910	-	-	2,029,910
Interest	509,632	-	-	509,632
Total expenditures	<u>29,953,553</u>	<u>2,244,558</u>	<u>374,044</u>	<u>32,572,155</u>
Excess (deficiency) of revenues over expenditures	(12,357,378)	-	-	(12,357,378)
Other Financing Sources:				
Debt proceeds	4,750,000	-	-	4,750,000
Lease proceeds	10,726,102	-	-	10,726,102
Total other financing sources	15,476,102	-	-	15,476,102
Net changes in fund balances	3,118,724	-	-	3,118,724
Fund Balances (Deficit), July 1, 2022	<u>(569,834)</u>	<u>-</u>	<u>-</u>	<u>(569,834)</u>
Fund Balances, June 30, 2023	<u>\$ 2,548,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,548,890</u>

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

**IDEA Bassett and IDEA River Bluff
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Net Change in Fund Balances - Governmental Funds \$ 3,118,724

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

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

Expenditures for capital assets	\$	10,955,270	
Less: provision for depreciation and amortization		<u>(2,824,488)</u>	8,130,782

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

Issuance of debt	\$	(4,750,000)	
Issuance of leases		(10,726,102)	
Principal payments on debt		561,963	
Principal payments on leases		<u>2,029,910</u>	<u>(12,884,229)</u>

Change in Net Position (Deficit) on the Statement of Activities \$ (1,634,723)

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

Note 1 - Organization and Operations

IDEA Bassett and IDEA River Bluff (collectively, the "Schools") are divisions of IDEA Florida, Inc. (the "Organization"). The Schools commenced operations in August 2022 and offer classes for pre-kindergarten through 8th grade students in Duval County, Florida. An average of approximately 690 students were enrolled in classes for the Schools year ended in June 2023.

The basic financial statements of the Schools present only the balances, activity and disclosures related to the Schools. They do not purport to, and do not, present fairly the financial position of IDEA Florida, Inc. as of June 30, 2023, and the changes in its financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The Schools operate under a charter granted by the sponsoring Schools' district, the Schools' Board of Duval County, Florida (the "Schools' Board"). The charters are effective until July 30, 2027. At the end of the term of the charter, the Schools' Board may choose not to renew the charters under grounds specified in the charter in which case the Schools' Board is required to notify the Schools in writing at least ninety days prior to the charter's expiration. During the term of the charter, the Schools' Board may also terminate the charter if good cause is shown.

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

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

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

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

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

This government-wide focus is more on the ability to sustain the Schools as an entity and the change in the Schools' net position resulting from the current year's activities.

Note 2 - Summary of Significant Accounting Policies (continued)

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

The Schools report the following major governmental funds:

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

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

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

Compensated absences: The Schools’ policy allows employees to carry over unused vacation time during the year. Unused sick leave benefits are not paid upon separation from service. No liability for compensated absences was recorded for the year ending June 30, 2023 because management of the Schools has considered the amount to be immaterial.

Unearned revenue: Unearned revenue arises when the Schools receive inflows of resources that do not meet the criteria for revenue recognition. At June 30, 2023, the Schools had unearned revenue of \$ 95, which represented referendum funds not yet earned.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Schools have not recorded any deferred inflows as of June 30, 2023.

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Date of management review: Subsequent events were evaluated by management through September 28, 2023, which is the date the financial statements were available for issuance.

Note 3 - Cash and Cash Equivalents

The Schools use a pooled cash method of accounting as part of the IDEA Florida, Inc. (the "Organization"). At June 30, 2023, the carrying amount of the deposits and cash on hand totaled \$ 3,716,207 with a pooled bank balance of \$ 9,174,422, which includes the balances of the Organization.

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

Note 4 - Budgets

The Schools formally adopted budgets for the General and Special Revenue Funds by function for the year ended June 30, 2023. The budgets have been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the budgeted amounts for the General Fund and Special Revenue Fund are presented as required supplementary information.

For the year ended June 30, 2023, expenditures exceeded appropriations in the General Fund by approximately \$ 1.2 million. These over expenditures were mainly caused by the Schools not budgeting for the capital outlay expenditures, which were mostly offset by lease issuances as well as cost savings in operations.

**IDEA Bassett and IDEA River Bluff
Notes to Basic Financial Statements
June 30, 2023**

Note 5 - Due from Government Agencies

Due from government agencies at June 30, 2023 consists primarily of amounts due from the District for capital outlay and from the Department of Education for Elementary and Secondary Emergency Assistance Grants (ESSER).

