

# **Winthrop College Prep Academy**

A Department of Florida Charter Educational Foundation, Inc.  
(A Component Unit of the School  
Board of Hillsborough County, Florida)

**Basic Financial Statements**  
**For the Year Ended June 30, 2024**

# Winthrop College Prep Academy

## Table of Contents

---

Independent Auditor's Report 1-3

Management's Discussion and Analysis (Not Covered by  
Independent Auditor's Report) 4-8

### Basic Financial Statements

#### Government-wide Financial Statements:

Statement of Net Position (Deficit) 9

Statement of Activities 10

#### Fund Financial Statements:

Balance Sheet - Governmental Funds 11

Reconciliation of the Balance Sheet of the Governmental  
Funds to the Statement of Net Position (Deficit) 12

Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds 13

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental  
Funds to the Statement of Activities 14

Statement of Revenues and Expenditures -  
Budget and Actual - General Fund 15

Statement of Revenues and Expenditures -  
Budget and Actual - Grants Fund 16

Notes to Basic Financial Statements 17-28

### Other Independent Auditor's Reports

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* 29-30

Management Letter Required by Chapter 10.850 of the Rules of the Auditor General  
of the State of Florida 31-32

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Winthrop College Preparatory Academy  
Hillsborough County, Florida

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Winthrop College Prep Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc., and a component unit of the School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

#### Basis for Opinions

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

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Florida Charter Educational Foundation, Inc. that are attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Florida Charter Educational Foundation, Inc. as of June 30, 2024 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## 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.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

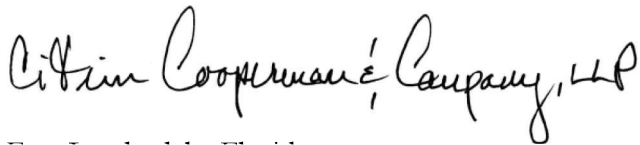
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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 October 1, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Fort Lauderdale, Florida  
October 1, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Winthrop College Prep Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Hillsborough County, Florida, we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2024 and 2023.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements.

### **Financial Highlights**

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2024, the School's fund balance was \$ 2,108,534 as compared to \$ 1,966,015 at June 30, 2023.
- As of June 30, 2024, the School had a net position (deficit) of \$ (4,561,867) as compared to \$ (3,838,137) at June 30, 2023.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

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

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The School maintains several individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Project Fund, Debt Service Fund and Club and Activities Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds except for the Club and Activities Fund. A budgetary comparison statement has been provided for the General Fund and Grants Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 11 through 16 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 17 through 28 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ (4,561,867) at the close of the most recent fiscal year.

**Winthrop College Prep Academy  
Management's Discussion and Analysis  
June 30, 2024**

Our analysis in the table below focuses on the net position of the School's governmental activities:

Winthrop College Prep Academy Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
<b>Assets:</b>			
Current and other assets	\$ 2,747,182	\$ 2,362,690	\$ 384,492
Capital assets, net	25,910,970	26,609,467	(698,497)
Total assets	<u>28,658,152</u>	<u>28,972,157</u>	<u>(314,005)</u>
<b>Liabilities:</b>			
Current liabilities	969,603	550,048	419,555
Noncurrent liabilities	32,250,416	32,260,246	(9,830)
Total liabilities	<u>33,220,019</u>	<u>32,810,294</u>	<u>409,725</u>
<b>Net Position (Deficit):</b>			
Net investment in capital assets	(4,548,330)	(3,777,541)	(770,789)
Restricted	82,842	65,004	17,838
Unrestricted (deficit)	(96,379)	(125,600)	29,221
Total net position (deficit)	<u>\$ (4,561,867)</u>	<u>\$ (3,838,137)</u>	<u>\$ (723,730)</u>

Current and other assets increased mainly due to a rise in the School's cash position. Capital assets, net of depreciation decreased mainly due to the current year depreciation expense of \$ 1,071,806 offset by the addition of assets of \$ 373,309. Current liabilities increased due to a rise in trade payables and monies owed to the management company. Noncurrent liabilities decreased due to the amortization of the bond premium.

**Governmental Activities:** The School's overall net position decreased \$ (723,730) from the prior fiscal year. The reasons for this overall decrease are discussed in the following section for governmental activities.

