

**FLORIDIANS FOR
QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS
ACADEMY**

A Charter School and Component Unit of the
District School Board of Hillsborough County, Florida

INDEPENDENT AUDITOR'S REPORT AND
FEDERAL SINGLE AUDIT

for the fiscal year ended JUNE 30, 2024

King & Walker, CPAs, PL

Certified Public Accountants

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**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

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Members:
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Independent Auditor's Report

To the Board of Directors of Floridians for Quality Virtual Education, Inc.
dba - Florida Connections Academy
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy (“School”), a component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The schedule of expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report September 19, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 19, 2024
Tampa, Florida

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy (“School”) provides an overview of the School’s financial activities for the fiscal year ended June 30, 2024.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2024, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$3,617,947.
- As shown on the statement of net position, the School reported a total net position balance of \$5,675,638.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School’s net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
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A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates two funds; a General Fund to account for its general operations and a Special Revenue Fund to account for Federal grant programs. For reporting purposes, all funds are considered major funds.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School’s current year and prior year net position:

	Net Position, End of Year		
	<u>Governmental Activities</u>		
	<u>6-30-23</u>	<u>6-30-24</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 6,155,165	\$ 14,153,152	\$ 7,997,987
Capital Assets, Net	390,133	379,992	(10,141)
Total Assets	<u>6,545,298</u>	<u>14,533,144</u>	<u>7,987,846</u>
LIABILITIES			
Current Liabilities	4,093,347	8,522,084	4,428,737
Noncurrent Liabilities	394,260	335,422	(58,838)
Total Liabilities	<u>4,487,607</u>	<u>8,857,506</u>	<u>4,369,899</u>
NET POSITION			
Net Investment in Capital Assets	390,133	379,992	(10,141)
Unrestricted	1,667,558	5,295,646	3,628,088
Total Net Position	<u>\$ 2,057,691</u>	<u>\$ 5,675,638</u>	<u>\$ 3,617,947</u>

The current assets of the School consist of cash and cash equivalents, prepaid items and deposits and amounts due from other agencies. Liabilities are comprised of vendor accounts payable, salaries and benefits payable, amounts due to other agencies, and a long-term lease payable. Total net position amounted to \$5,675,638.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School’s change in net position for the current and prior year:

	Operating Results for the Year		
	Governmental Activities		
	6-30-23	6-30-24	Increase (Decrease)
Revenues:			
Federal Through State and Local	\$ 4,970,403	\$ 6,819,869	\$ 1,849,466
State	24,821,099	28,729,848	3,908,749
Local and Other	10,952	4,212	(6,740)
Total Revenues	<u>29,802,454</u>	<u>35,553,929</u>	<u>5,751,475</u>
Expenses:			
Instruction	26,010,295	27,099,495	1,089,200
Student Support Services	280,479	-	(280,479)
Instruction & Curriculum Development	368,254	467,653	99,399
Instructional Staff Training	107,229	161,976	54,747
Instructional Related Technology	453,406	815,664	362,258
Board	16,348	18,339	1,991
General Administration	73,799	74,756	957
Central Services	-	14,728	14,728
Operation of Plant	25,707	16,286	(9,421)
Community Service	9,184	4,861	(4,323)
Debt Service - Interest	1,834	22,402	20,568
Unallocated Depreciation/Amortization	68,504	84,454	15,950
Total Expenses	<u>28,960,546</u>	<u>31,935,982</u>	<u>2,975,436</u>
Increase in Net Position	<u>\$ 841,908</u>	<u>\$ 3,617,947</u>	<u>\$ 2,776,039</u>

The largest revenue source for the School is the State of Florida (81%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses was for Instruction (85%) and School Administration (10%). Other expense categories experienced increases and decreases between fiscal years due to general economic conditions and the financial needs of the School.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
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A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL’S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$5,631,068.

