

**SUMMARY OF
SIGNIFICANT FINDINGS
AND FINANCIAL TRENDS
IDENTIFIED IN CHARTER SCHOOL AND
CHARTER TECHNICAL CAREER CENTER
AUDIT REPORTS FOR THE
FISCAL YEAR ENDED JUNE 30, 2022**

Pursuant to Section 11.45(7)(f), Florida Statutes



Sherrill F. Norman, CPA
Auditor General

The team leader was Dylan T. Hunter, and the review was supervised by Derek H. Noonan, CPA.
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SUMMARY OF SIGNIFICANT FINDINGS AND FINANCIAL TRENDS IDENTIFIED IN CHARTER SCHOOL AND CHARTER TECHNICAL CAREER CENTER AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SUMMARY

State law¹ requires all charter schools and charter technical career centers (hereafter collectively referred to as charter schools) to provide for annual financial audits conducted by independent certified public accountants (CPAs), and to file copies of the audit reports with us. During the fiscal year ended June 30, 2022, there were 695 charter schools in operation.² Pursuant to State law,³ we reviewed the 688 charter school 2021-22 fiscal year audit reports filed with us,⁴ considered those reports and other records associated with charter school financial trends, and compiled this report of significant findings and financial trends identified in those audit reports.

The results of our review of the 688 charter school audit reports and other records are summarized below.

Significant Findings

- A total of 76 findings were included in 47 (7 percent) of the 688 audit reports.
- CPAs considered 15 of the 76 findings to be material weaknesses in internal control over financial reporting.
- 37 audit reports, including 5 audit reports with material weakness findings, addressed 60 other types of findings such as significant deficiencies in internal control, other instances of noncompliance with applicable laws or rules, or additional matters that should be addressed by management.
- One or more of the elements of information required by Auditor General rules⁵ for audit findings were not included for 44 (58 percent) of the 76 findings. These 44 findings were included in 25 (53 percent) of the 47 audit reports with findings.
- In total, 23 (30 percent) of the 76 findings included in the 47 audit reports were repeat findings. Specifically, 17 audit reports contained a total of 20 findings repeated from the 2020-21 fiscal year audit reports, and 3 audit reports contained a total of 3 findings repeated from both the 2020-21 and 2019-20 fiscal year audit reports.

Financial Trends

- Auditors reported unmodified opinions in 686 of the 688 audit reports and a modified opinion (i.e., qualified opinion) in 2 reports.

¹ Section 218.39, Florida Statutes.

² The number of charter schools was determined based on Florida Department of Education records and our analysis of charter school audit reports, which identified some instances in which individual schools were reported as a single reporting entity.

³ Section 11.45(7)(f), Florida Statutes.

⁴ Seven charter schools 2021-22 fiscal year did not file audit reports with us. According to Florida Department of Education records, two of those charter schools closed during the 2021-22 fiscal year.

⁵ Chapter 10.850, Rules of the Auditor General for Audits of Charter Schools and Charter Technical Career Centers, The Florida Virtual School, and Virtual Instruction Program Providers.

- 51 (7 percent) of the 688 charter schools reported a deficit unassigned and assigned fund balance in the general fund or other unrestricted fund or reported deficit or unrestricted net assets at June 30, 2022. In comparison, 52 (8 percent) of 676 charter schools reported deficits at June 30, 2021. Deficits may be indicative of a charter school’s poor or declining financial health.
- The audit reports for 4 charter schools included a statement by the CPA questioning the ability of the charter school to continue operations on an ongoing basis.

BACKGROUND

Charter schools in Florida are public schools and are part of the State’s program of public education.⁶ Charter schools typically operate under a charter contract with a sponsoring school district or State university⁷ and receive funding similar to other public schools. A charter school must be organized as a nonprofit organization and may be operated by a nonprofit organization, municipality, or other public entity.⁸

Similarly, charter technical career centers may be created as part of the State’s program of public education.⁹ Charter technical career centers typically operate under a charter contract with a sponsoring school district, State college, or a consortium of one or more of each. Charter technical career centers must be organized as nonprofit organizations and receive State funding for student enrollment and program outcomes as provided in law in addition to funding received directly from sponsors.

