

**THE PASSPORT SCHOOL, INC.**

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

**Financial Statements  
with Independent Auditor's Reports Thereon**

**June 30, 2024**



**McCRADY & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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**THE PASSPORT SCHOOL, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Management of The Passport School Inc. (the "School") offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

**FINANCIAL HIGHLIGHTS**

- ❖ The School ended fiscal year 2024 with a net position of \$2,959,389 an increase of approximately \$505,000.
- ❖ For the fiscal year ended June 30, 2024, the School's total governmental fund balance increased to approximately \$2.0 million an increase of approximately \$475,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of the School.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are services the School charges for not directly related to the School's mission. For the year ended June 30, 2024, the School had no business-type activities or component units.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out, and what monies are left at year-end available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund and special revenue fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. A budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule show four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

## **Notes to Financial Statements**

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

## **Other Reports to Financial Statements**

This report also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

## BALANCE SHEET - GOVERNMENT SCHOOL

### Fund Balance

The School's combined fund balance as of June 30, 2024 and 2023 are summarized as follows:

	<u>Governmental Activities</u>		<b>Increase (Decrease)</b>
	<u>2024</u>	<u>2023</u>	
Current and other assets	\$ 2,309,057	\$ 1,708,218	\$ 600,839
Total Assets	<u>2,309,057</u>	<u>1,708,218</u>	<u>600,839</u>
Current and other liabilities	220,563	94,326	126,237
Total Liabilities	<u>220,563</u>	<u>94,326</u>	<u>126,237</u>
Fund Balance:			
Non-spendable	4,319	4,232	87
Spendable	2,084,175	1,609,660	474,515
Total Fund Balance	\$ <u>2,088,494</u>	\$ <u>1,613,892</u>	\$ <u>474,602</u>

Current and other assets increased due to an increase in cash balances. The increase in total fund balance is due to the current year operations.

## Change in Fund Balance

The School's total revenues exceeded total expenditures by approximately \$475,000 in fiscal 2024—see table below.

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Revenues:			
Federal sources	\$ 483,620	\$ 191,676	\$ 291,944
State and local sources	1,786,131	1,673,875	112,256
Contributions and other revenues	104,257	107,261	(3,004)
Total revenues	<u>2,374,008</u>	<u>1,972,812</u>	<u>401,196</u>
Expenses:			
Instruction	948,967	961,405	(12,438)
Exceptional education	19,433	18,125	1,308
Instructional support services	190,688	139,547	51,141
Instructional staff training	-	9,311	(9,311)
Instructional technology	-	37,243	(37,243)
Board	78,014	74,671	3,343
General administration	95,784	87,207	8,577
School administration	263,806	231,110	32,696
Central services	17,663	20,674	(3,011)
Fiscal services	11,489	10,150	1,339
Food services	3,378	3,655	(277)
Pupil transportation services	19,577	13,811	5,766
Operation of plant	47,716	56,824	(9,108)
Maintenance of plant	92,763	92,574	189
Community service	200	548	(348)
Principal	46,637	49,079	(2,442)
Interest	28,991	34,357	(5,366)
Capital outlay	34,300	23,699	10,601
Total expenses	<u>1,899,406</u>	<u>1,863,990</u>	<u>35,416</u>
Change in fund balance	<u>\$ 474,602</u>	<u>\$ 108,822</u>	<u>\$ 365,780</u>

The increase in Federal sources is due to an increase in ESSER grants received by the School. The change in state and local sources funding is due to an increase in per student funding. There were certain reclasses of expenditures in the instructional support, training and technology. The increase in school administration expenditures is due to an increase in administrative roles this year.

## FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The focus of School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. This information is useful in assessing the School's financing requirements. Specifically, unrestricted fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of \$2,088,494.

### General Fund Budgetary Highlights

Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize changes in funding amounts; and 3) changes in appropriations that become necessary to maintain services.