BUDGETARY HIGHLIGHTS

The General Fund and Major Special Revenue Fund budgets for the fiscal year ended June 30, 2024, were developed based on the School’s anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, management revised the budgets. For the fiscal year ended June 30, 2024, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School’s capital assets for its governmental activities as of June 30, 2024, amounts to \$379,992 (net of accumulated depreciation/amortization). This investment in capital assets includes a leased asset – building, leasehold improvements, and furniture, fixtures, and equipment. Additional information regarding the School’s capital assets can be found in subsequent notes to the financial statements.

LONG-TERM LIABILITIES

At June 30, 2024, the School had \$335,422 in long-term liabilities outstanding for a long-term lease payable. Additional information about the School’s long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2024-25 include:

- Continued funding from FEFP
- Expected increase in enrollment

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Florida Connections Academy’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Florida Connections Academy, 13008 N. Telecom Parkway, Suite 340, Tampa, FL 33637.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
 DBA - FLORIDA CONNECTIONS ACADEMY
 A CHARTER SCHOOL AND COMPONENT UNIT OF THE
 DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

STATEMENT OF NET POSITION

June 30, 2024

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 5,999,993
Due From Other Agencies	8,114,563
Prepaid Items & Deposits	38,596
Capital Assets:	
Leasehold Improvements, Net	57,151
Leased Asset - Building, Net	311,941
Furniture, Fixtures, and Equipment, Net	10,900
Total Capital Assets	379,992
TOTAL ASSETS	14,533,144
LIABILITIES	
Salaries and Benefits Payable	1,034,894
Accounts Payable	5,991,069
Due to Other Agencies	1,496,121
Noncurrent Liabilities:	
Due Within One Year:	
Long-Term Lease Payable	70,616
Due After One Year:	
Long-Term Lease Payable	264,806
TOTAL LIABILITIES	8,857,506
NET POSITION	
Net Investment in Capital Assets	379,992
Unrestricted	5,295,646
TOTAL NET POSITION	\$ 5,675,638

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024**

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes Net Position Governmental Activities
Governmental Activities:					
Instruction	\$ 27,099,495	\$ -	\$ 6,397,082	\$ -	\$ (20,702,413)
Instruction & Curriculum Development	467,653	-	415,028	-	(52,625)
Instructional Staff Training	161,976	-	7,759	-	(154,217)
Instructional Related Technology	815,664	-	-	-	(815,664)
Board	18,339	-	-	-	(18,339)
General Administration	74,756	-	-	-	(74,756)
School Administration	3,155,368	-	-	-	(3,155,368)
Central Services	14,728	-	-	-	(14,728)
Operation of Plant	16,286	-	-	-	(16,286)
Community Service	4,861	-	-	-	(4,861)
Debt Service - Interest	22,402	-	-	-	(22,402)
Unallocated Depreciation/Amortization	84,454	-	-	-	(84,454)
Total Governmental Activities	\$ 31,935,982	\$ -	\$ 6,819,869	\$ -	(25,116,113)
General Revenue					
State Sources					28,729,848
Local and Other					4,212
Total General Revenues					28,734,060
Change in Net Position					3,617,947
Net Position - July 1, 2023					2,057,691
Net Position - June 30, 2024					\$ 5,675,638

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash & Cash Equivalents	\$ 5,999,993	\$ -	\$ 5,999,993
Due From Other Agencies	8,954	8,105,609	8,114,563
Prepaid Items & Deposits	38,596	-	38,596
Due from Other Funds	8,105,609	-	8,105,609
Total Assets	\$ 14,153,152	\$ 8,105,609	\$ 22,258,761
LIABILITIES			
Salaries and Benefits Payable	\$ 1,034,894	\$ -	\$ 1,034,894
Accounts Payable	5,991,069	-	5,991,069
Due to Other Agencies	1,496,121	-	1,496,121
Due to Other Funds	-	8,105,609	8,105,609
Total Liabilities	8,522,084	8,105,609	16,627,693
FUND BALANCES			
Nonspendable	38,596	-	38,596
Unassigned	5,592,472	-	5,592,472
Total Fund Balances	5,631,068	-	5,631,068
Total Liabilities and Fund Balances	\$ 14,153,152	\$ 8,105,609	\$ 22,258,761

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2024

Total Fund Balances - Governmental Funds	\$ 5,631,068
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	379,992
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Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.