Although part of the State’s program of public education, charter schools and charter technical career centers (hereafter collectively referred to as charter schools) are exempt from many of the laws and rules that govern the operations of their sponsors and other public schools. However, there are also provisions in State law specific to charter schools, including a provision that requires charter schools to obtain annual financial audits by certified public accountants (CPAs).¹⁰ State law¹¹ requires Auditor General rules¹² to provide guidelines for the CPAs to follow when conducting and reporting the results of the charter school audits.

State law¹³ requires us to annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee (LAC) this summary of significant findings and financial trends identified in the charter school audit reports.

⁶ Section 1002.33, Florida Statutes.

⁷ Pursuant to Section 1002.32, Florida Statutes, State universities may grant charters to lab (developmental research) schools.

⁸ Section 1002.33(12)(i), Florida Statutes.

⁹ Section 1002.34, Florida Statutes.

¹⁰ Section 218.39(1)(e) and (f), Florida Statutes.

¹¹ Section 11.45(8), Florida Statutes.

¹² Chapter 10.850, Rules of the Auditor General for Audits of Charter Schools and Charter Technical Career Centers, The Florida Virtual School, and Virtual Instruction Program Providers.

¹³ Section 11.45(7)(f), Florida Statutes.

SIGNIFICANT FINDINGS

Classification of Audit Findings

Auditing standards require auditors to report material weaknesses and significant deficiencies in internal control that are disclosed during the course of a financial statement audit. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

Auditing standards also require auditors to report noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements and any other instances of noncompliance with provisions of laws or regulations that warrant the attention of those charged with governance. The classification of an audit finding in a charter school audit report is dependent upon the finding's potential impact on the specific charter school under audit. Therefore, the classification of similar audit findings could vary from charter school to charter school.

We reviewed the 688 charter school 2021-22 fiscal year audit reports filed with us and noted that the audit reports for 641 charter schools (93 percent) contained no audit findings. The audit reports for the other 47 charter schools included a total of 76 findings. In contrast, for the 2020-21 fiscal year, we noted that there were 89 findings in 44 charter school audit reports.

For purposes of this report, the various classifications of audit findings are discussed under two subheadings:

- Material weaknesses and noncompliance required by *Government Auditing Standards (GAS)* to be reported.¹⁴
- Significant deficiencies and other audit findings.

Material Weaknesses and Noncompliance Required by GAS to be Reported

The audit reports for 14 charter schools (identified in Table 1) included a total of 15 findings that were considered by the respective certified public accountants (CPAs) to be material weaknesses in the charter schools' internal control over financial reporting. In contrast, for the 2020-21 fiscal year, 10 charter schools had a total of 14 findings that were considered by the respective CPAs to be material weaknesses.

¹⁴ GAS require auditors to report noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements and any other instances of noncompliance with provisions of laws or regulations that warrant the attention of those charged with governance.

Table 1
Charter Schools With Reported Material Weaknesses
For the Fiscal Year Ended June 30, 2022

	County	School	Number of Material Weakness Findings
1	Broward	South Broward Montessori Charter School	1
2	Escambia	Byrneville Elementary School	1
3	Gadsden	Crossroad Academy	2
4	Indian River	Sebastian Charter Junior High School	1
5	Lee	The Heights Charter School	1
6	Leon	School of Arts and Sciences on Thomasville Road	1
7	Leon	The School of Arts and Sciences Centre	1
8	Madison	Madison Creative Arts Academy	1
9	Miami-Dade	Charter High School of the Americas	1
10	Miami-Dade	Lincoln-Marti Charter Schools Hialeah Campus	1
11	Miami-Dade	Lincoln-Marti Charter Schools International Campus	1
12	Miami-Dade	Lincoln-Marti Charter Schools Little Havana Campus	1
13	Osceola	Lincoln-Marti Charter Schools Osceola Campus	1
14	Palm Beach	Connections Education Center of The Palm Beaches, Inc.	1
Total Number of Material Weakness Findings			<u>15</u>

The 2021-22 audit reports for 6 of the 14 charter schools shown in Table 1 included 7 material weakness findings that addressed incorrect records management, and the reports for 5 schools included material weakness findings that addressed failure to implement new accounting standards associated with the recording of leases. The material weakness findings in the other audit reports addressed, for example, deficiencies in separation of duties or school policies and procedures. In addition to material weaknesses, 5 of the 14 audit reports included other types of audit findings.

