# Santa Fe College Academy of Science and Technology

A Charter School and Restricted Fund of
Santa Fe College

## Financial Statements
## June 30, 2024

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Santa Fe College Academy of Science and Technology
Gainesville, FL

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Santa Fe College Academy of Science and Technology (the "School"), a charter school and restricted fund of Santa Fe College (the "College") 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 major funds of the School as of June 30, 2024, and the respective changes in financial position and cash flows thereof 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 present only the financial condition of the School and do not purport to, and do not present fairly, the financial position of the College, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance 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.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 be presented to supplement the basic financial statements. Such information, although not 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 historic 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 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 February 14, 2025, 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.

Buescher & Company, LLC

Buescher & Company, LLC
Madison, Florida
February 14, 2025

## Introduction

The Management Discussion and Analysis (MD&A) of the annual financial report of the Santa Fe College Academy of Science and Technology (the "School") provides an overview of the School's activities for the fiscal year ended June 30, 2024. Because the information contained in this section is intended to highlight transactions, events, and conditions, it should be considered in conjunction with financial statements and financial statements notes found on pages 10-17.

## Overview of School

The School is a college preparatory high school that strives to ensure every student has access to a free, authentic, innovative, and individualized education, one that will help them recognize their potential and reach their goals while bridging high school, college, and career paths. It was created to provide students with the tools needed to be successful in the 21st century workforce through academic excellence and technical training, and strong partnership with Santa Fe College and local industry leaders. It is the intent of the School to assist students in earning their A.S. degree and industry certifications while completing their high school graduation requirements, at no cost to the students or families.

The School is a restricted fund of Santa Fe College (the "College"). The College provides access to facilities and equipment as well as administrative services to the School. The School's teachers, administrators and support staff are employees of the college. Salaries and wages and related costs are allocated to the School by the College.

The School commenced operations in July 2023 with a ninth-grade cohort of 73 students. The initial operational team comprised a part-time Executive Director, Principal, Curriculum Coordinator, Administrative Assistant, two full-time instructors, and three part-time instructors. Classes were held in a self-contained facility within Santa Fe's Northwest Campus, designated as G-Building, following a partial renovation.

## Financial Highlights

- For the fiscal year ended June 30, 2024, the School's revenues exceeded expenses as shown in the School's statement of revenues, expenses and changes in net position by $40,049.
- As shown on the statement of net position, the School's total net position was $40,049.

## Overview of Financial Statements

The basic financial statements consist of the following four components:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Changes in Net Position
- The Statement of Cash Flows
- Notes to Financial Statements

The basic financial statements provide short-term and long-term information about the School's overall financial condition, including a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements provide consolidated financial information on the activities of the School using an accrual basis of accounting.

*Statement of Net Position:* The statement of net position provides information on the financial health of the School by providing information about the difference between assets and liabilities (i.e., net position).

*Statement of Revenues, Expenses, and Changes in Net Position:* The statement of revenues, expenses, and changes in net position provides information on the change in net position and the results of operations during the fiscal year. A change in net position indicates improving or deteriorating financial health of the

School. However, it is important to note that non-financial factors, such as changes in student funding base level, must also be considered when assessing the financial health of the School.

*Statement of Cash Flows:* The statement of cash flows provides relevant information about the cash receipts and cash payments of an entity during a period.

*Notes to Financial Statements:* The notes provide additional information that is essential for a full understanding of the data provided in the financial statements.

## Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's net position as of June 30, 2024

| | | **Condensed Statement of Net Position** June 30, 2024 |
|---|---|---|
| **Assets** | | |
| Current & Other Assets | $ | 121,796 |
| Total Assets | | 121,796 |
| **Liabilities** | | |
| Current Liabilities | | 30,033 |
| Long-term Liabilities | | 51,714 |
| Total Liabilities | | 81,747 |
| **Net Position** | | |
| Unrestricted | | 40,049 |
| Total Net Position | $ | 40,049 |