Long-Term Lease Payable	<u>(335,422)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 5,675,638</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Intergovernmental:			
Federal Through State and Local	\$ -	\$ 6,819,869	\$ 6,819,869
State	28,729,848	-	28,729,848
Local and Other	4,212	-	4,212
Total Revenues	<u>28,734,060</u>	<u>6,819,869</u>	<u>35,553,929</u>
Expenditures			
Current - Education:			
Instruction	20,702,413	6,397,082	27,099,495
Instruction & Curriculum Development	52,625	415,028	467,653
Instructional Staff Training	154,217	7,759	161,976
Instructional Related Technology	815,664	-	815,664
Board	18,339	-	18,339
General Administration	74,756	-	74,756
School Administration	3,155,368	-	3,155,368
Central Services	14,728	-	14,728
Operation of Plant	16,286	-	16,286
Community Service	4,861	-	4,861
Fixed Capital Outlay:			
Other Capital Outlay	74,313	-	74,313
Debt Service:			
Principal	58,838	-	58,838
Interest	22,402	-	22,402
Total Expenditures	<u>25,164,810</u>	<u>6,819,869</u>	<u>31,984,679</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>3,569,250</u>	<u>-</u>	<u>3,569,250</u>
Net Change in Fund Balances	3,569,250	-	3,569,250
Fund Balances, July 1, 2023	<u>2,061,818</u>	<u>-</u>	<u>2,061,818</u>
Fund Balances, June 30, 2024	<u>\$ 5,631,068</u>	<u>\$ -</u>	<u>\$ 5,631,068</u>

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
 DBA - FLORIDA CONNECTIONS ACADEMY
 A CHARTER SCHOOL AND COMPONENT UNIT OF THE
 DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ 3,569,250

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation/amortization expense.

Capital Outlays	74,313	
Depreciation/Amortization Expense	<u>(84,454)</u>	(10,141)

The repayment of principal of long-term debt is an expenditure in
 the governmental funds, but the repayment reduces long-term
 debt in the statement of net position.

58,838

Change in Net Position - Governmental Activities \$ 3,617,947

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Florida Connections Academy ("School"), a virtual charter school operated by the not-for-profit Board, Floridians for Quality Virtual Education, Inc., is authorized by The School Board of Hillsborough County, Florida ("District").

The School's charter is held by Floridians for Quality Virtual Education, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the Board of Directors of Floridians for Quality Virtual Education, Inc., which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, The School Board of Hillsborough County, Florida, ("District"). The current charter is effective until June 30, 2028, and will be automatically extended on a month-to-month basis until the charter has been renewed, nonrenewed or terminated by the District as provided in the charter and in accordance with applicable Florida law. During the term of the charter, the District may also terminate the charter for failure to meet requirements for student performance stated in the charter, failure to meet generally acceptable standards of fiscal management, a material violation of law or if good cause is shown. At least 90 days before renewing, nonrenewing or terminating a charter, the District is required to notify the school in writing. The charter may also be terminated immediately if the district in the event of an immediate and serious danger to the health, safety or welfare of the school's students. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the District. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

➤ **Basis of Presentation**

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

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

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

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

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for certain Federal grant program resources.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company up to \$250,000. The accounts routinely exceed the federally insured limit of \$250,000. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit or custodial risk.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Leasehold Improvements	5 - 7 years
Furniture, Fixtures and Equipment	5 years
Leased Asset - Building	62 months

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

➤ **Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

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

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations 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 in the year when the adjustments are made.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2024, the School reported 4,676.8100 unweighted FTE and 4,783.0952 weighted FTE on Survey 3.

