

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position (Deficit)	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position (Deficit)	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15 - 23
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	24
Notes to Required Supplemental Information	25
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	26 - 27
MANAGEMENT LETTER	28 - 29
MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES	30



## INDEPENDENT AUDITOR'S REPORT

### Partners

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Renee C. Varga  
Richard F. Hayes  
Frank J. Guida  
John J. Rody, Jr.  
Shawn M. Marshall

To the Board of Directors of  
Virtual Preparatory Academy of Florida, Inc.  
Kissimmee, Florida

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Virtual Preparatory Academy of Florida, Inc. (the "School"), as of 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, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
531 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155th Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 4 – 8 and 26 – 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. ✓

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 21, 2023

## Management's Discussion and Analysis

As management of Virtual Preparatory Academy of Florida, Inc. (the "School"), which is a component unit of The School Board of Osceola County, Florida, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2023 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Basic Financial Statements found starting on page 9.

### Financial Highlights

- Fiscal 2023 was the School's initial year of operations.
- The liabilities of the School exceeded its assets at the close of the most recent fiscal year by \$2,074 (net deficit).
- The ending unrestricted net position was a deficit of \$5,009.
- The School had total expenses for the year of \$2,170,869, compared to revenues of \$2,168,795.
- The year ended June 30, 2023 was the School's first year of instruction during which the School educated 167 students, serving grades K-8.

### 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 basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, exceptional instruction, and fiscal services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself.

The government-wide financial statements can be found on pages 9 - 10 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

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

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

The School maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund of which is considered to be a major fund.

The School adopts an annual appropriated budget for its operations. Budgetary comparison statements with required notes have been provided to demonstrate compliance with this budget and can be found on page 24 of this report.

The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

**Notes to the financial statements.** The notes 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 starting on page 15 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, liabilities exceeded assets by \$2,074 at the close of the most recent fiscal year.

Comparison of the condensed statement of net position and the statement of activities are provided below:

The School's net position (deficit) was as follows:

	<u>Governmental Activities</u> <u>June 30, 2023</u>
<b>Assets</b>	
Current assets	\$ 1,263,173
Right of use leased asset	238,269
Deposits	5,000
Total assets	<u>1,506,442</u>
<b>Liabilities</b>	
Current liabilities	1,267,349
Non-current liabilities	241,167
Total liabilities	<u>1,508,516</u>
<b>Net position (deficit)</b>	
Nonspendable	5,833
Unassigned	<u>(7,907)</u>
Net position (deficit)	<u>\$ (2,074)</u>

The School's change in net position (deficit) was as follows:

	<b>Governmental Activities</b>	
	<b>2023</b>	
Revenues:		
General revenues:		
State passed through local school board	\$	1,025,295
Contributions		1,143,500
Total revenues		<u>2,168,795</u>
Expenses:		
Basic instruction		960,304
Exceptional instruction		160,911
School administration		664,282
Facilities		49,773
Fiscal services		198,688
Operation of plant		76,293
Administration technology services		60,618
Total expenses		<u>2,170,869</u>
Change in net position		(2,074)
Net position (deficit) - beginning		-
Net position (deficit) - ending	<u>\$</u>	<u>(2,074)</u>

**Governmental activities.** Governmental activities decreased the School's net position by \$2,074 for the year ended June 30, 2023, its first year of operations.

### Financial Analysis of the Government's Funds

As noted previously, 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, unassigned fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the School. At the end of the current fiscal year, the unassigned fund balance (deficit) was (\$5,009) in the general fund. The aggregate fund balance was \$824.

### General Fund Budgetary Highlights

Revenues and expenses were less than budgeted amounts for the year ended June 30, 2023. Enrollment was less than projected for the year ended June 30, 2023 as it was the first year of enrollment for the School. The School maintained tight budgetary control in an attempt to control spending as much as possible and had a positive budget variance in expenditures.

### **Significant Activities during Fiscal Year 2022-2023**

The School offers online classes for grades K - 8. The School's enrollment was 167 students for fiscal 2023.

