

Florida High School for Accelerated  
Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
(A Component Unit of the School Board of  
Hillsborough County, Florida)

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2017

**Florida High School for Accelerated Learning –  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Basic Financial Statements and Additional Information  
June 30, 2017**

**Table of Contents**

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Independent Auditor’s Report	1-2
<b>Management’s Discussion and Analysis</b>	
Management’s Discussion and Analysis (Not covered by Independent Auditor’s Report)	3-7
<b>Basic Financial Statements</b>	
Government-wide Basic Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Basic Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	13
Statement of Revenues and Expenditures - Budget and Actual – General Fund	14
Statement of Revenues and Expenditures - Budget and Actual – Special Revenue Fund	15
Notes to Basic Financial Statements	16-23
<b>Other Independent Auditor’s Reports</b>	
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 <i>Government Auditing Standards</i>	24-25
Independent Auditor’s Report to the Board of Directors	26-27

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Florida High School for Accelerated Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School (the "School"), a component unit of the School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2017, and the respective changes in financial position, and budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of Florida High School for Accelerated Learning - Hillsborough County Campus, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Florida High School for Accelerated Learning - Hillsborough County Campus, Inc. as of June 30, 2017 and the changes in its financial position where applicable, for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 27, 2017

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Florida High School for Accelerated Learning –  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Management’s Discussion and Analysis  
June 30, 2017**

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As management of Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School (the “School”), a component unit of the School District 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 year ended June 30, 2017 with certain comparative information for 2016.

Management’s discussion and analysis is included at the beginning of the School’s basic financial statements to provide, in layman’s terms, the past and 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 and other supplementary information.

### **Financial Highlights**

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

- The School’s total assets exceeded its liabilities by \$ 168,857 (net position). This amount includes net investment in capital assets of \$ 708,691. The remaining deficit amount of \$ (539,834) is unrestricted.
- The School’s total revenues were \$ 1,987,936, including \$ 1,897,268 from general revenues and \$ 90,668 from program revenues. The School’s expenses for this year were \$ 1,520,579.

### **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 basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements.

**Government-Wide Basic Financial Statements:** The government-wide basic 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 two 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 basic 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 8 and 9 of this report.

**Fund Basic Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 basic government-wide financial statements. However, unlike the government-wide basic financial statements, governmental fund basic 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 basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide basic 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 change in fund balance 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 change in fund balance. The General Fund, Special Revenue, and Capital Projects Fund are considered to be the School’s major funds.

The School adopts an annual budget for certain governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 10 through 15 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 basic financial statements. The notes to basic financial statements can be found on pages 16 through 23 of this report.

### Government-Wide Financial Analysis

The School’s net position (deficit) was \$ 168,857 at June 30, 2017 and \$ (298,500) at June 30, 2016. The table below focuses on the net position (deficit) of the School’s governmental activities as follows:

**Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School Management’s Discussion and Analysis June 30, 2017**

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Florida High School for Accelerated Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
Statements of Net Position (Deficit)

	June 30, 2017	June 30, 2016
<b>Assets:</b>		
Current assets	\$ 321,041	\$ 94,200
Capital assets, net of depreciation	<u>708,691</u>	<u>830,540</u>
Total assets	<u>1,029,732</u>	<u>924,740</u>
<b>Liabilities: Current</b>	<u>860,875</u>	<u>1,223,240</u>
Total liabilities	<u>860,875</u>	<u>1,223,240</u>
<b>Net Position (Deficit):</b>		
Net investment in capital assets	708,691	830,540
Unrestricted (deficit)	<u>(539,834)</u>	<u>(1,129,040)</u>
Total net position (deficit)	\$ <u>168,857</u>	\$ <u>(298,500)</u>

A portion of the School’s net position reflects its investment in capital assets. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources that are subject to external restrictions on how they may be used are classified as restricted net position. As of June 30, 2017, the School had no restricted net position.

**Governmental Activities:** The results of the year’s operations for the School as a whole are reported in the statement of activities on page 9. The table following provides a condensed presentation of the School’s revenues and expenses for the years ended June 30, 2017 and June 30, 2016:

Florida High School for Accelerated – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
Changes in Net Position

	June 30, 2017	June 30, 2016
<b>Revenues:</b>		
State sources	\$ 1,460,073	\$ 1,505,947
Federal sources	27,503	43,767
Local sources	<u>500,360</u>	<u>331</u>
Total revenues	<u>1,987,936</u>	<u>1,550,045</u>



**Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School Management’s Discussion and Analysis June 30, 2017**

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Florida High School for Accelerated Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
Changes in Net Position  
(continued)

	June 30, 2017	June 30, 2016
<b>Functions/Program</b>		
<b>Expenses:</b>		
Instruction	538,465	573,398
Administrative services	393,576	367,230
Other instructional support	229,984	236,129
Plant operations and maintenance	358,554	405,500
Total governmental activities	1,520,579	1,582,257
Change in net position	\$ 467,357	\$ (32,212)

**Governmental Fund Expenditures**

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

Functions/Programs	2017		2016	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Instructional expenditures	\$ 538,465	38.5%	\$ 575,119	39.3%
Administrative services	393,576	28.1%	367,230	25.1%
Plant operations and maintenance	237,268	17.0%	286,186	19.5%
Other instructional support services	229,421	16.4%	235,405	16.1%
Total governmental expenditures	\$ 1,398,730	100.0%	\$ 1,463,940	100.0%

**Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2017, the School had capital assets of \$ 708,691, net of accumulated depreciation compared to \$ 830,540 at June 30, 2016 (Note 4).

