

SUNSHINE ACADEMY OF OAKLAND PARK, INC

dba

SunFire High School, Inc.

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

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

June 30, 2024



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba
SUNFIRE HIGH SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Sunshine Academy of Oakland Park, Inc (the "Organization") dba Sunfire High School, Inc. (the "School"), offers the following narrative overview and analysis of the financial activities of the School for the 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's net position as of June 30, 2023 is \$1.9 million.
- ❖ For the year ended June 30, 2024, the School's revenues exceeded expenses by approximately \$1.4 million on the Statement of Activities.
- ❖ Student enrollment increased from 306 to 428 during the 2024 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to 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 to enhance the reader's understanding of the financial condition of School. This document 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.

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 those that the School charges for certain services. 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 group 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

Governmental funds are used to account for those functions reported as governmental activities. The School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what money left at year-end is available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also 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 governmental 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, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. The budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule shows 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 15 of this report.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's net position as of June 30, 2024 and 2023 respectively is summarized as follows:

	<u>Governmental Activities</u>		
Assets:	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Current assets	\$ 1,809,435	374,217	1,435,218
Right to use asset, net	984,091	1,263,991	(279,900)
Capital assets, net	157,785	155,496	2,289
Total Assets	<u>2,951,311</u>	<u>1,793,704</u>	<u>1,157,607</u>
Liabilities:			
Current liabilities	404,539	88,034	316,505
Long-term liabilities	686,928	1,282,235	(595,307)
Total Liabilities	<u>1,091,467</u>	<u>1,370,269</u>	<u>(278,802)</u>
Net position:			
Net investment in capital assets	157,785	155,496	2,289
Unrestricted	1,702,059	267,939	1,434,120
Total Net Position	<u>\$ 1,859,844</u>	<u>423,435</u>	<u>1,436,409</u>

The change in current assets is a result of an increase in operating cash due to current year activity. The change in right to use asset is a result of payments made and amortization throughout the year. Long-term assets decreased as a result of the related party relinquishing the debt of the school. The change in net position is a result of the current year operating surplus.

Change in Net Position

The School's total revenues exceeded expenses by approximately \$1.4 million in year ended 2024—see table below.

	Governmental Activities		
	2024	2023	Variance
Revenue:			
Federal sources passed through local district	\$ 104,026	86,393	17,633
State and local sources	4,297,614	2,448,537	1,849,077
Contributions and other revenue	17,569	1,534	16,035
Gain on extinguishment of debt	-	209,440	(209,440)
Total revenues	<u>4,419,209</u>	<u>2,745,904</u>	<u>1,673,305</u>
Expenses:			
Instruction	739,609	820,049	(80,440)
Pupil personnel services	39,129	-	39,129
Board	37,319	22,509	14,810
General administration	-	90,675	(90,675)
School administration	1,317,028	884,610	432,418
Fiscal services	28,500	27,500	1,000
Transportation	62,000	34,500	27,500
Food services	95,802	119,941	(24,139)
Operation of plant	599,987	450,168	149,819
Maintenance of plant	23,646	23,619	27
Interest	39,780	49,397	(9,617)
Total expenses	<u>2,982,800</u>	<u>2,522,968</u>	<u>459,832</u>
Change in net position	<u>\$ 1,436,409</u>	<u>222,936</u>	<u>1,213,473</u>

Federal sources passed through local school district increased due to using the National School Lunch Programs in 2024. The change in state and local sources is due to the increase in Florida Education Finance Program revenue resulting from an increase in student enrollment. The increase in school administration and operation of plant expenses is due to an increase in student enrollment.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

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

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 \$1.7 million. The variance in budget versus actual amounts is the result of actual student enrollment being more than budgeted student enrollment. Budgeted expenditures were approximately \$293,000 less than actual due to an increase in student enrollment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal 2024, the School invested approximately \$158,000 in capital assets net of accumulated depreciation of approximately \$399,000.

	<u>Governmental Activities</u>		<u>Variance</u>
	<u>2024</u>	<u>2023</u>	
Leasehold improvements	\$ 183,844	\$ 86,879	\$ 96,965
Computer equipment	320,845	318,395	2,450
Furniture, fixtures and equipment	52,010	50,329	1,681
	<u>556,699</u>	<u>455,603</u>	<u>101,096</u>
Less - accumulated depreciation	<u>(398,913)</u>	<u>(300,107)</u>	<u>(98,806)</u>
Total capital assets	<u>\$ 157,786</u>	<u>\$ 155,496</u>	<u>\$ (2,290)</u>

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Lease Asset and Long Term Liabilities

The School's right to use asset for the year ended June 30, 2024 was approximately \$984,000, net of accumulated amortization of approximately \$802,000 related to the facility lease.