Winthrop College Prep Academy Change in Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 250,809	\$ 58,862	\$ 191,947
Operating grants and contributions	816,846	863,265	(46,419)
Capital grants and contributions	597,327	399,032	198,295
<b>General revenues:</b>			
FTE and other nonspecific revenues	7,322,426	5,371,020	1,951,406
Contributions	-	177,227	(177,227)
Miscellaneous income	179	5,990	(5,811)
Interest income	102,332	42,232	60,100
Total revenues	<u>9,089,919</u>	<u>6,917,628</u>	<u>2,172,291</u>

**Winthrop College Prep Academy  
Management's Discussion and Analysis  
June 30, 2024**

---

**Governmental Activities: (continued)**

Winthrop College Prep Academy  
Change in Net Position (Deficit) (continued)

	June 30, 2024	June 30, 2023	Variance
Functions/Program Expenses:			
Instruction	\$ 3,846,568	\$ 2,993,764	\$ 852,804
Instruction support services	300,171	428,587	(128,416)
Instruction and curriculum development services	24,257	-	24,257
Instructional staff training services	173	-	173
Instruction related technology	170,962	-	170,962
Board	52,677	28,458	24,219
General administration -			
District administrative fee	96,007	87,101	8,906
Administrative services	672,619	637,565	35,054
Fiscal services	71,318	21,732	49,586
Food services	332,178	172,418	159,760
Central services	5,850	6,292	(442)
Transportation services	449,855	350,201	99,654
Operation of plant	1,507,048	1,366,138	140,910
Facilities and rent	5	-	5
Maintenance of plant	222,811	147,687	75,124
Community services - childcare or VPK, salaries, benefits, materials and supplies, etc.	1,107	-	1,107
Extracurricular activities	103,855	86,246	17,609
Interest on long-term debt	1,956,188	1,823,838	132,350
Total expenses	<u>9,813,649</u>	<u>8,150,027</u>	<u>1,663,622</u>
Change in net position (deficit)	(723,730)	(1,232,399)	508,669
Net position (deficit)-beginning	<u>(3,838,137)</u>	<u>(2,605,738)</u>	<u>(1,232,399)</u>
Net position (deficit)-ending	<u>\$ (4,561,867)</u>	<u>\$ (3,838,137)</u>	<u>\$ (723,730)</u>

Program revenues increased from a rise in ESSER III, capital outlay, and food service revenues. General revenues increased due to a rise in student funding and the increase of 196 students. Total expenses primarily increased due to increases in instruction, food services, and operation of plant expenses.

**Financial Analysis of Governmental Funds**

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 73,879, while total fund balance increased to \$ 2,025,692. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 1.2% of total General Fund expenditures, while total fund balance represents 31.7% of that same amount.

The fund balance of the School's General Fund increased by \$ 124,681 during the current fiscal year. The increase was due to increased student funding.

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports federal and certain state expense reimbursement grants.

### **Financial Analysis of Governmental Funds (continued)**

The Capital Project Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports local and state capital outlay funding that is used to cover a portion of interest expense.

The Debt Service Fund doesn't have an increase or decrease in fund balance during the current fiscal year as this fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term obligations of governmental funds.

The Club and Activities Fund had an increase in fund balance during the current fiscal year due to increased extracurricular revenues.

### **Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2024, the School had capital assets of \$ 25,910,970, net of accumulated depreciation and amortization, invested in lease assets, building, furniture, fixtures and equipment, computer equipment and improvements other than buildings. Major capital assets additions for the year included \$ 373,309 for equipment. Additional information on the School's capital assets can be found in Note 7 of this report.

**Debt:** At June 30, 2024, the School had outstanding debt of \$ 32,241,759 as compared to \$ 32,251,963 at June 30, 2023. There were no required debt payments for the year ended June 30, 2024. Additional information on the School's debt can be found in Notes 8, 9 and 10 of this report.

### **General Fund Budgetary Highlights**

State source revenue decreased from the budget due to the estimation of student funding and transportation revenues. Local source revenue decreased due to no management company contribution in the current year. Expenditures were favorable to the budget primarily due to administrative services, facilities acquisition and construction, and interest expenses.

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

In fiscal year 2024, the State of Florida continued to include a teacher salary increase allocation (TSIA) of \$ 1.1 billion. The capital outlay funding pool ended up at \$ 213 million. In addition to the TSIA, teachers also received a compensation increase to align overall salaries with district levels.