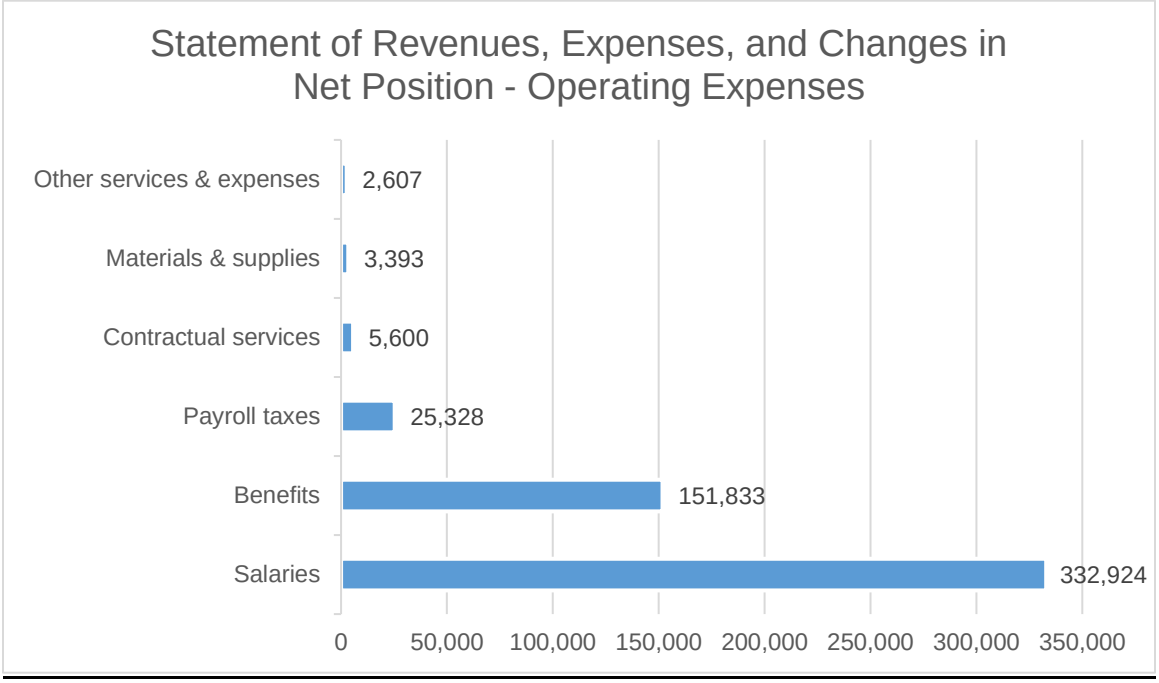
The current assets of the school consist of cash and cash equivalents. Liabilities primarily consisted of accounts payable and accrued expenses including the liability for compensated absences. The School's net position was $40,049 as of June 30, 2024, which was unrestricted.

The key elements of changes in the School's net position as of June 30, 2024 are as follows:

| | | **Condensed Statement of Revenues, Expenses and Changes in Net Position for the Year Ended** June 30, 2024 |
|---|---|---|
| **Operating Revenues**: | | |
| State and Local Grants and Contracts | $ | 561,734 |
| Total Operating Revenues | | 561,734 |
| **Operating Expenses**: | | |
| Instruction | | 219,655 |
| Student Support | | 86,639 |
| General Support | | 215,391 |
| Total Operating Expenses | | 521,685 |
| **Increase in Net Position** | $ | 40,049 |

The School's operating revenue consisted solely of funds from state and local grants and contracts, primarily received through the Florida Education Finance Program (FEFP). Local revenues consisted of the School Board of Alachua County One Mill revenues.

The primary sources of expenses were payroll, benefits and payroll taxes (98%). Payroll-related costs account for a large percentage due to the College providing much of the facilities, equipment, utilities, and other costs of operating a school.




## Long-Term Liabilities

The balance of the School's long term liabilities as of June 30, 2024, was $51,714, consisting of the School's liability for compensated absences.

## Requests for Information

The financial report is designed to provide a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Vice President Administrative Affairs, Santa Fe College, 3000 NW 83rd St, F-26, Gainesville, Florida, 32606.