The School's long term debt for the year ended June 30, 2024 of approximately \$1.0 million was composed of the approximately \$984,000 lease obligation related to the School's facility lease and a \$16,368 outstanding loan from the Paycheck Protection Program.

Interest paid during fiscal year June 30, 2024 was approximately \$39,780. More detailed information about the School's lease assets and long-term liabilities is presented in Notes 6 and 7 to the financial statements.

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 \$2.3 million, an increase of approximately \$16,000 over the actual 2024 amount.

Budgeted expenditures in the general fund are approximately \$2.3 million for 2025, an increase of approximately \$34,000 over 2024 actual. The increase is primarily due to an anticipated increase in student enrollment.

If these estimates are realized, the School's general fund balance is expected to remain consistent with fiscal year 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 2360 West Oakland Park Boulevard, Oakland Park, Florida 33311.



McCrary & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Sunshine Academy of Oakland Park, Inc dba SunFire High School
a Charter School and Component Unit of the District
School Board of Broward County, Florida

We have audited the accompanying financial statements of the governmental activities, the major fund and aggregate remaining fund information of SunFire High School, a Charter School and Component Unit of the District School Board of Broward County, Florida, (the "School") as of and for the period 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 - 6 and 26 be presented to supplement the basic financial statements. Such information, 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 27, 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.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 27, 2024

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

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

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,525,808
Due from other agencies	235,607
Other current assets	48,020
Right to use asset:	
Property under lease	1,786,050
Accumulated amortization	(801,959)
Total right to use asset, net	984,091
Capital assets:	
Leasehold improvements	183,844
Furniture, fixtures and equipment	52,010
Computer equipment	320,845
Less accumulated depreciation	(398,914)
Total capital assets, net	157,785
Total assets	\$ 2,951,311
Liabilities	
Accounts payable and accrued expenses	\$ 90,847
Long-term liabilities:	
Portion due or payable within one year:	
Note payable	16,368
Lease obligations	297,324
Portion due or payable after one year:	
Lease obligations	686,928
Total liabilities	1,091,467
Net Position	
Invested in capital assets, net of related debt	157,785
Unrestricted	1,702,059
Total net position	1,859,844
Total liabilities and net position	\$ 2,951,311

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

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

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

Statement of Activities

For the Year Ended June 30, 2024

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 739,609	\$ -	\$ 104,026	\$ -	\$ (635,583)	\$ (635,583)
Pupil personnel services	39,129	-	-	-	(39,129)	(39,129)
Board	37,319	-	-	-	(37,319)	(37,319)
School administration	1,317,028	-	-	-	(1,317,028)	(1,317,028)
Fiscal services	28,500	-	-	-	(28,500)	(28,500)
Food services	95,802	-	-	-	(95,802)	(95,802)
Transportation services	62,000	-	-	-	(62,000)	(62,000)
Operation of plant	599,987	-	-	-	(599,987)	(599,987)
Maintenance of plant	23,646	-	-	-	(23,646)	(23,646)
Interest	39,780	-	-	39,780	-	-
Total primary government	\$ 2,982,800	\$ -	\$ 104,026	\$ 39,780	(2,838,994)	(2,838,994)
General revenues:						
State and local sources					4,257,834	4,257,834
Contributions and other revenues					17,569	17,569
Total general revenues					4,275,403	4,275,403
Changes in net position					1,436,409	1,436,409
Net position at beginning of year					423,435	423,435
Net position at end of year					\$ 1,859,844	\$ 1,859,844

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

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

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

Balance Sheet - Governmental Funds

June 30, 2024

	General Fund	Other Governmental Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,525,808	\$ -	\$ 1,525,808
Due from other agencies	-	235,607	235,607
Other assets	48,020	-	48,020
Due from other governmental fund	235,607	-	235,607
Total assets	\$ 1,809,435	\$ 235,607	\$ 2,045,042
Liabilities			
Accounts payable and accrued expenses	\$ 90,847	\$ -	\$ 90,847
Due to general fund	-	235,607	235,607
Total liabilities	90,847	235,607	326,454
Fund Balance			
Nonspendable:			
Other assets	48,020	-	48,020
Spendable:			
Unassigned	1,670,568	-	1,670,568
Total fund balance	1,718,588	-	1,718,588
Total liabilities and fund balance	\$ 1,809,435	\$ 235,607	\$ 2,045,042