### **Economic Factors and Next Year's Budget**

The economic position of the School for general operations is closely tied to that of the State. The formula for determining funding for education is set by Florida Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue fund under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue collections.

The School is forecasting enrollment to be 1,023 students for the 2023/2024 school year compared to the 167 students for the 2022/2023 school year.

### **Request for Information**

This financial report is designed to provide a general overview of Virtual Preparatory Academy of Florida, Inc.'s finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Virtual Preparatory Academy of Florida, Inc., 111 East Monument Ave., Suite 605, Kissimmee, FL, 34741.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023

	Governmental Activities
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 84,347
Accounts receivable	34,493
Due from other agencies	1,143,500
Prepaid expenses	833
Total current assets	1,263,173
<b>NON-CURRENT ASSETS</b>	
Right of use leased assets	238,269
Deposits	5,000
Total assets	1,506,442
<b>LIABILITIES AND NET POSITION (DEFICIT)</b>	
<b>CURRENT LIABILITIES</b>	
Accrued expenses	85,290
Accounts payable	1,388
Accrued salaries	192,520
Due to other agencies	988,151
Total current liabilities	1,267,349
<b>NON-CURRENT LIABILITIES</b>	
Leased liabilities - due within one year	53,318
Leased liabilities - due in more than one year	187,849
Total liabilities	1,508,516
<b>NET POSITION (DEFICIT)</b>	
Nonspendable	5,833
Unrestricted	(7,907)
Total net position (deficit)	\$ (2,074)

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

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 960,304	\$ -	\$ -	\$ -	\$ (960,304)
Exceptional instruction	160,911	-	-	-	(160,911)
School administration	664,282	-	-	-	(664,282)
Facilities	49,773	-	-	-	(49,773)
Fiscal services	198,688	-	-	-	(198,688)
Operation of plant	76,293	-	-	-	(76,293)
Administration technology services	60,618	-	-	-	(60,618)
Total governmental activities	<u>\$ 2,170,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,170,869)</u>
		General revenues:			
		State passed through local school board			1,025,295
		Other revenues:			
		Contributions			<u>1,143,500</u>
		Total general revenues			<u>2,168,795</u>
		Change in net position			(2,074)
		Net position at July 1, 2022			-
		Net deficit at June 30, 2023			<u>\$ (2,074)</u>

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

**VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2023**

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash	\$ 84,347	\$ 84,347
Accounts receivable	34,493	34,493
Due from other agencies	1,143,500	1,143,500
Prepaid expenses	833	833
Deposits	5,000	5,000
Total assets	\$ 1,268,173	\$ 1,268,173
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accrued expenses	\$ 85,290	\$ 85,290
Accounts payable	1,388	1,388
Accrued salaries	192,520	192,520
Due to other agencies	988,151	988,151
Total liabilities	1,267,349	1,267,349
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid expenses	833	833
Deposits	5,000	5,000
Unassigned	(5,009)	(5,009)
Total fund balances	824	824
Total liabilities and fund balances	\$ 1,268,173	\$ 1,268,173

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

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023

Fund balances - total governmental funds	\$	824
The net position reported for governmental activities in the statement of net position is different because:		
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		238,269
Leased liabilities		<u>(241,167)</u>
Total net position (deficit) of governmental activities	\$	<u>(2,074)</u>

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

**VIRTUAL PREPARATORY ACADEMY OF FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**Year Ended June 30, 2023**

	General Fund	Total Governmental Funds
Revenues		
State passed through local school board	\$ 1,025,295	\$ 1,025,295
Total revenues	1,025,295	1,025,295
Expenditures		
Current:		
Basic instruction	960,304	960,304
Exceptional instruction	160,911	160,911
School administration	664,282	664,282
Facilities	46,875	46,875
Fiscal services	198,688	198,688
Operation of plant	76,293	76,293
Administration technology services	60,618	60,618
Total expenditures	2,167,971	2,167,971
Excess (deficiency) of revenues over (under) expenditures	(1,142,676)	(1,142,676)
Other financing sources (uses)		
Proceeds (contributions) from other sources	1,143,500	1,143,500
Net change in fund balances	824	824
Fund balances at July 1, 2022	-	-
Fund balances at June 30, 2023	\$ 824	\$ 824