Note 6 - Capital Assets

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

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
Capital assets not being depreciated/amortized:				
Construction in progress	\$ <u>29,621</u>	\$ <u>122,744</u>	\$ <u>-</u>	\$ <u>152,365</u>
Total capital assets not being depreciated/amortized	<u>29,621</u>	<u>122,744</u>	<u>-</u>	<u>152,365</u>
Capital assets being depreciated/amortized:				
Intangible right of use:				
Building	99,185	10,439,725	(99,185)	10,439,725
Office equipment	-	286,377	-	286,377
Furniture and equipment	-	205,609	-	205,609
Vehicles	<u>1,802,576</u>	<u>-</u>	<u>-</u>	<u>1,802,576</u>
Total capital assets being depreciated/amortized	<u>1,901,761</u>	<u>10,931,711</u>	<u>(99,185)</u>	<u>12,734,287</u>
Accumulated depreciation/amortization:				
Intangible right of use:				
Building	48,356	2,456,269	(94,852)	2,409,773
Office equipment	-	70,800	-	70,800
Furniture and equipment	-	31,756	-	31,756
Vehicles	<u>35,856</u>	<u>360,515</u>	<u>-</u>	<u>396,371</u>
Total accumulated depreciation/amortization	<u>84,212</u>	<u>2,919,340</u>	<u>(94,852)</u>	<u>2,908,700</u>
Net capital assets	\$ <u><u>1,847,170</u></u>	\$ <u><u>8,135,115</u></u>	\$ <u><u>(4,333)</u></u>	\$ <u><u>9,977,952</u></u>

The provision for depreciation and amortization for the year ended June 30, 2023 amounted to \$ 2,919,340. The Schools allocated 2% of the depreciation to general and admin, 12% to transportation, and 86% to the operation of the facility.

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

IDEA Bassett and IDEA River Bluff
Notes to Basic Financial Statements
June 30, 2023

Note 7 - Line of Credit

In 2023, the Schools entered into a \$ 10 million line of credit agreement with Charter Asset Management to provide working capital to Idea Florida, Inc. The line has a maturity of August 31, 2024, and each advance will bear an interest rate equal to the Prime Rate plus 3.20%. As of June 30, 2023, the line of credit had an outstanding balance of \$ 4.75 million. The line of credit also contains various financial covenants of which the Organization is in compliance.

Note 8 - Debt

Debt activity as of June 30, 2023, consists of the following:

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Line of credit	\$ -	\$ 4,750,000	\$ -	\$ 4,750,000	\$ -
CFNF Note payable	<u>1,200,000</u>	<u>-</u>	<u>561,963</u>	<u>638,037</u>	<u>638,037</u>
	<u>\$ 1,200,000</u>	<u>\$ 4,750,000</u>	<u>\$ 561,963</u>	<u>\$ 5,388,037</u>	<u>\$ 638,037</u>

CFNF Note Payable: Previously, the Schools entered into a loan agreement for \$ 1,200,000 to provide funding to open the schools located in Jacksonville, Florida. The note bears an interest rate of 2.00% per annum and will mature on April 30, 2024. Monthly interest only payments of \$ 2,000 were due through September 1, 2022, at which time monthly payments of \$ 58,196 began and continue through maturity.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 638,037	\$ 6,356	\$ 644,393
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 638,037</u>	<u>\$ 6,356</u>	<u>\$ 644,393</u>

Note 9 - Leases

During the year, the Schools occupied their locations activating their facility leases effective through June 30, 2026. In addition, they entered into several other equipment leases for operations. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2022. The discount rate used to recognize the intangible right of use asset and the lease liability was 5.00%. Payments are due monthly of approximately \$ 264,500 for 2024.

IDEA Bassett and IDEA River Bluff
Notes to Basic Financial Statements
June 30, 2023

Note 9 - Leases (continued)

The following is a schedule of the Schools' future base rent payments as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,816,830	\$ 356,772	\$ 3,173,602
2025	2,920,173	215,342	3,135,515
2026	3,010,019	68,447	3,078,466
Thereafter	-	-	-
	<u>\$ 8,747,022</u>	<u>\$ 640,561</u>	<u>\$ 9,387,583</u>

The lease activity of the year ended June 30, 2023 are as follows:

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Amount Due Within One Year
Leases:					
Building	\$ 50,830	\$ 10,439,725	\$ 1,959,110	\$ 8,531,445	\$ 2,735,426
Equipment	-	286,377	70,800	215,577	81,404
Leases - building and equipment	<u>\$ 50,830</u>	<u>\$ 10,726,102</u>	<u>\$ 2,029,910</u>	<u>\$ 8,747,022</u>	<u>\$ 2,816,830</u>

Note 10 - Contingencies and Commitments

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

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

The agreement provides the Organization with the authority to manage, administer, oversee and supervise all the operations and activities of the charter schools. For the services rendered, IPS will charge 15% of all revenues received by the Schools, exclusive of those received from the "Schools of Hope Program". No management fees were charged to the Schools for the year ended June 30, 2023. In addition, the Schools have a balance due from the IPS of approximately \$ 266,700 representing temporary amounts due for various transactions consummated on the Schools' behalf.

