



Sigsbee Charter School, Inc.
(A Charter School and Component Unit
of the Monroe County District School Board)
WL# 0341

Key West, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2023

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Sigsbee Charter School, Inc., Inc.
W/L# 0341
939 Felton Rd
Key West, Florida 33040

2022-2023

BOARD OF DIRECTORS

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Eli Jannes, Principal



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sigsbee Charter School, Inc.
Key West, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of Sigsbee Charter School, Inc. (the "School"), a component unit of the Monroe County District School Board, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sigsbee Charter School, Inc. 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, 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 Sigsbee Charter School, Inc., 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 Sigsbee Charter School, Inc.'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.

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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 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and 25 to 26 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 16, 2023 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 16, 2023

Management's Discussion and Analysis

Sigsbee Charter School, Inc.,

June 30, 2023

The corporate officers of Sigsbee Charter School, Inc. have prepared this narrative overview and analysis of the school's financial activities for the year ended June 30, 2023.

Financial Highlights

1. The net position of the School at June 30, 2023 was \$19,399,695.
2. At year-end, the School had current assets on hand of \$9,514,354.
3. The School had an increase in net position of \$666,983 for the year ended June 30, 2023.
4. The unassigned fund balance at year end was \$8,669,229.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2023 are presented under GASB codification 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, 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 can be found on pages 10 - 11 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 –24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$19,399,695 at the close of the fiscal year. A summary of the School's net position as of June 30, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 9,185,165	\$ 8,629,943
Prepaid expenses and other current assets	313,359	371,476
Due from other agencies	15,830	5,729
Capital assets, net	<u>10,530,989</u>	<u>10,235,699</u>
Total Assets	<u>20,045,343</u>	<u>19,242,847</u>
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	459,701	396,040
Compensated absences	<u>185,947</u>	<u>114,095</u>
Total Liabilities	<u>645,648</u>	<u>510,135</u>
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	10,530,989	10,235,699
Unrestricted	<u>8,868,706</u>	<u>8,497,013</u>
Total Net Position	<u>\$ 19,399,695</u>	<u>\$ 18,732,712</u>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 737,181	\$ 469,836
Capital outlay funding	629,174	354,898
Lunch program	239	1,518
Charges for services	202,178	95,224
General Revenues		
Local sources (FTE and other non specific)	7,191,304	6,707,059
Other revenues	59,572	10,272
Total Revenues	<u>\$ 8,819,648</u>	<u>\$ 7,638,807</u>
EXPENSES		
Instruction	\$ 4,997,159	\$ 4,076,299
Student support services	260,681	147,061
Instructional media services	189,715	208,374
Instructional and curriculum development services	81,376	76,157
Instructional staff training	227,117	245,588
Instruction related technology	149,722	92,854
Board	13,513	13,290
General administration	67,925	61,323
School administration	694,398	538,112
Facilities acquisition	29,565	35,666
Food services	92,717	181,344
Student transportation services	28,321	26,249
Operation of plant	858,498	776,583
Maintenance of plant	437,611	424,167
Community services	24,347	4,239
Total Expenses	<u>8,152,665</u>	<u>6,907,306</u>
Increase in Net Position	666,983	731,501
Net Position at Beginning of Year	<u>18,732,712</u>	<u>18,001,211</u>
Net Position at End of Year	<u>\$ 19,399,695</u>	<u>\$ 18,732,712</u>

The School's revenues and expenses increased by \$1,180,841 and \$1,245,359, respectively. The School had an increase in its net position of \$666,983 for the year.

School Location

The School's premises is located at 939 Felton Road, Key West, Florida 33040.