None of the 2021-22 fiscal year charter school audit reports disclosed a noncompliance finding required to be report by GAS. In contrast, for the 2020-21 fiscal year, reports for 6 charter schools included a total of 9 noncompliance findings required to be reported by GAS.

Significant Deficiencies and Other Audit Findings

A total of 60 findings (79 percent of the 76 findings reported) in 37 audit reports were considered by the respective CPAs to be significant deficiencies, other instances of noncompliance with applicable laws and rules, or additional matters that should be addressed by management. Five audit reports had both material weaknesses and other types of audit findings. The predominant topics for the 60 audit findings not considered to be material weaknesses or noncompliance required by GAS to be reported were:

- **Budget Administration**. For 10 charter schools, the CPAs noted inadequate controls over budget administration that increased the risk of inefficient or inappropriate use of financial resources, which may result in a deteriorating financial condition.

- **Records Management**. For 8 charter schools, the CPAs noted that accounting and financial records were not properly and accurately maintained. The noted deficiencies included transactions either not posted or incorrectly posted to the accounting records and insufficient monitoring and review of account balances. Such recordkeeping deficiencies may affect the reliability of a charter school's records and related financial reports.
- **Transparency**. For 8 charter schools, the CPAs noted that the charter schools did not maintain on their Web sites the information required by State law¹⁵. According to the reports, the schools' Web sites lacked required information such as school budgets, independent financial audit reports, and minutes of governing board meetings. A CPA also reported in the management letter contained in the audit report that 1 charter school did not comply with transparency requirements, although this instance of noncompliance was not cited as an audit finding. Providing the required information on a Web site encourages citizen involvement; enhances the ability to analyze, monitor, and evaluate financial outcomes; and promotes transparency.
- **Payroll and Personnel Administration**. For 6 charter schools, the CPAs noted inadequate controls, or noncompliance with applicable legal requirements related to payroll and personnel administration. For example, because of inadequate policies, 2 charter schools did not always adequately maintain payroll documentation. Such payroll and personnel control deficiencies affect a charter school's ability to comply with legal requirements associated with payroll and personnel administration.
- **Charter School Contract Compliance**. For 5 charter schools, the CPAs noted that audit reports were not timely filed with the charter school sponsor.
- **General Expenditures**. For 4 charter schools, the CPAs noted purchasing or other disbursement control deficiencies, such as inadequate documentation to support expenditures. Lack of controls over purchasing and invoice payment functions could affect a charter school's ability to demonstrate the appropriate use of public resources.
- **Miscellaneous Findings**. For 19 charter schools, the CPAs noted various audit findings related to areas such as inadequately recorded board meeting minutes, improper separation of duties, deficiencies in capital asset accountability, and inadequate policies and procedures. Other miscellaneous findings noted charter schools with financial position concerns, including those with total fund balance deficits.

Detail of Audit Findings

Of the 76 findings reported by the respective CPAs, 44 (58 percent) did not include the audit report finding information prescribed by Auditor General rules.¹⁶ These 44 findings were included in 25 (53 percent) of the 47 audit reports with findings. Specifically, the CPAs did not include in the 44 findings one or more of the following required finding information elements:

- A description of the criteria or specific requirement upon which the audit finding was based (e.g., statutory, regulatory, or other citation).
- A description of the condition found, including the facts that support the deficiency identified in the finding.
- A proper perspective (e.g., the number of records examined and the quantity or dollar value of deficiencies noted) necessary to judge the prevalence and consequences of the findings, such as whether the findings represent an infrequent occurrence or a systemic problem.

¹⁵ Section 1002.33(9)(p), Florida Statutes

¹⁶ Section 10.856(3), Rules of the Auditor General.