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

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Net change in fund balances - total government funds	\$	824
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
Leased assets and liabilities		<u>(2,898)</u>
Change in net position of governmental activities	\$	<u>(2,074)</u>

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

**VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting entity

Virtual Preparatory Academy of Florida, Inc. (the "School"), which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The School was incorporated on February 2, 2022 and its first year of operations was fiscal 2023. The governing body of the School is the Board of Directors (the "Board"), which is composed of three members. The financial information presented is that of Virtual Preparatory Academy of Florida, Inc. only.

The general operating authority of Virtual Preparatory Academy of Florida, Inc. is contained in Section 1002.33, Florida Statutes. The School operates under a charter from the sponsoring school district, which is The School Board of Osceola County, Florida (the "School Board"). The current charter is for a term of five school years commencing July 1, 2022 and expiring on June 30, 2027. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter agreement in which case the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of The School Board of Osceola County, Florida.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business-type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are subdivided into three categories: amounts invested in capital assets; restricted net assets; and unrestricted net assets. Net assets are reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase,

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Government-wide and fund financial statements (continued)

use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. One of the School's funds were deemed to be major fund. Reconciliations are provided that convert the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

The governmental fund financial statements present fund balances based on the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints.

The following are the fund balance classifications used in the governmental fund financial statements:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

**Restricted:** This classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.

**Committed:** This classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

**Assigned:** This classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

**Unassigned:** This classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the general fund.

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 11.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - the general operating fund of the School. It is used to account for all financial resources not required to be accounted for in another fund.

4. Cash

Cash consists of cash on hand at the School and checking accounts held at financial institutions. The School has no cash equivalents.

5. Receivables

Receivables consist of amounts due from other agencies at June 30, 2023. The School's management determined that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

6. Interfund receivables and payables

Activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

7. Compensated absences

In the government-wide financial statements, compensated absences are accrued as liabilities to the extent that it is probable that the benefits will result in a payment. A liability is reported for compensated absences in the governmental fund financial statements only if they have matured. The liability for compensated absences includes salary-related benefits, where applicable.

8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Loan issuance costs are expensed as incurred.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

9. Capital assets

Capital assets are reported in the applicable governmental columns on the government-wide financial statements when recognized. Capital assets are defined by the School as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The School has no capital assets as of the year ended June 30, 2023.

10. Leases

The School is a lessee for an office lease. The School recognizes a lease liability and an intangible right-to-use lease asset (lease-asset) in the government-wide financial statements.

11. Revenue recognition

Student funding is provided by the State of Florida through the School Board. Such funding is recorded as State passed through local school district in the government-wide financial statements and fund financial statements and is net of 5% administration fee retained by the School Board. This funding is received on a prorate basis over the twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

12. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the School Board to the School pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue the year when the adjustments are made to reflect revised calculations by the FDOE under the Florida Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

12. Revenue sources (continued)

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund can be restricted in the governmental fund financial statements for the unencumbered balance of categorical educational program resources. A schedule of revenue from State sources for the current year is presented in a subsequent note.

The School may receive federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

13. Prepaid items

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

14. Income taxes

The School is a charter school, which qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Management has analyzed the School's various federal and state filing positions, including those pertaining to charter academy contracts and tax exempt status, and believes that its income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The School remains subject to the examination by the Internal Revenue Service for the three years prior to June 30, 2023.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

15. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

16. New GASB implementation

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), in May 2020. GASB 96 increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for SBITAs that previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITAs accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. The provisions in GASB 96 were implemented in the year ended June 30, 2023. The implementation of the new pronouncement had no impact on the financial statements as the School does not hold any SBITAs.

17. Subsequent events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 21, 2023, which is the date the financial statements were available to be issued.