For fiscal year 2025, the funding for teacher salaries and other instructional personnel will be \$ 1.25 billion. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay. A 3% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

### **Requests for Information**

If you have any questions about this report or need additional information, please write Michael Valdes Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

BASIC  
FINANCIAL STATEMENTS

**Winthrop College Prep Academy**  
**Statement of Net Position (Deficit)**  
**June 30, 2024**

---

	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 584,162
Due from other governments	83,642
Due from related parties	94,616
Other receivables	32,949
Deposits	5,122
Prepaid items	164,232
	<hr/>
Total current assets	964,723
<b>Noncurrent Assets:</b>	
Restricted investments	1,782,459
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	25,910,970
	<hr/>
Total noncurrent assets	27,693,429
	<hr/>
Total assets	28,658,152
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	161,350
Salaries and wages payable	323,846
Due to management company	153,452
Accrued interest payable	304,984
Compensated absences	25,971
	<hr/>
Total current liabilities	969,603
<b>Noncurrent Liabilities:</b>	
Compensated absences	8,657
Bonds payable, net	27,334,381
Lease payable	4,907,378
	<hr/>
Total noncurrent liabilities	32,250,416
	<hr/>
Total liabilities	33,220,019
<b>Net Position (Deficit):</b>	
Net investment in capital assets	(4,548,330)
Restricted for extracurricular activities	82,842
Unrestricted (deficit)	(96,379)
	<hr/>
Total net position (deficit)	\$ <u>(4,561,867)</u>

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

**Winthrop College Prep Academy**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	Program Revenues			Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
				Net Revenue (Expense) and Change in Net Position	
<b>Functions/Programs:</b>					
Instruction	\$ 3,846,568	\$ -	\$ 393,979	\$ -	\$ (3,452,589)
Instruction support services	300,171	-	46,354	-	(253,817)
Board	52,677	-	-	-	(52,677)
Instruction and curriculum development services	24,257	-	14,550	-	(9,707)
Instructional staff training services	173	-	18	-	(155)
Instruction related technology	170,962	-	-	-	(170,962)
General administration - District administrative fee	96,007	-	-	-	(96,007)
Administrative services	672,619	-	20,038	-	(652,581)
Fiscal services	71,318	-	-	-	(71,318)
Food services	332,178	128,955	212,465	-	9,242
Central services	5,850	-	-	-	(5,850)
Transportation services	449,855	-	69,241	-	(380,614)
Operation of plant	1,507,048	-	60,201	-	(1,446,847)
Facilities and rent	5	-	-	-	(5)
Maintenance of plant	222,811	-	-	-	(222,811)
Community services - childcare or VPK, salaries, benefits, materials and supplies, etc.	1,107	4,255	-	-	3,148
Extracurricular activities	103,855	117,599	-	-	13,744
Interest and other debt service costs	1,956,188	-	-	597,327	(1,358,861)
Total governmental activities	\$ <u>9,813,649</u>	\$ <u>250,809</u>	\$ <u>816,846</u>	\$ <u>597,327</u>	<u>(8,148,667)</u>
General revenues:					
FTE and other nonspecific revenues					7,322,426
Miscellaneous income					179
Interest income					102,332
Total general revenues					<u>7,424,937</u>
Change in net position					(723,730)
Net position (deficit), July 1, 2023					<u>(3,838,137)</u>
Net position (deficit), June 30, 2024					\$ <u>(4,561,867)</u>

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

**Winthrop College Prep Academy**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 498,666	\$ -	\$ -	\$ -	\$ 85,496	\$ 584,162
Due from other governments	-	18,450	65,192	-	-	83,642
Other receivables	32,949	-	-	-	-	32,949
Due from other funds	86,296	-	-	-	-	86,296
Due from related parties	94,616	-	-	-	-	94,616
Restricted investments	1,782,459	-	-	-	-	1,782,459
Prepaid items	164,232	-	-	-	-	164,232
Deposits	5,122	-	-	-	-	5,122
	<u>2,664,340</u>	<u>18,450</u>	<u>65,192</u>	<u>-</u>	<u>85,496</u>	<u>2,833,478</u>
Total assets	<u>\$ 2,664,340</u>	<u>\$ 18,450</u>	<u>\$ 65,192</u>	<u>\$ -</u>	<u>\$ 85,496</u>	<u>\$ 2,833,478</u>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 161,350	\$ -	\$ -	\$ -	\$ -	\$ 161,350
Salaries and wages payable	323,846	-	-	-	-	323,846
Due to management company	153,452	-	-	-	-	153,452
Due to other funds	-	18,450	65,192	-	2,654	86,296
	<u>638,648</u>	<u>18,450</u>	<u>65,192</u>	<u>-</u>	<u>2,654</u>	<u>724,944</u>
Total liabilities	<u>638,648</u>	<u>18,450</u>	<u>65,192</u>	<u>-</u>	<u>2,654</u>	<u>724,944</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid items	164,232	-	-	-	-	164,232
Deposits	5,122	-	-	-	-	5,122
Restricted for debt service	1,782,459	-	-	-	-	1,782,459
Restricted for extracurricular activities	-	-	-	-	82,842	82,842
Unassigned	73,879	-	-	-	-	73,879
	<u>2,025,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,842</u>	<u>2,108,534</u>
Total fund balances	<u>2,025,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,842</u>	<u>2,108,534</u>
Total liabilities and fund balances	<u>\$ 2,664,340</u>	<u>\$ 18,450</u>	<u>\$ 65,192</u>	<u>\$ -</u>	<u>\$ 85,496</u>	<u>\$ 2,833,478</u>

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

**Winthrop College Prep Academy**  
**Reconciliation of the Balance Sheet of the Governmental Funds**  
**to the Statement of Net Position (Deficit)**  
**June 30, 2024**

---

**Total Fund Balances - Governmental Funds** \$ 2,108,534

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

The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position (deficit) includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.