In comparison, those same elements were also missing from 49 percent of the findings reported by CPAs in the 2020-21 fiscal year audit reports. Audit findings that do not include the required information hinder the ability of audit report users to understand the nature and magnitude of the problem addressed in the finding and the necessary corrective action and may contribute to an increase in repeat audit findings.

Repeated Findings from Previous Fiscal Years

A significant number of findings included in the 2021-22 fiscal year audit reports were also included in the 2020-21 and 2019-20 fiscal year audit reports. In total, 23 (30 percent) of the 76 findings included in the 47 audit reports were repeat findings. Specifically, 17 audit reports contained a total of 20 findings repeated from the 2020-21 fiscal year audit reports and 3 other audit reports contained a total of 3 findings repeated from both the 2019-20 and 2018-19 fiscal year audit reports.

State law¹⁷ requires us to notify the LAC of charter school audit reports that indicate the charter school failed to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports. Accordingly, on May 5, 2023, we notified the LAC of the three charter schools that failed to take full corrective action in response to one or more of the recommendations included in the two preceding financial audit reports.

FINANCIAL TRENDS

Number of Charter Schools

EXHIBIT A to this report shows the number of charter schools by county for 5 fiscal years (2017-18 through 2021-22). Table 2 shows the 10 counties with the largest number of charter schools.

Table 2
Ten Counties with the Largest
Number of Charter Schools
For the Fiscal Year Ended June 30, 2022

County	Number of Charter Schools
1 Miami-Dade	144
2 Broward	91
3 Hillsborough	54
4 Palm Beach	49
5 Orange	42
6 Duval	37
7 Polk	29
8 Osceola	26
9 Lee	20
10 Pinellas	18

¹⁷ Section 218.39(8), Florida Statutes.

EXHIBIT A also shows that, during the 2021-22 fiscal year, one or more charter schools operated in 47 of the State's 67 counties and, overall, there were 695 charter schools in operation. This number reflects an increase of 47 (7 percent) over the 648 charter schools operating during the 2017-18 fiscal year. All but 7 of the 695 charter schools in operation during the 2021-22 fiscal year filed audit reports with us.

Financial Audit Opinions

State law¹⁸ requires each charter school to obtain an annual financial audit of its accounts and records by an independent CPA. The annual audits are necessary to ensure that management and those charged with governance are promptly informed of the charter school's financial condition and provide for timely review by the charter school sponsor. The audits also provide financial statement users independent assurance of the reliability of the financial information in the form of an opinion on the financial statements.

Financial auditors issue unmodified opinions to report that financial statements are fairly presented in accordance with generally accepted accounting principles (GAAP), alternatively, auditors may issue a modified opinion (e.g., a qualified or disclaimer of opinion) if the financial statements do not align with GAAP. For example, qualified opinions indicate that most information included in the financial statements is accurately presented, except for a few discrepancies, and a disclaimer of opinion indicates that, because of certain conditions, no opinion is given on the financial statements.

For the 2021-22 fiscal year, auditors concluded in 686 of the 688 audit reports that charter schools accurately reported financial information for the 2021-22 fiscal year and issued unmodified opinions on those financial statements. The auditor for two other charter schools reported a qualified and disclaimer of opinion, respectively. The auditor of the Chiles Academy reported a qualified opinion because, contrary to GAAP, the school's financial statements did not include amounts associated with its discretely presented component unit. The auditor of the American Classical Charter Academy reported a disclaimer of opinion because "Management refused to provide written representations that it has fulfilled its responsibility 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement."

Financial Condition Trends

Identifying meaningful financial condition trend data is somewhat problematic as the size and organizational structure of the charter schools vary significantly,¹⁹ charter schools do not all present audited financial information on the same accounting basis,²⁰ and some charter schools are relatively

¹⁸ Section 218.39, Florida Statutes.

¹⁹ Many charter schools are small, single entity organizations and some are operated by municipalities or not-for-profit organizations. Individual charter schools reported annual revenues ranging from \$104,098 to \$33.8 million for the fiscal year ended June 30, 2022.

²⁰ Some charter schools present audited financial information on the governmental accounting basis, while others present the information on the not-for-profit accounting basis.

new. However, certain reported information is comparable and useful for determining the financial condition of the charter school population.