The School is a virtual school that is funded during the school year by FEFP based on a Survey 3 estimate of students. The School will receive its final funding for the fiscal year ended June 30, 2024, based on course completions of the students to be reported by Survey 4 (determined by unweighted FTE reported by Survey 4) and the final FEFP calculation prepared by the State. This recognition is to be completed by the District in fiscal year 2024 and will result in a payment adjustment. As such, the School utilizes historical completion rates to estimate student completion and total revenue to be recognized for a fiscal year. The School estimates, for revenue recognition purposes, that 83.56% of its average daily membership will meet the requirements for class completion, or an unweighted FTE of 4,779.66 students. Since the School was funded for a higher unweighted FTE through June 30, 2024, a Due to Other Agencies balance exists on June 30, 2024, for overpaid FEFP funding made to the School during the current year. See the Due To Other Agencies note to financial statements numbers 4 and 10.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. DUE FROM OTHER AGENCIES

The amounts Due From Other Agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of amounts due from the District School Board of Hillsborough County for Federal grants recorded in the Special Revenue Fund and amounts due from the District for the literacy funding for the fiscal year. The receivable is considered to be fully collectible and as such, no allowance for uncollectible accounts has been established.

4. DUE TO OTHER AGENCIES

The amount Due to Other Agencies on the School's statement of net position and balance sheet – governmental funds consist of amounts due to the District School Board of Hillsborough County for estimated overpayments of FEFP funding received during the fiscal year from the District.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

5. PREPAID ITEMS AND DEPOSITS

Amounts recorded as prepaid items and deposits in the accompanying statement of net position and balance sheet consists primarily of payments for educational materials that are being used over the term of the Charter and a deposit on the new leased asset-building.

6. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2024, the School's Special Revenue Fund owed the General Fund \$8,105,609 for expenditures awaiting reimbursement for Federal grants expenditures. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position.

7. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ -	\$ 59,055	\$ -	\$ 59,055
Furniture, Fixtures and Equipment	7,050	15,258	-	22,308
Leased Asset - Building	394,260	-	-	394,260
Total Capital Assets	<u>401,310</u>	<u>74,313</u>	<u>-</u>	<u>475,623</u>
Less Accumulated Depreciation/Amortization for:				
Leasehold Improvements	-	(1,904)	-	(1,904)
Furniture, Fixtures and Equipment	(4,818)	(6,590)	-	(11,408)
Leased Asset - Building	(6,359)	(75,960)	-	(82,319)
Total Accumulated Depreciation/Amortization	<u>(11,177)</u>	<u>(84,454)</u>	<u>-</u>	<u>(95,631)</u>
Governmental Activities Capital Assets, net	<u>\$ 390,133</u>	<u>\$ (10,141)</u>	<u>\$ -</u>	<u>\$ 379,992</u>

All depreciation/amortization expense is shown as unallocated on the Statement of Activities.

8. LONG-TERM LEASE PAYABLE

The School entered into a 62- month lease for its educational facility starting June 1, 2023. The lease contains required monthly minimum lease payments as of August 1, 2023 and thereafter. The minimum required lease payment increases annually by 3 percent. The fair value of the leased asset is \$394,260. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2025	\$ 88,827	\$ 70,616	\$ 18,211
2026	91,485	77,704	13,781
2027	94,243	85,332	8,911
2028	97,070	93,501	3,569
2029	8,310	8,269	41
Total	\$ 379,935	\$ 335,422	\$ 44,513

The imputed interest rate is 6 percent.