**NOTE B - CASH**

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The School maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") or the National Credit Union State Insurance Fund ("NCUSIF"). Under the FDIC and NCUSIF programs, all of the School's cash balances maintained in accounts at the financial institution are fully guaranteed up to \$250,000.

At June 30, 2023, the School does not hold any cash balances exceeding FDIC or NCUSIF coverage limits.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE C - CONCENTRATIONS

Revenue sources

As stated in Note A-12, the School receives revenues for current operations primarily from the State of Florida through the School Board. The following is a schedule of revenue sources and amounts:

<u>Source</u>	<u>Amount</u>
School Board of Osceola County	
Base funding	\$ 803,408
ESE	35,457
Discretionary millage compression allocation	50,796
Instructional materials allocation	12,780
Total funds compressional allocation	10,082
Reading allocation	8,875
Teacher salary increase allocation	36,164
Discretionary local effort	<u>67,733</u>
Total passed through the School	1,025,295 <sup>✓</sup>
District of Osceola County	
Other revenues:	
Contributions	<u>1,143,500<sup>✓</sup></u>
	<u>\$2,168,795</u>

The administrative fee paid to the School Board during the year ended June 30, 2023 totaled \$49,457 and is reflected as a school administrative expense/expenditure in the accompanying financial statements.

NOTE D - EDUCATIONAL MANAGEMENT PROVIDERS

Beginning May 2, 2022, the Board entered into a contract with Accel Online East LLC (Accel) to provide business and educational oversight services to the School. The Board operates the School independently. Accel works with the Principal and Head of School to manage the School on a day-to-day basis. The Principal and Head of School oversee academics and Accel oversees all other operations. Accel's continuing fee is based upon a fee of \$1,850 per student enrolled. The administration fee paid to Accel during the year ended June 30, 2023 totaled \$169,140 which included enrollment processing, and supporting operations and business services. The fee is reflected as fiscal services expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds.

Accel has funded the School's operations since inception in 2022 due to high start-up costs and low initial enrollment. At June 30, 2023, amounts due from Accel (other agencies) for deficit funding totaled \$1,143,500 and amounts due to Accel (other agencies) for payment of expenditures totaled \$988,151. For the year ended June 30, 2023, the \$1,143,500 of deficit funding is reported as contributions in both the government-wide statements (other revenues) and governmental funds statements (other financing sources).

**VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE E - LEASE COMMITMENTS**

The School entered into a five year lease agreement on September 1, 2022 for the School's administrative office in Kissimmee, Florida (the "office lease"). During the first year, monthly rent payments were \$4,688 and include annual increases of 3% thereafter. The School has the option to renew the office lease, however, management is not reasonably certain that the office lease would be renewed upon expiration.

Lease expense for the year ended June 30, 2023 totaled \$49,773 which is included in facilities of the accompanying financial statements.

The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

At commencement of the office lease, the School recognized a lease asset of \$284,105 and lease liability of \$284,105 for the present value of lease obligations. As of June 30, 2023, the right-of-use (ROU) asset had a balance of \$238,269, as shown in non-current assets on the statement of net position; the lease liability is included in non-current liabilities as due within one year of (\$53,318) and due in more than one year of (\$187,849). The lease asset and liability were calculated utilizing risk-free discount rate (6.14%) as determined by the IRS, according to the School's elected policy.

Maturities of lease liabilities as of June 30, are as follows:

		\$	57,656
2024			59,386
2025			61,168
2026			63,003
2027			10,552
2028			<u>251,765</u>
Total lease payments			(10,598)
Less: interest			<u>\$ 241,167</u> ✓
Present value of lease liability			

The difference between rent expense recognized within facilities of \$46,875 and rent paid of \$49,773 for is presented as changes in leased assets and liabilities of \$2,898 in the reconciliation of the statement of revenues, expenditures and changes in fund balances – governmental funds to the statement of activities.