Cost of capital assets	\$	29,758,999	
Accumulated depreciation and amortization		<u>(3,848,029)</u>	25,910,970

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities both current and long-term, are reported in the government-wide statements.

Compensated absences	\$	(34,628)	
Bonds payable, net		(27,334,381)	
Accrued interest payable		(304,984)	
Lease payable		<u>(4,907,378)</u>	<u>(32,581,371)</u>

**Net Position (Deficit) of Governmental Activities** \$ (4,561,867)

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

**Winthrop College Prep Academy**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Revenues:</b>						
Federal sources	\$ -	\$ 707,054	\$ -	\$ -	\$ -	\$ 707,054
State sources:						
Florida Education Finance Program	7,322,426	-	-	-	-	7,322,426
State capital outlay and debt service	-	-	544,281	-	-	544,281
Other state revenue	106,462	-	-	-	-	106,462
National School Lunch Program	-	3,330	-	-	-	3,330
Local capital outlay	-	-	53,046	-	-	53,046
Food service revenue	128,955	-	-	-	-	128,955
Childcare revenue	4,255	-	-	-	-	4,255
Interest income	98,238	-	-	-	4,094	102,332
Miscellaneous local source revenue	179	-	-	-	117,599	117,778
Total revenues	<u>7,660,515</u>	<u>710,384</u>	<u>597,327</u>	<u>-</u>	<u>121,693</u>	<u>9,089,919</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	3,275,657	176,232	-	-	-	3,451,889
Instruction support services	253,817	46,354	-	-	-	300,171
Instruction and curriculum services	9,707	14,550	-	-	-	24,257
Instructional staff training	155	18	-	-	-	173
Instruction related technology	170,962	-	-	-	-	170,962
Board	52,677	-	-	-	-	52,677
General administration - District administrative fee	96,007	-	-	-	-	96,007
Administrative services	652,581	20,038	-	-	-	672,619
Fiscal services	71,318	-	-	-	-	71,318
Food services	119,713	212,465	-	-	-	332,178
Central services	5,850	-	-	-	-	5,850
Transportation services	449,855	-	-	-	-	449,855
Operation of plant	805,264	23,160	-	-	-	828,424
Facilities and rent	5	-	-	-	-	5
Maintenance of plant	222,811	-	-	-	-	222,811
Community services	1,107	-	-	-	-	1,107
Extracurricular activities	-	-	-	-	103,855	103,855
Facilities acquisition and construction	192,776	180,533	-	-	-	373,309
Debt service:						
Interest	-	-	597,327	1,192,606	-	1,789,933
Total expenditures	<u>6,380,262</u>	<u>673,350</u>	<u>597,327</u>	<u>1,192,606</u>	<u>103,855</u>	<u>8,947,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,280,253</u>	<u>37,034</u>	<u>-</u>	<u>(1,192,606)</u>	<u>17,838</u>	<u>142,519</u>
<b>Other Financing Sources (Uses):</b>						
Transfer in	37,034	-	-	1,192,606	-	1,229,640
Transfer out	(1,192,606)	(37,034)	-	-	-	(1,229,640)
Total other financing sources (uses)	<u>(1,155,572)</u>	<u>(37,034)</u>	<u>-</u>	<u>1,192,606</u>	<u>-</u>	<u>-</u>
Net change in fund balances	124,681	-	-	-	17,838	142,519
<b>Fund Balances, July 1, 2023</b>	<u>1,901,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,004</u>	<u>1,966,015</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 2,025,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,842</u>	<u>\$ 2,108,534</u>

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

**Winthrop College Prep Academy  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances of the  
 Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2024**

---

**Net Change in Fund Balances - Governmental Fund** \$ 142,519

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, these costs are allocated over their estimated useful lives as a provision for depreciation and amortization.