In the general fund, actual revenues exceeded budgeted amounts by approximately \$305,000. Actual expenditures were less than budgeted expenditures by approximately \$340,000, exclusive of other financing sources (uses). Special Revenue fund revenues and expenditures were approximately \$325,000 and \$333,000 greater than budgeted amounts, respectively.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2024, the School had invested approximately \$1,667,000 in capital assets, net of accumulated depreciation of approximately \$1,066,000.

	Governmental Activities		Increase (Decreases)
	2024	2023	
Land	\$ 926,895	\$ 926,895	\$ -
Building and improvements	1,327,485	1,293,185	34,300
Furniture, fixtures and equipment	478,490	478,490	-
Total capital assets	2,732,870	2,698,570	34,300
Less – accumulated depreciation	(1,065,626)	(1,015,714)	(49,912)
Capital assets, net	\$ 1,667,244	\$ 1,682,856	\$ (15,612)

There were capital asset additions in equipment for approximately \$34,000 in the current year.

More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

## **Long-Term Debt**

As of June 30, 2024, the School has \$796,349 in a note payable outstanding. Long-term debt decreased approximately \$47,000 from the prior year due to principal payments. For more detailed information about the School's long-term liability, see Note 4 for additional information.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

### **Budget Highlights for the Fiscal Year Ended June 30, 2025**

Amounts available for appropriation in the general fund are approximately \$1.7 million, an approximate decrease of \$200,000 over the actual 2024 amount, which is primarily a result of a conservative approach to the preliminary budgeted revenue.

Budgeted expenditures are expected to be approximately \$1.6 million. This is slightly less than the actual 2024 amount. If these estimates are realized, the School's general fund balance is expected to have a slight increase at the close of fiscal 2024.

## **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 5221 Curry Ford Road, Orlando, Florida 32812.



McCRAZY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

## **Independent Auditor’s Report on Basic Financial Statements and Supplementary Information**

To the Board of Directors of The Passport School, Inc.,  
a Charter School and Component Unit of the District  
School Board of Orange County, Florida

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Passport School, Inc. (the “School”) a Charter School and Component Unit of the District School Board of Orange County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 of The Passport School, Inc., a Charter School and Component Unit of the District School Board of Orange County, Florida as of and for the year ended 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. 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 Schools’ ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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, budgetary comparison 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 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 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 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.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 22, 2024

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**THE PASSPORT SCHOOL, INC.**

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

**Statement of Net Position**

**June 30, 2024**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,563,355
Investments	503,151
Due from other agencies	119,116
Other assets	4,319
Capital assets:	
Land	926,895
Buildings and improvements	1,327,485
Furniture, fixtures and equipment	478,490
Less accumulated depreciation	<u>(1,065,626)</u>
Total capital assets, net	<u>1,667,244</u>
Total assets	<u><u>\$ 3,857,185</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 101,447
Long-term debt:	
Portion due or payable within one year:	
Note payable	53,600
Portion due or payable after one year:	
Note payable	<u>742,749</u>
Total liabilities	<u>897,796</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	870,895
Unrestricted	<u>2,088,494</u>
Total net position	<u><u>\$ 2,959,389</u></u>