Note 11 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the Schools. In each year that funds are appropriated by the State for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the Schools' allocation are transferred to the Schools once a CSCO Plan has been provided to and approved by the sponsoring district. The Schools' CSCO Award totaled \$ 374,044 for the 2022/2023 school year, which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the even of nonrenewal, termination or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The Schools have elected to use these funds to pay for a portion of the operation of plant expenses.

Note 12 - Risk Financing

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

REQUIRED SUPPLEMENTARY INFORMATION



**IDEA Basset and IDEA River Bluff
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
State sources	\$ 22,667,278	\$ 18,778,164	\$ 17,592,701	\$ (1,185,463)
Local sources	-	2,956	3,474	518
Total revenues	<u>22,667,278</u>	<u>18,781,120</u>	<u>17,596,175</u>	<u>(1,184,945)</u>
Expenditures:				
Current:				
Regular instruction	10,999,355	8,955,603	6,569,679	2,385,924
Student support services	856,244	1,147,990	609,363	538,627
Instruction related technology	408,090	524,668	241,669	282,999
Staff training	24,306	33,523	3,305	30,218
General and administrative services	6,912,835	8,457,628	6,220,395	2,237,233
Plant operations and maintenance	2,949,049	4,186,088	968,585	3,217,503
Transportation services	1,282,899	1,872,983	502,553	1,370,430
Fiscal services	81,508	287,183	299,777	(12,594)
Community services	39,394	43,237	28,474	14,763
Food services	1,564,772	1,533,996	264,784	1,269,212
Central services	1,500	5,320	4,320	1,000
Professional services	-	-	183,874	(183,874)
Capital outlay	-	-	10,955,270	(10,955,270)
Debt service:				
Principal payments	2,385,854	1,692,411	2,591,873	(899,462)
Interest	-	-	509,632	(509,632)
Total expenditures	<u>27,505,806</u>	<u>28,740,630</u>	<u>29,953,553</u>	<u>(1,212,923)</u>
Excess (deficiency) of revenues over expenditures	(4,838,528)	(9,959,510)	(12,357,378)	(2,397,868)
Other Financing Sources:				
Debt proceeds	-	-	4,750,000	4,750,000
Lease proceeds	-	-	10,726,102	10,726,102
Net change in fund balance	<u>\$ (4,838,528)</u>	<u>\$ (9,959,510)</u>	<u>\$ 3,118,724</u>	<u>\$ 13,078,234</u>

**IDEA Basset and IDEA River Bluff
 Budgetary Comparison Schedule - Special Revenue Fund
 For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
National School Lunch and Breakfast Programs	\$ 4,562,604	\$ 1,205,230	\$ 606,279	\$ (598,951)
ESSER	1,469,527	3,196,787	1,199,152	(1,997,635)
Other federal grants	-	758,260	439,127	(319,133)
	<u>6,032,131</u>	<u>5,160,277</u>	<u>2,244,558</u>	<u>(2,915,719)</u>
Expenditures:				
Regular Instruction	-	-	326,286	(326,286)
Student support services	-	-	218,374	(218,374)
Instruction related technology	-	-	52,353	(52,353)
General and administrative	-	831,510	130,055	701,455
Plant operations and maintenance	-	-	69,873	(69,873)
Transportation	-	-	505,844	(505,844)
Food services	88,751	3,219	941,773	(938,554)
	<u>88,751</u>	<u>834,729</u>	<u>2,244,558</u>	<u>(1,409,829)</u>
Total expenditures	<u>88,751</u>	<u>834,729</u>	<u>2,244,558</u>	<u>(1,409,829)</u>
Net change in fund balance	<u>\$ 5,943,380</u>	<u>\$ 4,325,548</u>	<u>\$ -</u>	<u>\$ (4,325,548)</u>

OTHER AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
IDEA Bassett and IDEA River Bluff

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of IDEA Bassett and IDEA River Bluff (collectively, the "Schools"), divisions of IDEA Florida, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Schools' basic financial statements, and have issued our report thereon dated September 28, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Schools' 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 or significant deficiencies may exist that were not identified.

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Reporting on Compliance and Other Matters

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

Purpose of This Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 28, 2023

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
IDEA Bassett and IDEA River Bluff

Report on the Financial Statements

We have audited the financial statements of IDEA Bassett and IDEA River Bluff (collectively the "Schools"), divisions of IDEA Florida, Inc., as of and for the year ended June 30, 2023, and have issued our report thereon dated September 28, 2023.

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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 28, 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. Since this is the initial year of operations, there were no recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the Schools' code assigned by the Florida Department of Education be disclosed in this management letter. The official titles and School codes assigned by the Florida Department of Education of the Schools, respectively, are IDEA Bassett and IDEA River Bluff and 165931 and 165951.

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Financial Condition and Management

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

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 28, 2023