Cost of capital assets	\$	373,309		
Provision for depreciation and amortization		<u>(1,071,806)</u>		(698,497)

Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	\$	(1,497)		
Change in accrued interest payable		(176,459)		
Provision for amortization of bond premium		<u>10,204</u>		<u>(167,752)</u>

**Change in Net Position (Deficit) of Governmental Activities** \$ (723,730)

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

**Winthrop College Prep Academy  
Statement of Revenues and Expenditures -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources:				
Florida Education Finance Program	\$ 7,439,158	\$ 7,439,158	\$ 7,322,426	\$ (116,732)
Other state revenue	-	-	106,462	106,462
Food service revenue	68,548	68,548	128,955	60,407
Childcare revenue	-	-	4,255	4,255
Interest income	38,751	38,751	98,238	59,487
Miscellaneous local source revenue	140,273	140,273	179	(140,094)
	<u>7,686,730</u>	<u>7,686,730</u>	<u>7,660,515</u>	<u>(26,215)</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
Instruction	3,124,714	3,124,714	3,275,657	(150,943)
Instruction support services	241,659	241,659	253,817	(12,158)
Instruction and curriculum services	-	-	9,707	(9,707)
Instructional staff training	851	851	155	696
Instruction related technology	210,036	210,036	170,962	39,074
Board	19,858	19,858	52,677	(32,819)
General administration - District administrative fee	97,692	97,692	96,007	1,685
Administrative services	861,906	861,906	652,581	209,325
Facilities acquisition and construction - facilities rent	233,466	233,466	5	233,461
Fiscal services	18,674	18,674	71,318	(52,644)
Food services	109,870	109,870	119,713	(9,843)
Central services	48,669	48,669	5,850	42,819
Transportation services	378,972	378,972	449,855	(70,883)
Operation of plant	858,343	858,343	805,264	53,079
Maintenance of plant	228,303	228,303	222,811	5,492
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	-	-	1,107	(1,107)
Facilities acquisition and construction	293,575	293,575	192,776	100,799
Debt service:				
Interest	960,142	960,142	-	960,142
	<u>7,686,730</u>	<u>7,686,730</u>	<u>6,380,262</u>	<u>1,306,468</u>
Total expenditures				
Excess of revenues over expenditures		-	1,280,253	1,280,253
<b>Other Financing Sources (Uses):</b>				
Transfer in		-	37,034	37,034
Transfer out		-	(1,192,606)	(1,192,606)
		<u>-</u>	<u>(1,155,572)</u>	<u>(1,155,572)</u>
Total other financing sources (uses)				
Net change in fund balance	\$	\$ -	\$ 124,681	\$ 124,681

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

**Winthrop College Prep Academy  
Statement of Revenues and Expenditures -  
Budget and Actual - Grants Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Federal sources:				
National School Lunch Program	\$ 147,003	\$ 147,003	\$ 232,295	\$ 85,292
Title III	-	-	1,998	1,998
Title IV	-	-	15,538	15,538
ESSER II	-	-	89,322	89,322
ESSER III	261,176	261,176	367,901	106,725
State sources:				
National School Lunch Program	-	-	3,330	3,330
Total revenues	<u>408,179</u>	<u>408,179</u>	<u>710,384</u>	<u>302,205</u>
<b>Expenditures:</b>				
Current:				
Instruction	214,303	214,303	176,232	38,071
Instruction support services	46,873	46,873	46,354	519
Instruction and curriculum services	-	-	14,550	(14,550)
Instructional staff training services	-	-	18	(18)
Administrative services	-	-	20,038	(20,038)
Food services	147,003	147,003	212,465	(65,462)
Operation of plant	-	-	23,160	(23,160)
Facilities acquisition and construction	-	-	180,533	(180,533)
Total expenditures	<u>408,179</u>	<u>408,179</u>	<u>673,350</u>	<u>(265,171)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>37,034</u>	<u>37,034</u>
<b>Other Financing Uses:</b>				
Transfer out	<u>-</u>	<u>-</u>	<u>(37,034)</u>	<u>(37,034)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

### **Note 1 - Organization and Operations**

Winthrop College Prep Academy (the "School"), a Department Florida Charter Educational Foundation, Inc. ("FCEF"), and a component unit of the School Board of Hillsborough County, Florida, was established in 2020 as a public charter school to serve students from ninth grade to twelfth grade in Hillsborough County. There were 944 students enrolled for the 2023/2024 school year. FCEF, a Florida nonprofit organization, was formed for the purpose of operating charter schools throughout the State of Florida. Bay Area Charter Foundation, LLC ("BACF") is also a Florida nonprofit organization that was formed for the purpose of operating charter schools throughout the State of Florida, FCEF is the sole member of BACF. The governing board of the School consists of the officers and directors of FCEF. FCEF also operates Henderson Hammock Charter School, SouthShore Charter Academy, Waterset Charter School and Creekside Charter Academy in Hillsborough County, Clay Charter Academy in Clay County, Keys Gate Charter School in Miami-Dade County, and Innovation Preparatory Academy and Union Park Charter Academy in Pasco County. BACF also operates Winthrop Charter School, Winthrop College Prep Academy and Woodmont Charter School in Hillsborough County.