We reviewed the 688 charter school 2021-22 fiscal year audit reports filed with us and analyzed the reported ending fund balance or unrestricted net assets. These balances generally represent residual amounts at fiscal year-end that are available to finance the subsequent fiscal year’s operations and may provide some indication of a charter school’s financial health at the end of the reporting period.

The financial condition measure used in this report is the ratio of the charter schools’ total unassigned and assigned fund balance or unrestricted net assets to the total revenues of the general fund or other unrestricted fund. Table 3 shows, for each of the past 3 fiscal years audited, the charter schools’ average financial condition ratio; the number of charter schools with a financial condition ratio above the average ratio; the number of charter schools with positive balances but a financial condition ratio below the average ratio; and the number of charter schools that ended the fiscal year with a general fund, or other unrestricted fund, deficit total unassigned and assigned fund balance or deficit unrestricted net assets.

Table 3
Summary of Financial Condition Ratios
For the Fiscal Years Ended June 30, 2020, 2021, and 2022

	Fiscal Year Ended June 30		
	2020	2021	2022
Fund Balance or Net Assets Average Financial Condition Ratio	22.18%	28.06%	27.93%
Number of Charter Schools:			
With ratios above the average ratio	251	272	270
With ratios below the average ratio but with positive or zero balances	361	352	367
With deficit balances	52	52	51
Total number of schools included in our review	<u>664</u>	<u>676</u>	<u>688</u>

As shown in **EXHIBIT B** to this report, 51 (7 percent) of the 688 charter schools reported deficit assigned and unassigned fund balance in the general fund or other unrestricted fund or reported deficit unrestricted net assets at June 30, 2022, which is consistent with the number and percentage, 52 (8 percent) of the 676 charter schools, that reported deficits at June 30, 2021. The financial condition ratio for the 51 charter schools that reported deficit balances ranged from less than negative 1 percent to negative 124 percent. Seven of the 51 charter schools reporting a deficit balance were in their first year of operation. Nineteen of the 51 charter schools reported a deficit for the 2020-21 and 2021-22 fiscal years, and 11 of the 19 charter schools reported a deficit for 3 or more fiscal years.

Financial Condition Concerns and Monitoring

State law²¹ sets forth the process for determining whether a charter school is in a state of financial emergency. The law provides that, when one or more of the specified conditions in law (e.g., failure to make payments for loans, uncontested claims, or wages and salaries)²² have occurred, or will occur if action is not taken to assist the charter school, the charter school is to notify its sponsor, the Commissioner of Education, and the LAC. Additionally, Auditor General rules²³ require the charter school's independent CPA to apply appropriate procedures and state in the management letter whether the charter school met one or more of the specified conditions. State law²⁴ prohibits charter schools that have met any of the specified conditions from being designated as a high-performing charter school. High-performing charter schools are granted more flexibility than other charter schools in meeting certain statutory requirements.

If a charter school is reported as meeting one or more of the specified conditions, we are required to notify the Commissioner of Education and the LAC. If the Commissioner of Education determines that the charter school needs a financial recovery plan to resolve the condition, the charter school is in a state of financial emergency. For the 2021-22 fiscal year, the CPAs who audited the charter schools identified three charter schools (listed in Table 4) that met one of the specified conditions in State law.

Table 4
Charter Schools Meeting a Specified Condition
in Section 218.503, Florida Statutes
For the Fiscal Year Ended June 30, 2022

	County	School
1	Broward	Championship Academy of Distinction at Davie High School
2	Broward	Championship Academy of Distinction West Broward
3	Osceola	American Classical Charter Academy

In contrast, for the 2020-21 fiscal year, CPAs who audited the charter schools did not identify any charter schools that met one or more of the specified conditions in State law.

The 2021-22 fiscal year audit reports for four charter schools contained statements by the respective CPAs questioning the ability of the charter schools to continue operations on an ongoing basis (i.e., going concern statements). In contrast, for the 2020-21 fiscal year, there were three charter school audit reports with going concern statements. Table 5 identifies the charter school audit reports that contained going concern statements for the fiscal years ended June 30, 2022, and June 30, 2021.