## Santa Fe College Academy of Science and Technology
### Statement of Net Position

| | | June 30, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ | 121,796 |
| Accounts receivable | | - |
| Total current assets | | 121,796 |
| Total assets | | 121,796 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | | 217 |
| Accrued salaries & benefits | | 24,662 |
| Unearned revenue | | 5,154 |
| Total current liabilities | | 30,033 |
| Long-term liabilities | | |
| Liability for compensated absences | | 51,714 |
| Total long-term liabilities | | 51,714 |
| Total liabilities | | 81,747 |
| **Net position** | | |
| Unrestricted | | 40,049 |
| Total net position | $ | 40,049 |

See accompanying notes to financial statements

## Santa Fe College Academy of Science and Technology
### Statement of Revenues, Expenses and Changes in Net Position

| | | For the Year ended June 30, 2024 |
|---|---|---|
| **Revenues** | | |
| Operating revenues | | |
| State and Local Grants and Contracts | $ | 561,734 |
| Total operating revenues | | 561,734 |
| **Expenses** | | |
| Operating expenses | | |
| Salaries | | 332,924 |
| Payroll taxes | | 25,328 |
| Benefits | | 151,833 |
| Contractual services | | 5,600 |
| Materials & supplies | | 3,393 |
| Other services & expenses | | 2,607 |
| Total operating expenses | | 521,685 |
| Operating income | | 40,049 |
| **Change in net position** | | 40,049 |
| **Net position** | | |
| Net position, beginning of year | | - |
| Net position, end of year | $ | 40,049 |

See accompanying notes to financial statements

## Santa Fe College Academy of Science and Technology
### Statement of Cash Flows

| | | For the Year Ended June 30, 2024 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Cash from operating revenues | $ | 63,054 |
| Payments to employees | | (314,906) |
| Payroll taxes paid | | (23,953) |
| Payments for benefits | | (94,850) |
| Payments to vendors for goods and services | | (11,383) |
| Net cash used in operating activities | | (382,038) |
| **Cash Flows from Noncapital Financing Activities** | | |
| State appropriations from county school district | | 500,834 |
| Cash from other revenues | | 3,000 |
| Net cash provided by noncapital financing activities | | 503,834 |
| Net increase in cash | | 121,796 |
| Cash, beginning of year | | - |
| Cash, end of year | $ | 121,796 |
| Reconciliation of operating loss to net cash used in operating activities | | |
| Operating income | $ | 40,049 |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Increase in unearned revenue | | 5,154 |
| Increase in accounts payable | | 217 |
| Increase in accrued salaries, payroll taxes & benefits | | 24,662 |
| Increase in liability for compensated absences | | 51,714 |
| Net cash provided by operating activities | $ | 121,796 |

See accompanying notes to financial statements

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Reporting Entity*

Santa Fe College Academy of Science and Technology (the "School"), is a charter school and restricted fund of Santa Fe College (the "College"). The School is organized pursuant to Section 1002.33, Florida Statutes and is governed by the Board of Trustees of the College who are appointed by the governor of the State of Florida. The College provides certain facilities, equipment and services to the School for operations. The School's teachers, administrators and support staff are employees of the College. Salaries and wages and related costs are allocated to the School by the College.

The School operates under a charter with the sponsoring school district, the School Board of Alachua County, Florida (the "District"). The initial charter is effective until June 30, 2028. At the end of the term of the charter, the District may choose not to renew the charter, in which case the District is required to notify the School, in writing, at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

### *Basis of Presentation*

As a restricted fund of the College, the School's accounting policies conform with accounting principles generally accepted in the United States of America (GAAP) applicable to public college and universities as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is responsible for establishing GAAP for public colleges and universities through its statements (GASBS) and Interpretations (GASBI). The National Association of College and University Business Officers (NACUBO) also provided the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB. The College reports as an entity engaged in only business-type activities. The financial statements of the School are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities of the College that is attributable to the transactions of the School. The College has adopted the accrual basis of accounting and entity wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
    - Statement of Net Position
    - Statement of Revenues, Expenses and Changes in Net Position
    - Statement of Cash Flows
    - Notes to Financial Statements

### *Basis of Accounting*

Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities and deferred inflows of resources are recognized in the accounts and reported in the financial statements. Specifically, basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. As a restricted fund of the College, the School's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The School follows GASB standards of accounting and financial reporting.