The basic financial statements of the School present only the balances, activities and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of BACF or FCEF as of June 30, 2024, and their changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The School operates under a charter granted by the sponsoring School Board of Hillsborough County (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the Board may choose not to renew the charter under grounds specified in the charter in which case the Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Hillsborough County.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

**Basis of presentation:** The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

## Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

The School's major governmental funds are as follows:

**General Fund** - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

**Grants Fund** - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

**Capital Project Fund** - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term obligations of governmental funds.

**Club and Activities Fund** - This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within one hundred and twenty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

**Cash and cash equivalents:** The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federal insured limit, however, the School is covered by Chapter 280 of the Florida Statutes (Note 3).

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Revenue recognition:** Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over the twelve month period the School is in session and is adjusted for changes in full-time equivalent (FTE) student population.

**Income taxes:** The School is a division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

**Capital assets:** Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost equal to or greater than \$ 750 and useful life of over one year. Donated capital assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings	45 years
Furniture, fixtures and equipment	3 - 5 years
Computer equipment	3 years
Improvements other than buildings	10 years

The School has recorded a right-to-use lease asset as required by GAAP. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus

## Note 2 - Summary of Significant Accounting Policies (continued)

ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

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

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

**Unearned revenue:** Unearned revenue arises when the School receives resources before it has a legal claim to them.

**Compensated absences:** The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out the General Fund.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - includes that portion of net position that is available to fund future operations.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then, unrestricted resources as they are needed.

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of GAAP which provides clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

**Note 2 - Summary of Significant Accounting Policies (continued)**

- **Nonspendable** - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- **Committed** - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- **Assigned** - this classification includes amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.
- **Unassigned** - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

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

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

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budget:** An operating budget is adopted and maintained by the governing board for all governmental funds, except the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements.

**Date of management review:** Subsequent events were evaluated by management through October 1, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Cash and Cash Equivalents**

At June 30, 2024, the carrying amount of the deposits and cash on hand totaled \$ 584,162, with a bank balance of \$ 618,684.

**Note 3 - Cash and Cash Equivalents (continued)**

State statutes require, and it is the School’s policy, that all deposits be made into, and be 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. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits of \$ 368,684 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

**Note 4 - Investments**

FCEF issued bonds to finance the acquisition of facilities and equipment for three of their schools, including the School (Note 8) and to refund the BACF Series 2011 Bonds. The investments of the School are governed by the Series 2020 Bond Indenture. The investments are held by the Trustee and relate to a debt service reserve in accordance with the Bond Indenture. The Bond Indenture authorizes the Trustee to invest in obligations of the United States or any state, obligations issued by a government sponsored agency, U.S. denominated deposit accounts, certificates of deposit and banker’s acceptances, commercial paper, bonds, notes or debentures guaranteed by a corporation, investment agreements with banks, repurchase agreement secured by government obligations, investments in a money market fund and shares in any investment company, money market mutual fund, fixed income mutual fund or exchange traded fund. In accordance with the Bond Indenture, the Trustee has \$ 1,782,459 invested in a money market fund that is stated at amortized cost which approximates fair value.

Generally, *credit risk* is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The exposure to credit risk is limited because the money market fund is rated AAA-mf by Moody's.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The exposure to declines in fair values is limited because the weighted average maturity of the money market fund is 34 days.

**Note 5 - Interfund Receivables and Payables and Interfund Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 18,450
General Fund	Capital Project Fund	65,192
General Fund	Club and Activities Fund	2,654
		\$ 86,296

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Winthrop College Prep Academy**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers Out:			
General Fund	\$ -	\$ 1,192,606	\$ 1,192,606
Grants Fund	37,034	-	37,034
	<u>37,034</u>	<u>-</u>	<u>37,034</u>
Total	\$ <u>37,034</u>	\$ <u>1,192,606</u>	\$ <u>1,229,640</u>

During the year, transfers were used to move grant revenue received in the current year for prior year expenditures to the General Fund and to move funds to the Debt Service Fund to make debt service payments.

**Note 6 - Due From Related Parties**

The School is a department of the FCEF. The due from balance represents amounts that are due from FCEF and other schools that share common board membership and are departments of FCEF and are expected to be repaid within one year.