Capital Improvements Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

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

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$8,982,588. The fund balance unassigned and available for spending at the School's discretion is \$8,669,229. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2023 amounts to \$10,530,989 (net of accumulated depreciation). This investment in capital assets includes building, improvements, furniture, fixtures and equipment. At June 30, 2023, the School had no long term liabilities associated to its capital assets.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	\$ 80,077	\$ 380,370	\$ 629,174
Federal sources	754,007	754,007	737,181
Charges and other revenue	-	-	202,417
General Revenues			
FTE nonspecific revenues	6,591,228	7,299,889	7,191,304
Charges and other revenues	9,500	9,500	59,572
Total Revenues	<u>7,434,812</u>	<u>8,443,766</u>	<u>8,819,648</u>
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	4,960,557	5,256,147	4,997,159
Student support services	246,959	261,378	260,681
Instructional media services	167,390	169,437	189,715
Instructional and curriculum development services	95,945	101,333	81,376
Instructional staff training	293,688	309,851	227,117
Instruction related technology	83,051	86,519	149,722
Board	2,685	2,685	13,513
General administration	73,735	79,032	67,925
School administration	590,834	617,976	683,234
Facilities acquisition	-	-	29,565
Food services	116,264	120,359	92,717
Student transportation services	27,600	27,600	28,321
Operation of plant	693,086	702,741	858,498
Maintenance of plant	61,000	61,000	53,179
Community services	-	-	24,347
Total Current Expenditures	<u>\$ 7,412,794</u>	<u>\$ 7,796,058</u>	<u>\$ 7,757,069</u>

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to the Finance Director of Sigsbee Charter School, Inc. at 939 Felton Road, Key West, Florida 33040.

Sigsbee Charter School, Inc.
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 9,185,165
Due from other agencies	15,830
Prepaid expenses and other current assets	313,359
Total Current Assets	<u>9,514,354</u>
Capital assets, net:	
Capital assets, non-depreciable	2,997,167
Capital assets, depreciable	10,290,853
Less: accumulated depreciation	<u>(2,757,031)</u>
Total Capital Assets, net	<u>10,530,989</u>
Total Assets	<u>20,045,343</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	410,537
Accounts payable	49,164
Total Current Liabilities	<u>459,701</u>
Compensated absences	<u>185,947</u>
Total Liabilities	645,648
<u>Deferred Inflows of Resources</u>	
	<u>-</u>
<u>Net Position</u>	
Net investment in capital assets	10,530,989
Unrestricted	8,868,706
Total Net Position	<u>\$ 19,399,695</u>

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

Sigsbee Charter School, Inc.
Statement of Activities
For the year ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 4,997,159	\$ -	\$ 706,649	\$ -	\$ (4,290,510)
Student support services	260,681	-	-	-	(260,681)
Instructional media services	189,715	-	-	-	(189,715)
Instructional and curriculum development services	81,376	-	-	-	(81,376)
Instructional staff training	227,117	-	19,368	-	(207,749)
Instruction related technology	149,722	-	-	-	(149,722)
Board	13,513	-	-	-	(13,513)
General administration	67,925	-	-	-	(67,925)
School administration	694,398	-	11,164	-	(683,234)
Facilities acquisition	29,565	-	-	-	(29,565)
Food services	92,717	239	-	-	(92,478)
Student transportation services	28,321	-	-	-	(28,321)
Operation of plant	858,498	-	-	629,174	(229,324)
Maintenance of plant	437,611	-	-	-	(437,611)
Community services	24,347	202,178	-	-	177,831
Total governmental activities	\$ 8,152,665	\$ 202,417	\$ 737,181	\$ 629,174	\$ (6,583,893)

General revenues:

FTE and other nonspecific revenues	7,191,304
Other revenue	59,572

Change in net position 666,983

Net position, beginning	18,732,712
Net position, ending	\$ 19,399,695

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

Sigsbee Charter School, Inc.
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 9,113,100	\$ 72,065	\$ -	\$ 9,185,165
Due from other agencies	-	15,830	-	15,830
Due from fund	15,830	-	-	15,830
Prepaid expenses	313,359	-	-	313,359
Total Assets	<u>9,442,289</u>	<u>87,895</u>	<u>-</u>	<u>9,530,184</u>
<u>Deferred Outflows of Resources</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>				
Salaries and wages payable	410,537	-	-	410,537
Accounts payable	49,164	-	-	49,164
Due to fund	-	15,830	-	15,830
Total Liabilities	<u>459,701</u>	<u>15,830</u>	<u>-</u>	<u>475,531</u>
<u>Deferred Inflows of Resources</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balance</u>				
Nonspendable, not in spendable form	313,359	-	-	313,359
Assigned	-	72,065	-	72,065
Unassigned	8,669,229	-	-	8,669,229
	<u>8,982,588</u>	<u>72,065</u>	<u>-</u>	<u>9,054,653</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 9,442,289</u>	<u>\$ 87,895</u>	<u>\$ -</u>	<u>\$ 9,530,184</u>

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

Sigsbee Charter School, Inc.