The School's principal operating activity is instruction. Operating revenues and expenses generally include all fiscal transactions directly related to instruction as well as administration, academic support, student services, and depreciation of capital assets.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the School's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources.

The statement of cash flows is presented using the direct method in compliance with GASB Cod. Sec. 2450 – *Cash Flow Statements*.

### *Cash and Cash Equivalents*

Cash consists of the School's allocation of the College's checking deposits in the financial institutions in the United States. Amounts on deposit exceeded insured balance limits of the Federal Deposit Insurance Corporation.

### *Capital Assets*

The College and, therefore, the School, have a capitalization threshold of $5,000 for tangible personal property. There were no capital assets reported at June 30, 2024.

### *Deferred Outflows / Inflows of Resources*

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

### *Revenue Sources*

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

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students (FTE) 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 revised calculations by the FDOE under the FEFP and the actual weighted FTE students during designated survey periods. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)(2), Florida Statutes. For the fiscal year ended June 30, 2024, the School reported 70.22 unweighted and 71.47 weighted FTE.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 certification documentation (Rule 6A-1.0503, FAC)
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC)

### *Use of Estimates*

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

### *Equity Classifications*

The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is classified as net position and displayed in three components:

- *Investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- *Restricted net position* – Consists of net position with constraints placed on its use 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 net position* – Consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of the investment in capital assets or the restricted component of net position.

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

### *Unearned Revenue*

The School is eligible for certain local revenues to support specific programs of the School. The School recognizes these revenues as the grant criteria are met. As of June 30, 2024, the School had received $5,154 from the granting agency that had not been earned. This amount is reported as Unearned Revenue in the Statement of Net Position.

### *Accounting Pronouncement Implemented*

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB 101 increases the usefulness of governments' financial statements by requiring recognition of liabilities for compensated absences that previously were not recognized as an obligation of the government. The provisions in GASB 101 were early implemented in the year ended June 30, 2024. The implementation of the new pronouncement is further disclosed in Note 4.

## NOTE 2 – RISK MANAGEMENT PROGRAMS

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

Worker's compensation and general liability coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. The School recognized no liabilities in relation to claims existing at the end of fiscal year 2024.

## NOTE 3 – FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state, and local funding sources, passed through the District. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

## NOTE 4 –LONG-TERM LIABILITIES

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

| | Beginning Balance | Additions | Deductions | Ending Balance | Current Portion |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Compensated absences | $ - | $ 51,714 | $ - | $ 51,714 | $ - |
| Less amount due in one year | - | - | - | - | - |
| Total Governmental Activities | $ - | $ 51,714 | $ - | $ 51,714 | $ - |

School employees may accrue annual and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The School reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the School expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2024, the estimated liability for compensated absences, which includes the School's share of the Florida Retirement System and FICA contributions, totaled $51,714. The School reports as current the portion of the compensated absences liability expected to be paid in the coming fiscal year based upon the College's prior experience. No amount of the compensated absences liability is reported as current as of June 30, 2024.

## NOTE 5 – FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN

The School follows GASB Cod. Sec. P20 for reporting the employers' proportionate share of the net pension liabilities for the Florida Retirement System ("FRS") defined benefit pension plans.

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan.

## NOTE 5 – FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the State and faculty and specified employees of State Colleges.

Essentially all regular employees of the School are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The School's pension expense totaled $44,634 for the fiscal year ended June 30, 2024.