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

**THE PASSPORT SCHOOL, INC.**

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

**Statement of Activities**

**For the Year Ended June 30, 2024**

	Program Specific Revenues				Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Total
					Activities	
Governmental Activities:						
Instruction	\$ 950,134	\$ -	\$ 173,705	\$ -	\$ (776,429)	\$ (776,429)
Exceptional education	19,433	-	-	-	(19,433)	(19,433)
Instructional support services	190,688	-	79,846	-	(110,842)	(110,842)
Board	78,014	-	-	-	(78,014)	(78,014)
General administration	95,784	-	81,860	-	(13,924)	(13,924)
School administration	264,027	-	25,694	-	(238,333)	(238,333)
Facilities acquisition and construction	33,764	-	-	-	(33,764)	(33,764)
Central services	11,489	-	-	-	(11,489)	(11,489)
Fiscal services	3,378	-	-	-	(3,378)	(3,378)
Food services	17,663	-	-	-	(17,663)	(17,663)
Pupil transportation services	19,577	-	-	-	(19,577)	(19,577)
Operation of plant	55,977	-	29,752	17,964	(8,261)	(8,261)
Maintenance of plant	99,262	-	92,763	-	(6,499)	(6,499)
Community services	200	-	-	-	(200)	(200)
Interest	28,991	-	-	28,991	-	-
<b>Total primary government</b>	<b>\$ 1,868,381</b>	<b>\$ -</b>	<b>\$ 483,620</b>	<b>\$ 46,955</b>	<b>\$ (1,337,806)</b>	<b>\$ (1,337,806)</b>
General revenues:						
State and local sources					\$ 1,739,176	\$ 1,739,176
Contributions and other revenues					104,257	104,257
Total general revenues					1,843,433	1,843,433
Changes in net position					505,627	505,627
Net position at beginning of year					2,453,762	2,453,762
Net position at end of year					\$ 2,959,389	\$ 2,959,389

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

**THE PASSPORT SCHOOL, INC.**

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

**Balance Sheet - Governmental Funds**

**June 30, 2024**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,563,355	\$ -	\$ -	\$ 1,563,355
Investments	503,151		-	503,151
Due from other agencies	3,450	17,665	98,001	119,116
Other assets	4,319	-	-	4,319
Due from other governmental funds	115,666	-	-	115,666
	<u>115,666</u>	<u>-</u>	<u>-</u>	<u>115,666</u>
Total assets	<u>\$ 2,189,941</u>	<u>\$ 17,665</u>	<u>\$ 98,001</u>	<u>\$ 2,305,607</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 101,447	\$ -	\$ -	\$ 101,447
Due to the general fund	-	17,665	98,001	115,666
	<u>-</u>	<u>17,665</u>	<u>98,001</u>	<u>115,666</u>
Total liabilities	<u>101,447</u>	<u>17,665</u>	<u>98,001</u>	<u>217,113</u>
<b>FUND BALANCE</b>				
Nonspendable:				
Prepaid expense	3,419	-	-	3,419
Deposit	900	-	-	900
Spendable:				
Unassigned	2,084,175	-	-	2,084,175
	<u>2,084,175</u>	<u>-</u>	<u>-</u>	<u>2,084,175</u>
Total fund balances	<u>2,088,494</u>	<u>-</u>	<u>-</u>	<u>2,088,494</u>
Total liabilities and fund balance	<u>\$ 2,189,941</u>	<u>\$ 17,665</u>	<u>\$ 98,001</u>	<u>\$ 2,305,607</u>

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

**THE PASSPORT SCHOOL, INC.**

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

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

**June 30, 2024**

**Total fund balances - governmental funds** \$ 2,088,494

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets at year end consist of:

Capital assets	2,732,870
Accumulated depreciation	(1,065,626)

Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at the end of the period consist of:

Notes payable	<u>(796,349)</u>
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**Total net position - governmental activities** \$ 2,959,389