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

June 30, 2023

Total Fund Balance - Governmental Funds \$ 9,054,653

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

Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	13,288,020	
Accumulated depreciation	<u>(2,757,031)</u>	
		10,530,989

Compensated absences in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.	<u>(185,947)</u>
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Total Net Position - Governmental Activities \$ 19,399,695

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

Sigsbee Charter School, Inc.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the year ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Funds	Total Governmental Funds
Revenues:				
State passed through local	\$ 7,191,304	\$ -	\$ -	\$ 7,191,304
State capital outlay funding	-	-	629,174	629,174
Federal sources	-	737,181	-	737,181
Charges and other revenue	59,572	202,417	-	261,989
Total Revenues	7,250,876	939,598	629,174	8,819,648
Expenditures:				
Current				
Instruction	4,994,660	2,499	-	4,997,159
Student support services	260,681	-	-	260,681
Instructional media services	189,715	-	-	189,715
Instructional and curriculum development services	81,376	-	-	81,376
Instructional staff training	207,749	19,368	-	227,117
Instruction related technology	149,722	-	-	149,722
Board	13,513	-	-	13,513
General administration	67,925	-	-	67,925
School administration	683,234	11,164	-	694,398
Facilities acquisition	29,565	-	-	29,565
Food services	-	92,717	-	92,717
Student transportation services	28,321	-	-	28,321
Operation of plant	604,809	-	253,689	858,498
Maintenance of plant	53,179	-	-	53,179
Community services	-	24,347	-	24,347
Capital Outlay:				
Other capital outlay	227,737	76,500	375,485	679,722
Total Expenditures	7,592,186	226,595	629,174	8,447,955
Excess (deficit) of revenues over expenditures	(341,310)	713,003	-	371,693
Other financing sources (uses)				
Transfers in (out)	640,938	(640,938)	-	-
Increase in Compensated Absences	71,852	-	-	71,852
Net change in fund balance	371,480	72,065	-	443,545
Fund Balance at beginning of year	8,611,108	-	-	8,611,108
Fund Balance at end of year	\$ 8,982,588	\$ 72,065	\$ -	\$ 9,054,653

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

Sigsbee Charter School, Inc.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2023

Net Change in Fund Balance - Governmental Funds \$ 443,545

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current period, these amounts are:

Capital outlays	679,722	
Depreciation and amortization expense	<u>(384,432)</u>	
		295,290

Additions in long term liabilities provide current financial resources to governmental funds, but increases long term liabilities in the statement of net position. Reductions in long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current period, these

Decreases in long term liabilities	-	
Increases in long term liabilities	<u>(71,852)</u>	
		<u>(71,852)</u>

Change in Net Position of Governmental Activities \$ 666,983

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

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

Sigsbee Charter School, Inc.

Notes to Financial Statements

June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Sigsbee Charter School, Inc. (the "School"), is a charter school sponsored by the Monroe County District School Board (the "District"). The School is considered a component unit of such District. The School is organized as a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors, which is composed of eight members. The board of directors has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2025. It can be renewed for additional terms in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Key West, Florida and is approved for students in kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2023, when approximately 513 students were enrolled for the school year. The School aims to inspire and empower students to become lifelong learners who meet high academic standards and demonstrate responsible citizenship. Enhanced by an environmental and marine education program, all students will capitalize on our unique aquatic surroundings while acquiring a level of empathy that encourages them to be assets to their community and stewards of their environment.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of 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 and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

Fund Financial Statements

Fund financial statements are provided for governmental. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The School reports the following major governmental funds:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund - accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

Capital Projects Fund – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes, mainly for capital outlay purposes.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full 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. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 *Accounting and Financial Reporting for Non-Exchange Transactions*. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Note 1 – Summary of Significant Accounting Policies (continued)

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay current liabilities. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Cash and Cash Equivalents

The School considers demand deposits, non-marketable time deposits and other short term investments with maturities of three months or less when purchased, to be cash or cash equivalents.

Unearned Revenue

Unearned revenue arises when the School receives resources before it has a legal claim to them.

Note 1 – Summary of Significant Accounting Policies (continued)

Credit Risk

The School maintains its cash accounts at several financial institutions. The School's accounts at these institutions, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk (see Note 2).

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	39 Years
Improvements	10-39 Years
Equipment	5-12 Years

Compensated Absences

The School's policy permits employees to accumulate earned but unused sick time, which is eligible for payment upon separation from service. The liability for such time is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental fund only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary related benefits where applicable.