**Note 7 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2024 are as follows:

	Balance at July 1, 2023	Additions	Transfers	Balance at June 30, 2024
Capital assets being depreciated/ amortized:				
Buildings	\$ 22,762,066	\$ -	\$ -	\$ 22,762,066
Furniture, fixtures and equipment	972,791	3,066	-	975,857
Improvements other than building	5,195	-	-	5,195
Computer equipment	738,260	370,243	-	1,108,503
Lease assets:				
Land	4,907,378	-	-	4,907,378
Total capital assets being depreciated/amortized	<u>29,385,690</u>	<u>373,309</u>	<u>-</u>	<u>29,758,999</u>
Accumulated depreciation/ amortization:				
Buildings	1,470,051	569,051	-	2,039,102
Furniture, fixtures and equipment	424,410	194,548	455	619,413
Improvements other than building	216	520	-	736
Computer equipment	554,387	198,634	(455)	752,566
Lease assets:				
Land	327,159	109,053	-	436,212
Total accumulated depreciation/ amortization	<u>2,776,223</u>	<u>1,071,806</u>	<u>-</u>	<u>3,848,029</u>
Net capital assets being depreciated/amortized	\$ <u>26,609,467</u>	\$ <u>(698,497)</u>	\$ <u>-</u>	\$ <u>25,910,970</u>

**Note 7 - Capital Assets (continued)**

Provision for depreciation and amortization was charged to governmental activities as follows:

Instruction	\$	393,182
Operation of plant		<u>678,624</u>
	\$	<u><u>1,071,806</u></u>

**Note 8 - Bonds Payable**

Previously, the Florida Development Finance Corporation (the "Corporation") issued \$ 29,770,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2020A, \$ 32,480,000 in Taxable Convertible Educational Facilities Revenue Bonds, Series 2020B, and \$ 1,200,000 in Taxable Educational Facilities Revenue Bonds, Series 2020C, pursuant to an Indenture of Trust between the Corporation and a Trustee to make a loan to FCEF, a division of which the School exists to finance the acquisition of the facilities and/or equipment of the School and two other charter schools existing under BACF and the refunding of BACF's Series 2011 Bonds. The Series 2020A Bonds bear interest at 5.75% through June 2050. The Series 2020B Bonds bear interest at 5.00% through June 2030, then at 5.50% through June 2040 and finally at 6.125% through June 2050. The Series 2020C Bonds bear interest at 5.00% through June 2023. Principal and interest will be paid semi-annually on June 15 and December 15. In order to secure the payment of the principal and interest on the Bonds, the Corporation assigned all of its rights and interest in the loan agreement to the Trustee. The Bonds are payable from and secured by a lien upon and pledge of payments to be received by the Trustee.

Upon the occurrence of an event of default as described in the Bond Indenture, the rate of interest on the Bonds shall be adjusted to bear interest at a rate equal to the rate on the Bonds plus three percent (3%) per annum until such event of default has been cured. In addition, the owners of not less than 25% of the bonds outstanding may declare the principal and interest to be immediately due and payable.

The School's share of the annual debt service requirements to maturity for the Series 2020 Bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 1,556,472	\$ 1,556,472
2026	-	1,556,472	1,556,472
2027	-	1,556,472	1,556,472
2028	-	1,556,472	1,556,472
2029	-	1,556,472	1,556,472
2030-2034	-	7,782,360	7,782,360
2035-2039	-	7,782,360	7,782,360
2040-2044	9,006,356	6,972,231	15,978,587
2045-2049	13,780,042	3,698,124	17,478,166
2050	<u>4,282,679</u>	<u>246,252</u>	<u>4,528,931</u>
	<u>\$ 27,069,077</u>	<u>\$ 34,263,687</u>	<u>\$ 61,332,764</u>

**Winthrop College Prep Academy**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**Note 9 – Lease Payable**

Concurrent with the Series 2020 Bond issuance (Note 8), a subsidiary of Red Apple Development, LLC (“RAD”) entered into a land lease agreement with FCEF. The land which is owned by RAD is leased by FCEF on behalf of the school under a 45-year lease. The lease agreement qualifies as other than short-term leases under GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of June 30, 2021. The discount rate used to recognize the lease asset and the lease liability was 5.541%. For the year ended June 30, 2024, the School incurred interest expense of \$ 129,706 for this lease payable. In addition to rent, FCEF shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled \$ 4,277 for the year ended June 30, 2024.