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

**THE PASSPORT SCHOOL, INC.**

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

**Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds**

**For the Year Ended June 30, 2024**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Special Revenue Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Federal sources passed through local school district	\$ -	\$ -	\$ 483,620	\$ -	\$ 483,620
State and local sources	1,656,431	129,700	-	-	1,786,131
Contributions and other revenues	104,257	-	-	-	104,257
<b>Total revenues</b>	<b>1,760,688</b>	<b>129,700</b>	<b>483,620</b>	<b>-</b>	<b>2,374,008</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	775,262	-	173,705	-	948,967
Exceptional education	19,433	-	-	-	19,433
Instructional support services	110,842	-	79,846	-	190,688
Board	78,014	-	-	-	78,014
General administration	13,924	-	81,860	-	95,784
School administration	238,112	-	25,694	-	263,806
Central service	17,663	-	-	-	17,663
Fiscal services	11,489	-	-	-	11,489
Food services	3,378	-	-	-	3,378
Pupil transportation services	19,577	-	-	-	19,577
Operation of plant	-	17,964	29,752	-	47,716
Maintenance of plant	-	-	92,763	-	92,763
Community services	200	-	-	-	200
Debt services:					
Principal	-	-	-	46,637	46,637
Interest	-	-	-	28,991	28,991
Capital outlay	-	34,300	-	-	34,300
<b>Total expenditures</b>	<b>1,287,894</b>	<b>52,264</b>	<b>483,620</b>	<b>75,628</b>	<b>1,899,406</b>
Excess (deficiency) of revenues over expenditures	472,794	77,436	-	(75,628)	474,602
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfer in	1,808	-	-	75,628	77,436
Operating transfer out	-	(77,436)	-	-	(77,436)
<b>Total other financing sources</b>	<b>1,808</b>	<b>(77,436)</b>	<b>-</b>	<b>75,628</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>474,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>474,602</b>
Fund balance at the beginning of year	1,613,892	-	-	-	1,613,892
<b>Fund balances at end of year</b>	<b>\$ 2,088,494</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,088,494</b>

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

**THE PASSPORT SCHOOL, INC.**

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

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

**For the Year Ended June 30, 2024**

**Net changes in fund balances - total governmental funds** \$ 474,602

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

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

Capital outlay	34,300
Depreciation expense	(49,912)

Principal payments on long-term liabilities are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.

46,637

**Change in net position of governmental activities**

\$ 505,627

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

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements**

**For the Year Ended June 30, 2024**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Passport School, Inc. (the "School") is 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 not-for-profit corporation Board of Directors, which is composed of seven members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of a sponsor, the District School Board of Orange County Florida, (the "School District") is the sponsor. The School is considered a component unit of the School District and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB").

**Charter Contract**

The School operates under a charter granted by The School Board of Orange County. The current charter expires on June 30, 2030 by mutual written agreement. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School District.

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School District to use the governmental reporting model and follow the fund and accounting structure provided in the "Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book" issued by the FDOE.

**Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to those of a private-sector business. The statement of net position and statement of activities are designed to provide financial information as a whole about the School on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and liabilities, using an economic resources measurement focus.

# THE PASSPORT SCHOOL, INC.

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

### Notes to Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program and grants and contributions restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

#### **Fund Financial Statements**

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are individual governmental funds reported in the fund financial statements:

- General Fund – is the School's primary operating fund accounting for all financial resources of the school, except those required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest and related cost.

For the purpose of these statements, the general, capital projects and special revenue are considered major funds. The debt service fund is a non-major fund and reported as other governmental funds.

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reports 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

**Budgetary Basis Accounting**

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

**Cash and Cash Equivalents**

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions.

Under current regulations, all deposit accounts at a single credit union are insured up to \$250,000. The School currently has deposit accounts at one credit union and one bank. Approximately \$1.2 million of these deposits are uninsured. The school does not expect any losses with these accounts.

**Interfund Transfers**

For the year ended June 30, 2024, the capital projects fund transferred approximately \$75,500 and \$2,000 to the debt service fund and general fund, respectively, primarily for current year principal and interest payments.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**Capital Assets and Depreciation**

The School's capital assets with useful lives of more than one year are stated at historical costs and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date of donated. The School capitalizes assets with a cost of \$750 or more. Expenditures of normal maintenance and repair that do not add to the assets value or extend the useful live are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Buildings and improvements	40
Furniture, fixtures, and equipment	3 – 5

Information related to the change in capital assets is described in Note 3.

**Long-term debt**

Long-term obligations that will be financed by resources to be received in the future by the General Fund are reported in the government-wide financial statements, not in the General Fund. Changes in long-term debt for the current year are reported in Note 4.

**Net Position and Fund Balance Classifications**

*Government-wide financial statements*

The net position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts not meeting the definition of “restricted” or “invested in capital assets, net of related debt.”

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

*Fund financial statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances 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.
- 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.