Note 1 – Summary of Significant Accounting Policies (continued)

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 Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. There is no restricted net position balance at year end.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "Net investment in capital assets".

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund financial statements

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

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year-end
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances held at year end pertain to the School's internal account.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Inter-fund Transfers

Inter-fund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Income Taxes

Sigsbee Charter School, Inc., Inc. 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2023, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASBS Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The adoption had no material effect on the School's 2023 financial statements.

Pronouncements Issued But Not Yet Effective

GASB has issued GASBS Statement No. 101, *Compensating Absences*. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through October 16, 2023, which is the date the financial statements were available to be issued.

Note 2 – Deposits and Investments

Deposits

The School maintains its cash and cash equivalents in two financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2023, the School deposits cash on hand totaled \$9,185,165 with a bank balance of approximately \$9,000,531.

Subject to certain exemptions, state statutes require, and it is the School's policy that certain 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 reporting requirements of the qualified public depositor to the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool, with the ability to assess members of the pool, should the need arise. The School's deposits are held in a qualified public depository. They are secured by the collateral pool, as the School has identified itself as a public entity at June 30, 2023. The School maintains a balance at one financial institution which does not qualify as a public depository and had a balance exceeding the FDIC insured limit at June 30, 2023 of approximately \$51,000.

Note 3 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2023:

	Balance 07/01/22	Additions	Retirements	Balance 06/30/23
Capital Assets, non-depreciable:				
Land	\$ 2,790,000	\$ -	\$ -	\$ 2,790,000
Construction in progress	-	207,167	-	207,167
	<u>2,790,000</u>	<u>207,167</u>	<u>-</u>	<u>2,997,167</u>
Capital Assets, depreciable:				
Buildings and improvements	8,926,917	181,234	-	9,108,151
Furniture, fixtures and equipment	891,381	291,321	-	1,182,702
Total Capital Assets	<u>\$ 12,608,298</u>	<u>\$ 472,555</u>	<u>\$ -</u>	<u>\$ 13,288,020</u>
Less Accumulated Depreciation:				
Buildings and improvements	\$ (1,780,378)	\$ (230,499)	\$ -	\$ (2,010,877)
Furniture, fixtures and equipment	(592,221)	(153,933)	-	(746,154)
Total Accumulated Depreciation	<u>(2,372,599)</u>	<u>(384,432)</u>	<u>-</u>	<u>(2,757,031)</u>
Total Capital Assets, net	<u>\$ 10,235,699</u>	<u>\$ 88,123</u>	<u>\$ -</u>	<u>\$ 10,530,989</u>

For the fiscal year ended June 30, 2023, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	<u>Depreciation</u>
Maintenance of plant	<u>\$ 384,432</u>
Total Expense	<u>\$ 384,432</u>

Note 4 – Contingencies and Concentrations

Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Sigsbee Charter School, Inc.

Notes to Financial Statements

June 30, 2023

Note 4 – Contingencies and Concentrations (continued)

District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% or 5% (depending on the schools performance) of the qualifying revenues of the School. For the year ended June 30, 2023, administrative fees withheld by the School District totaled \$67,925.

The School entered into a food services agreement with the School District of Monroe County (“Sponsor”) to provide a lunch program for its students. Revenues and expenses related to this program are recorded in the Sponsor’s books and not reflected in the School’s financial statements.

Note 5– Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance 07/01/22	Increases	Decreases	Balance 06/30/23
Compensated Absences	\$ 114,095	\$ 71,852	\$ -	\$ 185,947
	<u>\$ 114,095</u>	<u>\$ 71,852</u>	<u>\$ -</u>	<u>\$ 185,947</u>

Note 6 – Inter-fund Transfers

Inter-fund transfers in governmental funds as of June 30, 2023 consist of the following:

	General Fund	Special Revenue Funds
To fund lunch shortfall	\$ (92,478)	\$ 92,478
Reimbursement to General Fund for prior period's federal expenditures	704,150	(704,150)
Reimbursement to General Fund for Internal Account expenditures	29,266	(29,266)
Total Transfers, net	<u>\$ 640,938</u>	<u>\$ (640,938)</u>
Due to General Fund from Special Revenue Fund for federal expenditures	\$ 15,830	\$ (15,830)
Total Due from/(Due to)	<u>\$ 15,830</u>	<u>\$ (15,830)</u>