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

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Position**

June 30, 2024

Total fund balance - governmental funds **\$ 1,718,588**

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

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

Capital assets	556,699
Accumulated depreciation	(398,914)
Property under lease	1,786,050
Accumulated amortization	(801,959)

Long-term liabilities, including notes payable and obligations under capital leases, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The long-term liabilities at year-end consisted of:

Note payable	(16,368)
Lease obligation	(984,252)

Total net position - governmental activities **\$ 1,859,844**

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

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

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

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

For the Year Ended June 30, 2024

	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Federal sources passed through local school district	\$ -	\$ -	\$ 104,026	\$ 104,026
State and local sources	4,043,275	254,339	-	4,297,614
Contributions and other revenues	17,569	-	-	17,569
Total revenues	<u>4,060,844</u>	<u>254,339</u>	<u>104,026</u>	<u>4,419,209</u>
Expenditures				
Current:				
Instruction	635,583	-	104,026	739,609
Pupil personnel services	39,129	-	-	39,129
Board	37,319	-	-	37,319
School administration	1,317,028	-	-	1,317,028
Fiscal services	28,500	-	-	28,500
Food services	95,802	-	-	95,802
Transportation services	62,000	-	-	62,000
Operation of plant	221,280	-	-	221,280
Maintenance of plant	23,646	-	-	23,646
Debt service fund				
Principal	-	-	281,615	281,615
Interest	-	-	39,780	39,780
Capital outlay	101,096	-	-	101,096
Total expenditures	<u>2,561,383</u>	<u>-</u>	<u>425,421</u>	<u>2,986,804</u>
Excess (deficiency) of revenues over expenditures	<u>1,499,461</u>	<u>254,339</u>	<u>(321,395)</u>	<u>1,432,405</u>
Other Financing Sources (Uses)				
Transfer-ins	-	-	321,395	321,395
Transfer-outs	(67,056)	(254,339)	-	(321,395)
Total other financing sources (uses)	<u>(67,056)</u>	<u>(254,339)</u>	<u>321,395</u>	<u>-</u>
Net changes in fund balance	1,432,405	-	-	1,432,405
Fund balances at beginning of year	286,183	-	-	286,183
Fund balances at end of year	<u>\$ 1,718,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,588</u>

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

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

**A Charter School and Component Unit of the
District School Board of Broward 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 - governmental funds \$ 1,432,405

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 amount incurred in the current period:

Capital outlays	101,096
Depreciation	(98,807)
Amortization expense	(279,900)

Extinguishment of long-term debt is recorded as other income on the Statement of Activities, but recorded as an other financial source in the governmental funds in the fiscal year awarded. This amount represents the extinguishment of long-term liabilities in the current period. -

Principal payment on long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 281,615

Change in net position of governmental activities \$ 1,436,409

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

SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba
SUNFIRE HIGH SCHOOL, INC.

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

Notes to Financial Statements

For the Year Ended June 30, 2024

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

SunFire High School (the "School"), is a not-for-profit corporation that operates under a charter approved by the sponsoring district, the District School Board of Broward County Florida (the "School Board"). The Corporation, Sunshine Academy of Oakland Park, Inc. d/b/a SunFire High School, was formed on October 19, 2016. The governing body of the School is the Board of Directors of the School, which is composed of at least three members. The School is considered a component unit of the District and meets the definition of a governmental entity under the Governmental Accounting Standards Board.

Charter Contract

The School operated under a charter which was originally awarded June 2012 and had an expiration date of June 30, 2027. At the end of the third five year term, the District may choose not to renew the agreement under grounds specified in the charter contract. The District may also terminate during the term of the charter if good cause is shown.

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 as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board 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 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.

SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba
SUNFIRE HIGH SCHOOL, INC.

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

**Notes to Financial Statements
(continued)**

Program revenues include charges paid by the recipient for goods and services offered by the program, 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 revenue.

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 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 major individual governmental funds reported in the fund financial statements:

- General Fund – is the School's primary operating fund that accounts 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.

For the purpose of these statements, the general and capital projects fund are considered major 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.

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.

SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba
SUNFIRE HIGH SCHOOL, INC.

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

**Notes to Financial Statements
(continued)**

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.