²¹ Section 218.503(2), Florida Statutes.

²² Section 218.503(1), Florida Statutes.

²³ Chapter 10.850, Rules of the Auditor General for Audits of Charter Schools and Charter Technical Career Centers, The Florida Virtual School, and Virtual Instruction Program Providers.

²⁴ Section 1002.331(1)(c), Florida Statutes.

Table 5
Charter Schools With Going Concern Statements
For the Fiscal Years Ended June 30, 2022, and June 30, 2021

	County	School
2022		
1	Broward	Championship Academy of Distinction High School
2	Broward	Championship Academy of Distinction West Broward
3	Leon	Red Hills Academy
4	Osceola	American Classical Charter Academy
2021		
1	Broward	Championship Academy of Distinction High School
2	Broward	Sunfire High School of Fort Lauderdale
3	Santa Rosa	Capstone Academy – Milton

As discussed in the **Student Enrollment and Related Funding** section of this report, although some charter schools close each year, the total number of charter schools and charter school full-time equivalent (FTE) students has been increasing. During the period July 2021 through June 2022, a total of 2 charter schools closed. Our examination of Florida Department of Education (FDOE) and sponsoring school district records disclosed that:

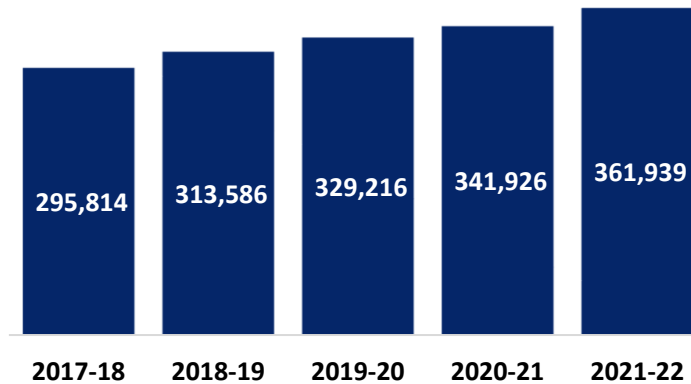
- 1 charter school merged with another school
- 1 charter school closed for financial reasons

Effective financial monitoring and timely and appropriate adjustments to operations are critical to ensure that charter school operating costs remain within available financial resources. Such monitoring is particularly crucial for charter schools that meet one or more of the specified conditions of State law, are in a state of financial emergency, have audit reports containing going concern statements, or report deficit total unassigned and assigned fund balances or deficit unrestricted net assets.

Student Enrollment and Related Funding

FDOE records indicate that 361,939 students were enrolled in Florida charter schools during the 2021-22 fiscal year. To evaluate the student enrollment of the charter schools that continued operations during the 2019-20, 2020-21, and 2021-22 fiscal years, we compared the FTE students of charter schools for those periods. The total number of FTE in Florida charter schools increased by 20,013 from the 2020-21 fiscal year to the 2021-22 fiscal year, which is 7,303 more than the 12,710 increase from the 2019-20 fiscal year to the 2020-21 fiscal year. Chart 1 shows the student enrollment in charter schools for the 2017-18 through 2021-22 fiscal years.

Chart 1
Charter School Student Enrollment
For the 2017-18 through 2021-22 Fiscal Years



Source: FDOE Florida's Charter Schools Fact Sheet dated October 2022.

For the 2021-22 fiscal year, the base Florida Education Finance Program (FEFP) allocation was \$4,372.91 per FTE student, which represented an increase of \$53.42 from the final 2020-21 fiscal year FEFP allocation of \$4,319.49 per FTE student. Based on the 2022-23 FEFP Fourth Calculation issued by the FDOE in April 2023, the 2022-23 fiscal year FEFP allocation was \$4,587.40 per FTE, an increase of \$214.49 per FTE from the 2021-22 fiscal year final allocation. Student enrollment and related funding can be useful information in assessing the financial stability and health of charter schools.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this project for charter school audit reports filed pursuant to State law²⁵ were to identify significant findings and financial trends based on our review of the audit reports. The scope of this project included a review of the 688 audit reports for the fiscal year ended June 30, 2022, prepared by independent CPAs and filed with us.