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Long-term Lease Payable	\$ 394,260	\$ -	\$ (58,838)	\$ 335,422	\$ 70,616
Total Governmental Activities	<u>\$ 394,260</u>	<u>\$ -</u>	<u>\$ (58,838)</u>	<u>\$ 335,422</u>	<u>\$ 70,616</u>

10. STATE REVENUE SOURCES

State revenue reported in the School's statement of activities and the statement of revenues, expenditures, and changes in fund balances – governmental funds for the current fiscal year included only Florida Education Finance Program (FEFP) funding of \$28,201,354. Additionally, based on the final completion data received from the District School Board of Hillsborough County related to the prior year FEFP, revenue was increased by \$528,494 and was recorded in the current year related to the prior year FEFP. In the current year, the School estimated a completion percentage of 83.56% and concluded that the school was overpaid FEFP funds by the District during the current year of \$1,496,121. The overpayment is shown as a Due to Other Agencies as discussed in note to financial statement number 4. As provided in the charter school contract, the District has charged the School an administrative fee totaling \$74,756.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

11. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget-based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

12. OPERATING AGREEMENTS

Educational Program Agreement – The School entered into a statement of agreement (“Agreement”) with Connections Education of Florida, LLC (the “Company”) by and through its Governing Board, Floridians for Quality Virtual Education, Inc. The term of the Agreement commenced on July 1, 2018, and expires on the date coterminous with the School’s charter, June 30, 2024. On May 11, 2023, a new Agreement was signed for the term of July 1, 2023, through June 30, 2028, and expires on the date coterminous with the School’s charter, June 30, 2028.

During the term, the Company provides a non-exclusive, nontransferable, royalty-free, limited license to access and use the Company’s proprietary technology platform for purposes of utilizing the education program, including providing web-based access from non-school sites to the education program to students, caretakers of students, learning coaches, teachers, and administrative staff.

The contract further calls for the Company to be responsible and accountable to the School’s Board for administrative and technology services, including operation and performance of the School in accordance with the School’s charter contract, the statement of mission and purpose, and the laws of the State of Florida.

Under the terms of the agreement, each year the Board approves an amount for the School to pay per funded FTE to compensate the Company for the services provided. Fees under this agreement incurred during the 2023-24 fiscal year amounted to \$13,660,950. To the extent that any adjustments as a result of a state audit are the result of Company’s failure to adequately perform its responsibilities under this Agreement, Connections will be required to either: (i) return funds to the School in the amount determined as a result of a State audit, or (ii) to the extent that funds are withheld from future payments to the School, reduce amounts invoiced to the School by the amount funding is withheld.

Financial Matters – The parties agree that in the event that as of June 30 of each year during the term, total revenues are less than the School’s expenditures, and in the event that the School does not have positive net assets sufficient to offset the difference between total revenues and total expenditures, and to the extent that expenditures in excess of total revenues were included in the balanced budget or were subsequently approved by both parties in a written budget amendment, the Company shall issue a credit or discount to the School to the extent required to maintain positive net assets at least equal to \$10,000 as of each June 30. Any credit or discount offered under this clause will not be recoverable by the Company. During the current fiscal year, this did not apply. On June 30, 2024, an amount of \$5,963,772 is due to the Company. This amount is included in Accounts Payable on the Statement of Net Position and the Balance Sheet – Governmental Funds.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

13. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

14. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2024, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

15. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2024**

	General Fund				Major Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local State	\$ -	\$ -	\$ -	\$ -	\$ 2,977,848	\$ 6,819,869	\$ 6,819,869	\$ -
Local and Other	28,157,104	28,729,848	28,729,848	-	-	-	-	-
Total Revenues	<u>28,157,104</u>	<u>28,734,060</u>	<u>28,734,060</u>	<u>-</u>	<u>2,977,848</u>	<u>6,819,869</u>	<u>6,819,869</u>	<u>-</u>
Expenditures:								
Current - Education:								
Instruction	25,432,048	20,702,413	20,702,413	-	2,556,250	6,397,082	6,397,082	-
Instruction & Curriculum Development	-	52,625	52,625	-	197,643	415,028	415,028	-
Instructional Staff Training	151,185	154,217	154,217	-	220,563	7,759	7,759	-
Instructional Related Technology Board	-	815,664	815,664	-	-	-	-	-
General Administration	86,000	18,339	18,339	-	-	-	-	-
School Administration	70,125	74,756	74,756	-	-	-	-	-
Facilities Acquisition & Construction	2,277,253	3,155,368	3,155,368	-	-	-	-	-
Central Services	148,885	-	-	-	-	-	-	-
Operation of Plant	-	14,728	14,728	-	-	-	-	-
Community Service	95,000	16,286	16,286	-	-	-	-	-
Fixed Capital Outlay:	94,608	4,861	4,861	-	3,392	-	-	-
Other Capital Outlay	-	74,313	74,313	-	-	-	-	-
Debt Service:								
Principal	-	58,838	58,838	-	-	-	-	-
Interest	-	22,402	22,402	-	-	-	-	-
Total Expenditures	<u>28,355,104</u>	<u>25,164,810</u>	<u>25,164,810</u>	<u>-</u>	<u>2,977,848</u>	<u>6,819,869</u>	<u>6,819,869</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(198,000)</u>	<u>3,569,250</u>	<u>3,569,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(198,000)	3,569,250	3,569,250	-	-	-	-	-
Fund Balances, July 1, 2023	2,061,818	2,061,818	2,061,818	-	-	-	-	-
Fund Balances, June 30, 2024	<u>\$ 1,863,818</u>	<u>\$ 5,631,068</u>	<u>\$ 5,631,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024**

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



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**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***

Independent Auditor's Report

To the Board of Directors of Floridians for Quality Virtual Education, Inc.
dba - Florida Connections Academy
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy, ("School") and a component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2024, 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 19, 2024.

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.

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.

Handwritten signature of King Q Walker, CPAs in black ink.

September 19, 2024
Tampa, Florida

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors of Floridians for Quality Virtual Education, Inc.
dba - Florida Connections Academy
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy (“School”), a component unit of the District School Board of Hillsborough County, Florida, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School’s major Federal programs for the year ended June 30, 2024. The School's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance

requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

King & Walker, CPAs

September 19, 2024
Tampa, Florida

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
 DBA - FLORIDA CONNECTIONS ACADEMY
 A CHARTER SCHOOL AND COMPONENT UNIT OF THE
 DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass - Through Grantor Number	Amount of Expenditures
Not Clustered			
United States Department of Education:			
Hillsborough County District School Board:			
Title III Strengthening Institutions	84.031A	014	20,849
Special Education, Individuals with Disabilities Education Act (IDEA)	84.027	262	7,759
Education Stabilization Fund:	84.425		
Elementary and Secondary School Emergency Relief			
Fund CRRSA	COVID-19, 84.425D	124	<u>6,791,261</u>
Total Education Stabilization Fund	84.425		<u>6,791,261</u>
Total United States Department of Education			<u>6,819,869</u>
Total Expenditures of Federal Awards			<u>\$ 6,819,869</u>

See Independent Auditor's Report.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200
June 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**FLORIDIANS FOR QUALITY VIRTUAL EDUCATION, INC.
DBA - FLORIDA CONNECTIONS ACADEMY**

A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200
June 30, 2024**

Section I - SUMMARY OF AUDIT RESULTS

As required by Title 2 U.S. Code of Federal Regulations Section 200.515, the following is a summary of the results of the audit of Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy for the fiscal year ended June 30, 2024:

Financial Statements	Results
Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over the major Federal program:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for the major Federal program?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major program:	
Assistance Listing Number:	
84.425	Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV– STATUS OF PRIOR YEAR FINDINGS

No matters were reported.

**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Floridians for Quality Virtual Education, Inc.
dba - Florida Connections Academy
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Financial Statements

We have audited the financial statements of the Floridians for Quality Virtual Education, Inc., dba - Florida Connections Academy's ("School"), a component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 19, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 19, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

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 are Florida Connections Academy, 297826.

Financial Condition and Management

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

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

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Respectfully submitted,



September 19, 2024
Tampa, Florida