Interfund Receivables and Payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund reported a \$235,607 receivable from the special revenue fund at year-end.

Interfund Transfers

For the year ended June 30, 2024, the general fund and the capital projects fund transfer of \$281,615 and \$39,780, respectively to other governmental funds for debt service payments.

Cash and Cash Equivalents

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

All deposits should be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. Every qualified public depository institution should maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability of the institution to guarantee deposits made by members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2024.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost 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 donation. The School's capitalization threshold is \$1,000 overall and \$750 for federal expenditures. Expenditures of normal maintenance and repair that do not add to the assets value or extend the useful lives are not capitalized. Depreciation is computed using the straight-line method over three years for furniture, fixtures and equipment and three years for computer software. Leasehold improvements are depreciated over the remaining life of the lease.

SUNSHINE ACADEMY OF OAKLAND PARK, INC
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SUNFIRE HIGH SCHOOL, INC.

**A Charter School and Component Unit of the
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**Notes to Financial Statements
(continued)**

Net Position and Fund Balance Classifications

Government-Wide financial statements

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 that are 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 that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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 not spendable form.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance classification includes amounts that are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed.
- 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 definition of the special revenue fund to denote that the special revenue may be used to account for the proceeds of specific revenue sources (other than trust for individual, private organizations or other governmental or for major capital projects) legally restricted to expenditures for specified purposes.

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Notes to Financial Statements
(continued)

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, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for non-general funds to be classified as restricted fund balance. It is also 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.

Revenue Sources

Revenues for operations are received primarily from the District School Board of Broward 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. The difference between 5% of all enrollees and the first 250 enrollees must be spent on capital outlay.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of 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 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 reductions 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 427.98 unweighted FTE.

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

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**Notes to Financial Statements
(continued)**

state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

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. Actual results could differ significantly from those estimates.

Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). This pronouncement establishes a definition for SBITAs and provides guidance for accounting and financial reporting for transactions that meet that definition. Under this pronouncement, a school is required to recognize an intangible right-to-use subscription asset and corresponding subscription liability, thereby enhancing the relevance and consistency of information about a school's activities. The cumulative effect of any changes implemented to conform to this pronouncement would be reported as a restatement of beginning net position and fund balance. The original effective implementation date was reporting periods beginning after June 15, 2021. However, GASB Statement No. 95 postponed the implementation of this statement to be effective for reporting beginning after June 15, 2022. Currently, the School is not engaged in any software subscription services but is aware of the adoption of this Statement.

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).

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Notes to Financial Statements
(continued)

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, accounts receivable, accounts payable, short term borrowings, 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.

3 DUE FROM OTHER AGENCIES

There was \$235,607 due from other agencies including mostly local funds from the Broward county and a small amount of Federal funds from the National School Lunch Program. These funds were received subsequent to year end.

4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>Ending Balance</u>
Capital assets:				
Capital assets being depreciated:				
Leasehold improvements	\$ 86,879	\$ 96,965	\$ -	\$ 183,844
Furniture, fixtures and equipment	50,329	1,681	-	52,010
Computer equipment	318,395	2,450	-	320,845
Total capital assets	<u>455,603</u>	<u>101,096</u>	<u>-</u>	<u>556,699</u>
Accumulated depreciation:				
Leasehold improvements	(42,072)	(22,704)	-	(64,776)
Furniture, fixtures and equipment	(50,329)	(15,197)	-	(65,526)
Computer equipment	(207,706)	(60,905)	-	(268,611)
Total accumulated depreciation	<u>(300,107)</u>	<u>(98,806)</u>	<u>-</u>	<u>(398,913)</u>
Capital assets, net	<u>\$ 155,496</u>	<u>\$ 2,290</u>	<u>\$ -</u>	<u>\$ 157,786</u>

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Notes to Financial Statements
(continued)

Depreciation was charged to governmental activities and included within instructional expense.

7 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Broward County, Florida:

Florida Education Finance Program	\$ 2,252,143
Class size reduction	396,854
Discretionary local effort	309,973
ESE guaranteed allocation	59,312
Safe Schools	38,016
Capital outlay	254,339
Referendum	792,430
Transportation	101,600
Education enrichment allocation	92,946
	<hr/>
	<u>\$ 4,297,613</u>

The administrative fee paid to the School Board during the year ended June 30, 2024 totaled approximately \$92,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund – governmental funds.

8 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.

9 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. 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 receivable at year end may be impaired.