This statement also clarifies the special revenue fund may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

**Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against non-spendable 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). Then any remaining fund balance amounts for the non-general funds are 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 non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**Revenue Sources**

Revenues for operations are provided primarily from the District School Board of Orange County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the Charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School District. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE 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 FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reduction or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida 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 year ended June 30, 2024, the School reported, 181.47 unweighted FTE.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**Use of Estimates**

In preparing the financial statements in conformity with accounting principles generally accepted 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 balance sheet and revenues and expenses/expenditures for the period presented. Significant estimates included in these financial statements include determining useful lives to calculate depreciation on fixed assets. Actual results could differ significantly from those estimates.

**2 FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

*Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

*Level 2:* Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

*Level 3:* Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, CD's, accounts receivable, accounts payable, short term borrowings, long-term debt and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**3 CAPITAL ASSETS**

Capital assets as of June 30, 2024 were as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities: Capital assets not being depreciated:				
Land	\$ 926,895	\$ -	\$ -	\$ 926,895
Total capital assets not being depreciated at historical costs	926,895	-	-	926,895
Capital assets being depreciated:				
Building and improvements	1,293,185	34,300	-	1,327,485
Furniture, fixtures and equipment	478,490	-	-	478,490
Total capital assets	1,771,675	34,300	-	1,805,975
Less accumulated depreciation:				
Building and improvements	(596,121)	(33,764)	-	(629,885)
Furniture, fixtures and equipment	(419,593)	(16,148)	-	(435,741)
Total accumulated depreciation	(1,015,714)	(49,912)	-	(1,065,626)
Governmental activities capital assets, net	\$ 1,682,856	\$ (15,612)	\$ -	\$ 1,667,244
Depreciation expense:				
Instruction		\$ 1,167		
School administration		220		
Facilities and acquisition		33,764		
Operation of plant		8,262		
Maintenance of plant		6,499		
Total governmental depreciation expense		\$ 49,912		

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**4 LONG-TERM DEBT**

In June 2016, the School entered into a loan agreement for a mortgage with Fairwinds Credit Union, as lender, in the amount of \$1,500,000.

The terms of the loan specify principal and interest payments of \$6,875 due monthly with an interest rate of 3.52%. A final balloon payment of \$678,925 is due on June 2026. The note is secured by The School facility.

\$ 796,349

**Activity during the current fiscal year was as follows:**

Balance outstanding at the beginning of year	\$	842,986
Reductions – Debt Principal Payment		(46,637)
Balance outstanding at the end of year	\$	<u>796,349</u>

Future debt service requirements related to the long-term liability are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30, 2025	53,600	28,900	82,500
2026	742,749	26,833	769,582
	<u>\$ 796,349</u>	<u>\$ 55,733</u>	<u>\$ 852,082</u>

Interest paid during the year ended June 30, 2024 totaled approximately \$29,000.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

**District School Board of Orange County, Florida:**

Florida Education Finance Program	\$ 1,031,055
Class size reduction	182,856
Special millage	181,308
Capital outlay	107,844
Discretionary millage funds	128,935
ESE guaranteed allocation	54,810
Educational enrichment allocation	42,779
Local capital outlay	21,856
Safe schools	15,011
Compression adjustment	10,532
Mental health assistance allocation	9,145
	<hr/>
Total	<u>\$ 1,786,131</u>

The administrative fee paid to the School Board during the year ended June 30, 2024 totaled approximately \$78,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

**6 RISK MANAGEMENT PROGRAM**

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**THE PASSPORT SCHOOL, INC.**

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

**Notes to Financial Statements  
(continued)**

**7 COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Cost charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent 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 receivable at year end may be impaired.

Management of the School believes there are no significant contingent liabilities related 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.

**Legal matters**

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

**8 INCOME TAXES**

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

**9 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 22, 2024, which is the date the financial statements were available to be issued.