Our methodology included a review of the audit reports and a compilation of significant findings and financial trends. We conducted this review in accordance with applicable generally accepted government auditing standards. We believe that the procedures performed provide a reasonable basis for the summaries of significant findings and financial trends included in this report.

²⁵ Section 218.39, Florida Statutes.

AUTHORITY

Pursuant to Section 11.45(7)(f), Florida Statutes, I have directed that this report be prepared to present a summary of significant findings and financial trends identified during our review of charter school and charter technical career center audit reports prepared by independent certified public accountants for the fiscal year ended June 30, 2022.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA

Auditor General

EXHIBIT A

NUMBER OF CHARTER SCHOOLS IN OPERATION BY COUNTY FOR 5 FISCAL YEARS

County	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
1 Alachua	15	14	14	14	13
2 Bay	11	11	11	11	11
3 Brevard	12	12	12	13	12
4 Broward	91	86	87	90	91
5 Charlotte	3	3	3	3	3
6 Citrus	2	1	1	1	1
7 Clay	3	3	3	3	3
8 Collier	6	7	7	7	8
9 Columbia	1	1	1	1	1
10 Dixie	1	1	1	1	1
11 Duval	33	32	32	35	37
12 Escambia	6	5	5	5	5
13 Flagler	2	2	1	1	1
14 Franklin	1	1	1	1	1
15 Gadsden	1	1	1	1	1
16 Glades	2	2	1	1	1
17 Hernando	3	2	2	3	3
18 Hillsborough	49	49	52	52	54
19 Indian River	5	5	5	5	5
20 Jefferson	3	3	3	3	3
21 Lake	9	9	10	12	12
22 Lee	22	21	20	21	20
23 Leon	5	5	5	6	7
24 Levy	2	2	2	2	2
25 Madison	2	2	2	3	3
26 Manatee	12	13	13	13	13
27 Marion	4	4	4	3	3
28 Martin	2	2	3	3	3
29 Miami-Dade	130	134	140	139	144
30 Monroe	6	6	6	6	6
31 Okaloosa	3	3	3	3	4
32 Orange	39	41	42	41	42
33 Osceola	21	24	26	25	26
34 Palm Beach	49	49	51	50	49
35 Pasco	11	11	10	12	13
36 Pinellas	17	17	18	19	18

County	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
37 Polk	25	27	28	28	29
38 Putnam	3	3	3	3	3
39 Santa Rosa	2	2	2	2	2
40 Sarasota	11	11	12	12	13
41 Seminole	4	4	4	5	6
42 St. Johns	3	3	3	3	3
43 St. Lucie	5	5	5	7	8
44 Sumter	1	1	1	1	1
45 Volusia	7	7	7	7	7
46 Wakulla	1	1	1	1	1
47 Walton	2	2	2	2	2
Totals	<u>648</u>	<u>650</u>	<u>666</u>	<u>680</u>	<u>695</u>

Source: FDOE records and our analysis of charter school audit reports.