Note 7 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

Sigsbee Charter School, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 6,591,228	\$ 7,299,889	\$ 7,191,304
Charges and other revenue	9,500	9,500	59,572
Total Revenues	<u>6,600,728</u>	<u>7,309,389</u>	<u>7,250,876</u>
EXPENDITURES			
Current:			
Instruction	4,958,057	5,253,647	4,994,660
Student support services	246,959	261,378	260,681
Instructional media services	167,390	169,437	189,715
Instructional and curriculum development services	95,945	101,333	81,376
Instructional staff training	274,318	290,481	207,749
Instruction related technology	83,051	86,519	149,722
Board	2,685	2,685	13,513
General administration	62,570	67,867	67,925
School administration	590,834	617,976	683,234
Facilities acquisition	-	-	29,565
Student transportation services	27,600	27,600	28,321
Operation of plant	613,009	622,664	604,809
Maintenance of plant	61,000	61,000	53,179
Total Current Expenditures	<u>7,183,418</u>	<u>7,562,587</u>	<u>7,364,449</u>
Excess (Deficit) of Revenues Over Current Expenditures	<u>(582,690)</u>	<u>(253,198)</u>	<u>(113,573)</u>
Capital Outlay			
Other Capital Outlay	228,350	228,350	227,737
Total Expenditures	<u>7,411,768</u>	<u>7,790,937</u>	<u>7,592,186</u>
Excess of Revenues Over Expenditures	(811,040)	(481,548)	(341,310)
Other financing sources (uses):			
Increase in Compensated Absences	-	-	71,852
Transfers in (out)	620,917	616,822	640,938
Net change in fund balance	(190,123)	135,274	371,480
Fund Balance at beginning of year	<u>8,611,108</u>	<u>8,611,108</u>	<u>8,611,108</u>
Fund Balance at end of year	<u>\$ 8,420,985</u>	<u>\$ 8,746,382</u>	<u>\$ 8,982,588</u>

Notes to Budgetary Comparison 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.

Sigsbee Charter School, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 754,007	\$ 754,007	\$ 737,181
Charges and other revenue	-	-	202,417
Total Revenues	<u>754,007</u>	<u>754,007</u>	<u>939,598</u>
EXPENDITURES			
Current:			
Instruction	2,500	2,500	2,499
Instructional staff training	19,370	19,370	19,368
General administration	11,165	11,165	-
Food services	116,264	120,359	92,717
Community services	-	-	24,347
Total Current Expenditures	<u>149,299</u>	<u>153,394</u>	<u>138,931</u>
Excess (Deficit) of Revenues Over Current Expenditures	<u>604,708</u>	<u>600,613</u>	<u>800,667</u>
Other Capital Outlay	<u>76,500</u>	<u>76,500</u>	<u>76,500</u>
Total Expenditures	<u>225,799</u>	<u>229,894</u>	<u>215,431</u>
Excess (Deficit) of Revenues Over Expenditures	528,208	524,113	724,167
Other financing sources (uses)			
Transfers in (out)	<u>(528,208)</u>	<u>(524,113)</u>	<u>(640,938)</u>
Net change in fund balance	-	-	83,229
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,229</u>

Notes to Budgetary Comparison 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.



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

To the Board of Directors of
Sigsbee Charter School, Inc.
Key West, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Sigsbee 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 and have issued our report thereon dated October 16, 2023.

Report on 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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Report on 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*.

We issued a separate management letter dated October 16, 2023 pursuant to Chapter 10.850, Rules of the Auditor General.

Purpose of this Report

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

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 16, 2023



MANAGEMENT LETTER

To the Board of Directors of
Sigsbee Charter School, Inc.
Key West, Florida

Report on the Financial Statements

We have audited the financial statements of Sigsbee Charter School, Inc., Key West, Florida, as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated October 16, 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 Auditors' 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 those reports and schedules, which are dated October 16, 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. There were no findings and recommendations made in the preceding 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 school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Sigsbee Charter School, Inc., 0341.

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 Sigsbee Charter School, Inc., 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 Sigsbee Charter School, Inc., 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 Sigsbee Charter School, Inc. It is management's responsibility to monitor Sigsbee Charter School, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation 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 Sigsbee Charter School, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Sigsbee Charter School, Inc. maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

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, District School Board of Monroe County, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 16, 2023