**Debt administration:** At June 30, 2017, the School had no outstanding debt.

**General Fund Budgetary Highlights**

The original budget was amended primarily due to a reallocation of revenues by source.

Total actual revenues were favorable to the budget by approximately \$ 100,000. The School reported 227 unweighted FTE compared to 210 unweighted FTE in the final budget, which resulted in favorable FEPF revenues of approximately \$ 102,000. The favorable FEPF revenues were partially offset by unfavorable local and transportation revenues of approximately \$ 2,000.

Total actual expenditures were under budgeted amounts by approximately \$ 47,000 mainly due to lower plant operation costs. See page 14 for budget and actual comparisons.

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

FEFP funding per student will decrease by approximately \$ 40 or 0.5% in FY 2018 as compared to FY 2017. The management agreement continues to provide for the delivery of services despite any revenue shortfalls. Enrollment will be sufficient.

All these factors were considered in preparing the FY 2018 budget.

**Requests for Information**

If you have any questions about this report or need additional information, please write Accelerated Learning Solutions, Inc., 2636 Elm Hill Pike, Suite 500 Nashville, TN 37214.

# BASIC FINANCIAL STATEMENTS

**Florida High School for Accelerated Learning -  
 Hillsborough County Campus, Inc. d/b/a  
 Town and Country Charter High School  
 Statement of Net Position  
 June 30, 2017**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 298,742
Due from other governmental agencies	7,250
Prepays	<u>15,049</u>
Total current assets	<u>321,041</u>
<b>Noncurrent Assets:</b>	
Capital assets, net of accumulated depreciation	<u>708,691</u>
Total assets	\$ <u><u>1,029,732</u></u>
<b>Current Liabilities:</b>	
Accounts payable	\$ 164,838
Due to related party	<u>696,037</u>
Total current liabilities	<u>860,875</u>
<b>Net Position:</b>	
Net investment in capital assets	708,691
Unrestricted (deficit)	<u>(539,834)</u>
Total net position	<u>168,857</u>
Total liabilities and net position	\$ <u><u>1,029,732</u></u>

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

Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Statement of Activities  
For the Year Ended June 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction	\$ 409,163	\$ -	\$ 27,503	\$ -	\$ (381,660)
Instructional support services	129,302	-	-	-	(129,302)
Board services	45,735	-	-	-	(45,735)
General administration:					
District management fee	69,038	-	-	-	(69,038)
Management fee	170,549	-	-	-	(170,549)
Education fee	39,357	-	-	-	(39,357)
Administrative services	278,803	-	-	-	(278,803)
Facilities acquisition and construction	121,849	-	-	-	(121,849)
Pupil transportation	563	-	-	-	(563)
Food service	19,515	-	-	-	(19,515)
Operation of plant	227,763	-	-	63,165	(164,598)
Maintenance of plant	8,942	-	-	-	(8,942)
Total governmental activities	\$ <u>1,520,579</u>	\$ <u>-</u>	\$ <u>27,503</u>	\$ <u>63,165</u>	<u>(1,429,911)</u>
			General revenues:		
			Florida Education		
			Finance Program (Note 7)		1,396,908
			Contribution from management company		500,000
			Miscellaneous revenues		360
					<u>1,897,268</u>
			Total general revenues		
					<u>1,897,268</u>
			Change in net position		467,357
			Net position (deficit), July 1, 2016		<u>(298,500)</u>
			Net position, June 30, 2017		\$ <u>168,857</u>

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

Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Balance Sheet - Governmental Funds  
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 298,742	\$ -	\$ -	\$ 298,742
Due from governmental agencies	1,066	-	6,184	7,250
Due from capital projects fund	6,184	-	-	6,184
Prepays	<u>15,049</u>	<u>-</u>	<u>-</u>	<u>15,049</u>
Total assets	<u>\$ 321,041</u>	<u>\$ -</u>	<u>\$ 6,184</u>	<u>\$ 327,225</u>
<b>Liabilities:</b>				
Accounts payable	\$ 164,838	\$ -	\$ -	\$ 164,838
Due to general fund	-	-	6,184	6,184
Due to related party	<u>696,037</u>	<u>-</u>	<u>-</u>	<u>696,037</u>
Total liabilities	<u>860,875</u>	<u>-</u>	<u>6,184</u>	<u>867,059</u>
<b>Fund Balances (Deficit):</b>				
Unassigned (deficit)	<u>(539,834)</u>	<u>-</u>	<u>-</u>	<u>(539,834)</u>
Total fund balances (deficit)	<u>(539,834)</u>	<u>-</u>	<u>-</u>	<u>(539,834)</u>
Total liabilities and fund balances (deficit)	<u>\$ 321,041</u>	<u>\$ -</u>	<u>\$ 6,184</u>	<u>\$ 327,225</u>