The following is a schedule of the School’s future rent payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 282,752	\$ 282,752
2026	-	285,165	285,165
2027	-	287,443	287,443
2028	-	289,571	289,571
2029	-	291,536	291,536
2030-2034	-	1,480,339	1,480,339
2035-2039	-	1,495,144	1,495,144
2040-2044	-	1,467,147	1,467,147
2045-2049	195,244	1,377,776	1,573,020
2050-2054	831,078	1,202,029	2,033,107
2055-2059	1,338,339	906,376	2,244,715
2060-2064	2,032,362	445,985	2,478,347
2065	510,355	15,447	525,802
	<u>\$ 4,907,378</u>	<u>\$ 9,826,710</u>	<u>\$ 14,734,088</u>

**Note 10 - Long-Term Liabilities**

Changes in the School’s long-term liabilities for fiscal year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Retirements	Amortization	Balance at June 30, 2024	Amount Due Within One Year
Series 2020 Educational Facilities Revenue Bonds, net of unamortized premium of \$ 265,304	\$ 27,344,585	\$ -	\$ -	\$ (10,204)	\$ 27,334,381	\$ -
Lease - land	4,907,378	-	-	-	4,907,378	-
Compensated absences	33,131	89,760	88,263	-	34,628	25,971
	<u>\$ 32,285,094</u>	<u>\$ 89,760</u>	<u>\$ 88,263</u>	<u>\$ (10,204)</u>	<u>\$ 32,276,387</u>	<u>\$ 25,971</u>

**Note 11 - Federal, State and Local Revenue Sources**

The School recorded the following revenues for the year ended June 30, 2024:

Federal:	
National School Lunch Program	\$ 232,295
ESSER II	89,322
Title III	1,998
Title IV	15,538
ESSER III	367,901
State:	
Florida Education Finance Program	7,322,426
State capital outlay and debt service	544,281
Other state revenue	106,462
National School Lunch Program	3,330
Local:	
Food service revenue	128,955
Local capital outlay	53,046
Childcare revenue	4,255
Interest income	102,332
Miscellaneous local source revenue	<u>117,778</u>
	<u>\$ 9,089,919</u>

**Note 12 - Employee Benefit Plan**

During the year ended June 30, 2024, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the School's management, the School may also make a discretionary profit sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	25%
2	50%
3	75%
4	100%

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2023, the School had forfeitures of \$ 1,163. For the year ended June 30, 2024, the School contributed a matching amount of \$ 10,454.

**Post-employment benefits:** The School does not provide post-employment benefits to retired employees.

### **Note 13 - Commitments**

**Management agreement:** The School has a formal agreement with Charter Schools USA at Winthrop High School, LLC (“CSUSA”) to manage, staff, and operate the School. The initial term is through June 2025. The agreement automatically renews for additional five year periods on the day following the expiration date unless either party delivers a written notice of termination to the other at least twelve months prior to the then current expiration date. CSUSA shall be entitled to retain a fee for its services rendered pursuant to this agreement. The fees range from \$ 963,905 for 2025 to \$ 2,334,974 for 2036 or the budgeted amount approved by the Board of Directors based on enrollment. CSUSA did not receive a fee for the year ending June 30, 2024.

The School has an amount of \$ 153,452 due to CSUSA for the year ending June 30, 2024.

### **Note 14 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (“CSCO”) Award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring Board. The School’s CSCO Award totaled \$ 544,281 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the interest expense on the bonds lease.

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO Award. The School’s LCIR award totaled \$ 53,046 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

### **Note 15 - Florida Education Finance Program (FEFP) Funding**

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) the School’s unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the 2023/2024 school year, the School reported 915.87 unweighted FTE. Weighted funding represented approximately 3.5% of total state funding.

**Note 15 - Florida Education Finance Program (FEFP) Funding (continued)**

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

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

**Note 16 - Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There were no claims in excess of insurance coverage limits during the past three years. As disclosed in Note 13, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers' compensation claims for these individuals.

OTHER INDEPENDENT  
AUDITOR'S REPORTS

**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  
Winthrop College Preparatory Academy  
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Winthrop College Preparatory Academy (the "School"), a Department of Florida Charter Educational, Inc. and a component unit of the School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 1, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida  
October 1, 2024

## MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors  
Winthrop College Preparatory Academy  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the financial statements of Winthrop College Preparatory Academy, Florida, (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 1, 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 1, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Winthrop College Preparatory Academy and 297832.

### **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**

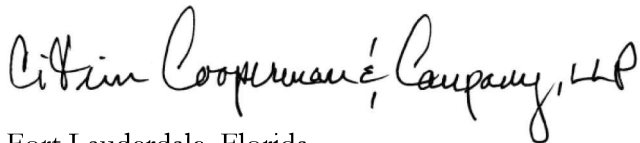
Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with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

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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



Fort Lauderdale, Florida  
October 1, 2024