### FRS Pension Plan

*Plan Description*. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

## NOTE 5 – FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Benefits Provided*. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

| Class, Initial Enrollment, and Retirement Age/Years of Service | % Value |
|---|---|
| ***Regular Class members initially enrolled before July 1, 2011*** | |
| Retirement up to age 62 or up to 30 years of service | 1.60 |
| Retirement at age 63 or with 31 years of service | 1.63 |
| Retirement at age 64 or with 32 years of service | 1.65 |
| Retirement at age 65 or with 33 or more years of service | 1.68 |
| ***Regular Class members initially enrolled on or after July 1, 2011*** | |
| Retirement up to age 65 or up to 33 years of service | 1.60 |
| Retirement at age 66 or with 34 years of service | 1.63 |
| Retirement at age 67 or with 35 years of service | 1.65 |
| Retirement at age 68 or with 36 or more years of service | 1.68 |

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

### HIS Pension Plan

*Plan Description*. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided*. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

## NOTE 5 – FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Contributions*. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were as follows:

| Class | Percent of Gross Salary | |
|---|---|---|
| | Employee | Employer (A) |
| FRS, Regular | 3.00 | 13.57 |
| FRS, SMSC | 3.00 | 34.52 |
| DROP – Applicable to Members from all the above classes | - | 21.13 |
| FRS, Reemployed Retiree | (B) | (B) |

Notes: (A) Employer rates include 2.00 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.
(B) Contribution rates are dependent upon retirement class in which reemployed.

The School's contributions, including employee contributions, to the Plan were made by the College and are reported in the financial statements of the College.

Management has elected not to allocate pension related deferred outflows of resources, deferred inflows of resources or the net pension liability to the School's financial statements. Because of this, the disclosures required by GASB Cod. Sec. P20 are not presented in the School's financial statements.

A complete presentation in accordance with GASB Cod. Sec. P20 of the pension related elements, financial statement disclosures and required supplementary information for the College can be found in the annual audited financial statements of Santa Fe College which is available by contacting the Vice President for Administrative Affairs/CFO, Santa Fe College, 3000 Northwest 83rd Street, Gainesville, FL, 32606.

## NOTE 6 – COMMITMENTS AND CONTINGENT LIABILITIES

The school participates in Federal and State grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2024 may be impaired. In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants. No provision has been recorded in the accompanying financial statements for such contingencies.

## NOTE 7 – SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's state revenue:

| Source | Amount |
|---|---|
| Florida Education Finance Program | $ 500,834 |
| Miscellaneous | 3,000 |
| Total | $ 503,834 |

Accounting policies relating to certain State revenue sources are described in Note 1.

## NOTE 8 – LEGAL MATTERS

In the normal course of conducting its operations, the School could become party to various legal actions and proceedings. The School has no legal actions or pending proceedings in progress.

## NOTE 9 – RELATED PARTIES

The School is a restricted fund of Santa Fe College (the "College"). The College provides access to facilities and equipment as well as administrative services to the School. The School's teachers, administrators and support staff are employees of the college. Salaries and wages and related costs are allocated to the School by the College.

## NOTE 10 – SUBSEQUENT EVENTS

The School performed an evaluation of events subsequent to the balance sheet date and through the report date, which is the date the financial statements were available to be issued.

**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***

Board of Trustees
Santa Fe College Academy of Science and Technology

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 Santa Fe College Academy of Science and Technology (the "School"), a charter school and restricted fund of Santa Fe College, 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 February 14, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buescher & Company, LLC

Buescher & Company, LLC

Madison, Florida
February 14, 2025

**MANAGEMENT LETTER AS REQUIRED BY THE RULES OF THE FLORIDA AUDITOR GENERAL, CHAPTER 10.850, FLORIDA STATUTES, *CHARTER SCHOOL AUDITS***

Board of Trustees
Santa Fe College Academy of Science and Technology

**Report on the Financial Statements**

We have audited the financial statements of Santa Fe College Academy of Science and Technology (School), a charter school and restricted fund of Santa Fe College, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated February 14, 2025.

**Auditors' 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 Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated February 14, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 Santa Fe College Academy of Science and Technology and 010922.

**Financial Condition and Management**

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

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

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

**Transparency**

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

**Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, 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 Trustees, applicable management, and the District School Board of Alachua County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Buescher & Company, LLC

Buescher & Company, LLC

Madison, Florida
February 14, 2025