**THE PASSPORT SCHOOL, INC.**

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

**Required Supplementary Information**

**Budget Comparison Schedule - General Fund**

**For the Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State and local sources	\$ 1,375,700	\$ 1,375,700	\$ 1,656,431	\$ 280,731
Contributions and other revenue	80,150	80,150	104,257	24,107
<b>Total revenues</b>	<b>1,455,850</b>	<b>1,455,850</b>	<b>1,760,688</b>	<b>304,838</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	911,661	911,661	775,262	(136,399)
Exceptional education	18,000	18,000	19,433	1,433
Instructional support services	136,943	136,943	110,842	(26,101)
Board	73,000	73,000	78,014	5,014
General administration	76,650	76,650	13,924	(62,726)
School administration	237,527	237,527	238,112	585
Central service	21,000	21,000	17,663	(3,337)
Fiscal services	11,000	11,000	11,489	489
Food services	4,000	4,000	3,378	(622)
Pupil transportation services	3,000	3,000	19,577	16,577
Operation of plant	52,200	52,200	-	(52,200)
Maintenance of plant	81,500	81,500	-	(81,500)
Community services	1,000	1,000	200	(800)
<b>Total expenditures</b>	<b>1,627,481</b>	<b>1,627,481</b>	<b>1,287,894</b>	<b>(339,587)</b>
Net changes in fund balances	(171,631)	(171,631)	472,794	644,425
Fund balance at the beginning of year	1,613,892	1,613,892	1,613,892	-
<b>Fund balances at end of year</b>	<b>\$ 1,442,261</b>	<b>\$ 1,442,261</b>	<b>\$ 2,086,686</b>	<b>\$ 644,425</b>

See independent auditor's report.

**THE PASSPORT SCHOOL, INC.**

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

**Required Supplementary Information**

**Budget Comparison Schedule - Special Revenue Fund**

**For the Year Ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal sources passed through local school district	\$ 158,937	\$ 158,937	\$ 483,620	\$ 324,683
Total revenues	158,937	158,937	483,620	324,683
<b>EXPENDITURES</b>				
Current:				
Instruction	-	-	173,705	173,705
Instructional support services	83,100	83,100	79,846	(3,254)
General administration	-	-	81,860	81,860
School administration	57,373	57,373	25,694	(31,679)
Operation of plant	-	-	29,752	29,752
Maintenance of plant	-	-	92,763	92,763
Community services	10,000	10,000	-	(10,000)
Total expenditures	150,473	150,473	483,620	333,147
Excess of expenditures over revenues	8,464	8,464	-	(8,464)
Net changes in fund balances	8,464	8,464	-	(8,464)
Fund balance at the beginning of year	-	-	-	-
Fund balances at end of year	\$ 8,464	\$ 8,464	\$ -	\$ (8,464)

See independent auditor's report.



McCRAZY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of The Passport School, Inc.,  
a Charter School and Component Unit of the District  
School Board of Orange 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, each major fund, and the aggregate remaining fund for The Passport School, Inc., a Charter School and Component Unit of the District School Board of Orange 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 22, 2024.

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

## **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 determination of financial statement amounts. 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.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 22, 2024

**107 Water Oak Lane | Altamonte Springs, FL 32714**  
**Office 407-960-4429 ■ [admin@mccradyandassociates.com](mailto:admin@mccradyandassociates.com)**  
**[www.mccradyandassociates.com](http://www.mccradyandassociates.com)**

**Additional Information Required by  
Rules of the Auditor General,  
Chapter 10.850, *Audits of Charter Schools  
and Similar Entities***



McCRAZY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

**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 The Passport School, Inc.,  
a Charter School and Component Unit of the District  
School Board of Orange County, Florida

**Report on the Financial Statements**

We have audited the financial statements of The Passport School, Inc. (the "School") as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 22, 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; 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 that report, if applicable, which is dated, September 24, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title**

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is The Passport School, Inc. The School code is 0053.

**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 the review of financial information provided by same.

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

### **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the 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 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, the Board of Directors, applicable management, and Orange County School Board and is not intended to be and should not be used by anyone other than these specified parties.

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September 22, 2024

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