EXHIBIT B

SUMMARY OF CHARTER SCHOOLS WITH DEFICIT FUND BALANCES OR DEFICIT NET ASSETS AT JUNE 30, 2022

County/School	General or Other Unrestricted Fund Balance or Total Net Assets	Total Unassigned and Assigned Fund Balance or Unrestricted Net Assets
BAY		
1 Palm Bay Preparatory Academy 6-12 ^{a b}	\$ (1,783,193)	\$ 85,715
BREVARD		
2 Pineapple Cove Classical Academy ^c	(255,090)	(230,519)
BROWARD		
3 Atlantic Montessori Charter School	(14,578)	28,004
4 Championship Academy of Distinction at Davie ^c	(7,430)	933
5 Championship Academy of Distinction at Hollywood ^c	(590,585)	(543,966)
6 Championship Academy of Distinction at Davie High School ^c	(407,177)	(400,332)
7 International Studies Academy High School ^d	(88,906)	(63,831)
8 International Studies Academy Middle School ^d	(54,833)	(26,519)
9 Somerset Academy Key Charter High School	(21,259)	(18,848)
DUVAL		
10 Florida Cyber Charter Academy ^c	(26,640)	-
11 KIPP Jacksonville K-12 ^d	(2,007,108)	(1,933,139)
HILLSBOROUGH		
12 East Tampa Academy	(21,452)	(21,452)
13 Walton Academy	(28,862)	188,065
JEFFERSON		
14 Jefferson County Elementary	(12,693)	-
LAKE		
15 Minneola Conversion Charter School	(285,362)	400,616
16 Pinecrest Lakes Middle/High Academy	(46,219)	6,366
LEE		
17 Heritage Charter Academy of Cape Coral ^c	(270,822)	(244,110)
LEON		
18 Tallahassee Classical School	(192,485)	(140,318)
MANATEE		
19 Manatee School of Arts and Sciences	(46,966)	161,557
20 Rowlett Middle Academy ^c	(54,148)	47,945

County/School		General or Other Unrestricted Fund Balance or Total Net Assets	Total Unassigned and Assigned Fund Balance or Unrestricted Net Assets
MIAMI-DADE			
21	Arts Academy of Excellence ^c	(230,637)	(230,637)
22	Aventura City of Excellence School	(1,593,687)	(1,584,222)
23	Bridgeprep Academy of Miami Dade Charter School	(168,214)	(124,386)
24	C.G. Bethel High School	(187,308)	(77,511)
25	Excelsior Language Academy of Hialeah ^c	(244,310)	(145,117)
26	Kendall Greens High School ^d	(516,302)	(503,657)
27	Mater Academy East Charter ^a	(130,208)	44,373
28	Mater East Academy Middle School	(56,817)	(42,979)
29	Mater High South	(201,438)	(150,022)
30	Miami Community Charter Middle School	(617)	818
31	Phoenix Academy of Excellence	(1,693)	2,513
32	Pinecrest North Preparatory (Fontainebleau Campus) ^a	(48,272)	159,039
33	Somerset Academy Charter High School - South Homestead ^a	(177,326)	(40,480)
34	Somerset Gables Academy ^a	(75,271)	(31,875)
ORANGE			
35	Innovation Montessori High School ^c	(141,971)	(141,971)
36	Legacy High School ^a	(406,222)	(406,222)
37	Prosperitas Leadership Academy	(38,065)	(6,554)
OSCEOLA			
38	American Classical Charter Academy	(470,900)	(448,336)
39	Bridgeprep Academy of St. Cloud ^d	(179,914)	(159,914)
40	Florida Cyber Charter Academy at Osceola	(30,077)	-
41	Four Corners Charter School	(56,272)	29,866
42	Mater Brighton Lakes	(37,678)	50,575
43	St. Cloud Preparatory Academy	(65,320)	(65,320)
PINELLAS			
44	Northstar Academy ^a	(482,717)	(482,717)
POLK			
45	Discovery High School	(686,795)	(678,453)

County/School		General or Other Unrestricted Fund Balance or Total Net Assets	Total Unassigned and Assigned Fund Balance or Unrestricted Net Assets
SANTA ROSA			
46	Coastal Connections Academy ^{d e}	(111)	1,368
SARASOTA			
47	SKY Academy Englewood ^a	(347,876)	(347,876)
SEMINOLE			
48	Elevation High School ^d	(7,590)	(7,590)
ST. LUCIE			
49	Independence Classical Academy	(57,480)	(819)
SUMTER			
50	The Villages Charter School ^c	(684,412)	(678,414)
VOLUSIA			
51	Easter Seals	(297,565)	(297,565)

^a Charter school is 1 of 8 charter schools that reported fiscal year deficits only at June 30, 2021, and June 30, 2022.

^b Charter school had a financial condition ratio of negative 124 percent.

^c Charter school is 1 of 11 charter schools that reported fiscal year deficits for 3 or more fiscal years.

^d Charter school is 1 of 7 charter schools in its first year of operation.

^e Charter school had a financial condition ratio of less than negative 1 percent.

Source: Charter school audited financial statements.