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**Notes to Financial Statements
(continued)**

Management believes there are no significant contingent 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.

Legal matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. If necessary, the School retains legal representation to address any such legal matters or proceedings. In the opinion of management and the School, if there are ongoing legal actions or proceedings, the ultimate resolution of such legal matters should not have a significant adverse effect on the accompanying financial statements.

10 EDUCATIONAL MANGEMENT PROVIDERS

The Board of Directors entered into a contract with an educational management company, NUMBER 1 SERVICES, LLC, to provide business and educational oversight services to the School. NUMBER 1 SERVICES, LLC, works with the Principal to manage the School on a day-to-day basis. The Principal oversees academics and the management company oversees all other operations. The management company's continuing fee is based upon 15% of gross revenues received from the District through the Florida Education Finance Program. Administrative fees paid during the year ended June 30, 2024 totaled \$662,881. The fee is reflected as school administration in the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund.

11 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 return for the three previous years is subject to examination by tax authorities and may change upon examination.

12 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 27, 2024 which is the date the financial statements were available be issued.

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
dba SUNFIRE HIGH SCHOOL, INC.**

**A Charter School and Component Unit of the
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Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and local sources	\$ 2,318,056	\$ 2,318,056	\$ 4,043,275	\$ 1,725,219
Contributions and other revenue	500	500	17,569	17,069
Total revenues	<u>2,318,556</u>	<u>2,318,556</u>	<u>4,060,844</u>	<u>1,742,288</u>
EXPENDITURES				
Current:				
Instruction	824,300	824,300	635,583	(188,717)
Pupil personnel services	55,000	55,000	39,129	(15,871)
Instructional staff training	-	-	-	-
Board	8,300	8,300	37,319	29,019
General administration	49,400	49,400	-	(49,400)
School administration	885,980	885,980	1,317,028	431,048
Fiscal services	28,000	28,000	28,500	500
Food services	-	-	95,802	95,802
Transportation services	106,200	106,200	62,000	(44,200)
Operation of plant	293,300	293,300	221,280	(72,020)
Maintenance of plant	18,000	18,000	23,646	5,646
Capital outlay	-	-	101,096	101,096
Total expenditures	<u>2,268,480</u>	<u>2,268,480</u>	<u>2,561,383</u>	<u>292,903</u>
Excess (deficiency) of revenue over expenditures	<u>50,076</u>	<u>50,076</u>	<u>1,499,461</u>	<u>1,449,385</u>
Other Financing Sources (Uses)				
Transfer-outs	(215,000)	(215,000)	(67,056)	147,944
Total other financing sources (uses)	<u>(215,000)</u>	<u>(215,000)</u>	<u>(67,056)</u>	<u>147,944</u>
Net change in fund balance	(164,924)	(164,924)	1,432,405	1,597,329
Fund balance at beginning of year	<u>286,183</u>	<u>286,183</u>	<u>286,183</u>	<u>-</u>
Fund balance at end of year	<u>\$ 121,259</u>	<u>\$ 121,259</u>	<u>\$ 1,718,588</u>	<u>\$ 1,597,329</u>

See report of independent auditors.

**SUNSHINE ACADEMY OF OAKLAND PARK, INC
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**A Charter School and Component Unit of the
District School Board of Broward County, Florida**

**Notes to Financial Statements
(continued)**

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.



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 Sunshine Academy of Oakland Park, Inc dba SunFire High School
A Charter School and Component Unit of the District
School Board of Broward 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 the major fund and aggregate remaining funds of SunFire High School, Inc. (the "School"), a charter school and component unit of the District School Board of Broward 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 27, 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. We do not have the ability to quantify or opine on such requirements. Additionally, 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 did not conclude instances of noncompliance nor did management disclose any 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.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 27, 2024

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**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 Sunshine Academy of Oakland Park, Inc dba SUNFIRE HIGH SCHOOL, INC.
a Charter School and Component Unit of the District
School Board of Broward County, Florida

We have audited the financial statements of SunFire High School, Inc. (the "School") as of and for the period ended June 30, 2024, and have issued our report thereon dated September 27, 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 27, 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 finding in previous year..

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 SunFire High School, Inc. The School code is 9035.

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.

This is the final audit for the school as is closed on June 30, 2024. Final Financial assessment was not able to be completed.

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 such findings nor did the school or management represent 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 Broward County and is not intended to be and should not be used by anyone other than these specified parties.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 27, 2024

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