**REQUIRED SUPPLEMENTAL INFORMATION**

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND**

Year Ended June 30, 2023

	Budgeted Amounts		Actual General Fund	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
State passed through local school district	\$ 2,038,813	\$ 2,038,813	\$ 1,025,295	\$ (1,013,518)
Total revenues	<u>2,038,813</u>	<u>2,038,813</u>	<u>1,025,295</u>	<u>(1,013,518)</u>
<b>Expenditures</b>				
Basic instruction	1,203,763	1,203,763	960,304	(243,459)
Exceptional instruction	352,804	352,804	160,911	(191,893)
School administration	186,181	186,181	664,282	478,101
Facilities	-	-	46,875	46,875
Fiscal services	562,944	562,944	198,688	(364,256)
Pupil services	270,500	270,500	-	(270,500)
Instructional/curriculum development	969,375	969,375	-	(969,375)
Operation of plant	67,030	67,030	76,293	9,263
Administration technology services	-	-	60,618	60,618
Board	13,500	13,500	-	(13,500)
Instructional staff training	6,480	6,480	-	(6,480)
Total expenditures	<u>3,632,577</u>	<u>3,632,577</u>	<u>2,167,971</u>	<u>(1,464,606)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,593,764)	(1,593,764)	(1,142,676)	451,088
<b>Other financing sources (uses)</b>				
Proceeds from other sources	1,438,767	1,438,767	1,143,500	(295,267)
Loan proceeds	200,000	200,000	-	(200,000)
Net change in fund balance	<u>45,003</u>	<u>45,003</u>	<u>824</u>	<u>(44,179)</u>
Fund balance at July 1, 2022	-	-	-	-
Fund balance at June 30, 2023	<u>\$ 45,003</u>	<u>\$ 45,003</u>	<u>\$ 824</u>	<u>\$ (44,179)</u>

See notes to required supplemental information.

VIRTUAL PREPARATORY ACADEMY OF FLORIDA, INC.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2023

**NOTE A - BUDGETARY INFORMATION**

Budgetary basis of accounting

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). Budgets are adopted on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund for which a legally adopted budget exists.

**SUPPLEMENTAL INFORMATION**



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

**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Renee C. Varga  
Richard F. Hayes  
Frank J. Guida  
John J. Rody, Jr.  
Shawn M. Marshall

To the Board of Directors of  
Virtual Preparatory Academy of Florida, Inc.  
Kissimmee, 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, each major fund, and the aggregate remaining fund information of Virtual Preparatory Academy of Florida, Inc. (the "School"), which is a component unit of The School Board of Osceola County, Florida, 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 September 21, 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 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 identified.

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
531 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155th Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

### **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*.

### **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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 21, 2023



**MANAGEMENT LETTER**

**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
Renee C. Varga  
Richard F. Hayes  
Frank J. Guida  
John J. Rody, Jr.  
Shawn M. Marshall

Winter Park, FL 32789  
501 S. New York Ave.  
Suite 100  
Phone: 407-644-5811  
www.mosskrusick.com

N. Palm Beach, FL 33408  
531 US Highway One  
Suite 405  
Phone: 561-848-9300

Miami Lakes, FL 33016  
7900 NW 155th Street  
Suite 201  
Phone: 305-445-7956

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

To the Board of Directors of  
Virtual Preparatory Academy of Florida, Inc.  
Kissimmee, Florida

**Report on the Financial Statements**

We have audited the financial statements of Virtual Preparatory Academy of Florida, Inc. (the "School"), which is a component unit of The School Board of Osceola County, Florida, as of and for the year ended June 30, 2023, and have issued our report thereon dated September 21, 2023.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 21, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, the School did not have prior year findings.

**Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is *Virtual Preparatory Academy of Florida, Inc.* (7030), which is a component unit of The School Board of Osceola County, Florida.

**Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Virtual Preparatory Academy of Florida, 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 the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### **Transparency**

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

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires 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, Federal and other granting agencies, Virtual Preparatory Academy of Florida, Inc.'s management, The School Board of Osceola County, Florida, 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 21, 2023

## **MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES**

For the year ended June 30, 2023, there are no management findings, recommendations or responses.