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

**Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
June 30, 2017**

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**Total Fund Balances (Deficit) - Governmental Funds** \$ (539,834)

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Cost of capital assets	\$ 1,056,137	
Accumulated depreciation	<u>(347,446)</u>	<u>708,691</u>

**Net Position of Governmental Activities** \$ 168,857

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

**Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2017**

	<u>Account</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues:</b>					
Federal through state and local sources	3200	\$ -	\$ 27,503	\$ -	\$ 27,503
State sources:					
Florida Education Finance Program	3310	1,382,083	-	-	1,382,083
State capital outlay and debt service	3320	-	-	63,165	63,165
Transportation revenue	3490	14,825	-	-	14,825
Miscellaneous local revenue	3495	500,360	-	-	500,360
		<u>1,897,268</u>	<u>27,503</u>	<u>63,165</u>	<u>1,987,936</u>
Total revenues					
<b>Expenditures:</b>					
Instruction	5000	409,163	-	-	409,163
Instructional support services	6000	129,302	-	-	129,302
Board services	7100	45,735	-	-	45,735
General administration:					
District management fee	7200.30	69,038	-	-	69,038
Management fee	7200.31	170,549	-	-	170,549
Education fee	7200.32	39,357	-	-	39,357
Administrative services	7300	278,803	-	-	278,803
Food service	7600	563	-	-	563
Pupil transportation	7800	19,515	-	-	19,515
Operation of plant	7900	137,095	27,503	63,165	227,763
Maintenance of plant	8100	8,942	-	-	8,942
		<u>1,308,062</u>	<u>27,503</u>	<u>63,165</u>	<u>1,398,730</u>
Total expenditures					
Net change in fund balances		589,206	-	-	589,206
<b>Fund Balances (Deficit), July 1, 2016</b>		<u>(1,129,040)</u>	<u>-</u>	<u>-</u>	<u>(1,129,040)</u>
<b>Fund Balances (Deficit), June 30, 2017</b>		<u>\$ (539,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (539,834)</u>

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



**Florida High School for Accelerated Learning -  
 Hillsborough County Campus, Inc. d/b/a  
 Town and Country Charter High School  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances -  
 Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2017**

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**Net Change in Fund Balances - Governmental Funds** \$ 589,206

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

Governmental funds report capital outlays as expenditures.  
 However, in the statement of activities, the cost of those  
 assets is depreciated over their estimated useful lives:

Capital expenditures	\$	-	
Current year provision for depreciation		<u>(121,849)</u>	<u>(121,849)</u>

**Change in Net Position of Governmental Activities** \$ 467,357

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

**Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Statement of Revenues and Expenditures  
Budget and Actual - General Fund  
For the Year Ended June 30, 2017**

	<u>Account</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues:</b>					
State and local sources:					
Florida Education					
Finance Program	3310	\$ 1,736,505	\$ 1,280,284	\$ 1,382,083	\$ 101,799
Transportation revenue	3490	38,277	17,250	14,825	(2,425)
Miscellaneous local revenue	3495	-	500,000	500,360	360
		<u>1,774,782</u>	<u>1,797,534</u>	<u>1,897,268</u>	<u>99,734</u>
<b>Expenditures:</b>					
Instruction	5000	431,007	371,412	409,163	(37,751)
Instructional support services	6000	212,028	139,352	129,302	10,050
Board services	7100	46,600	46,600	45,735	865
General administration:					
District management fee	7200.30	53,243	89,877	69,038	20,839
Management fee	7200.31	236,046	194,603	170,549	24,054
Education fee	7200.32	-	-	39,357	(39,357)
Administrative services	7300	261,253	278,532	278,803	(271)
Food service	7600	-	-	563	(563)
Pupil transportation	7800	18,664	16,298	19,515	(3,217)
Operation of plant	7900	195,759	214,543	137,095	77,448
Maintenance of plant	8100	3,720	3,720	8,942	(5,222)
		<u>1,458,320</u>	<u>1,354,937</u>	<u>1,308,062</u>	<u>46,875</u>
Excess (deficiency) of revenues over expenditures		<u>316,462</u>	<u>442,597</u>	<u>589,206</u>	<u>146,609</u>
<b>Other financing uses:</b>					
Transfers out		<u>(33,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance		<u>\$ 282,741</u>	<u>\$ 442,597</u>	<u>\$ 589,206</u>	<u>\$ 146,609</u>

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

Florida High School for Accelerated Learning -  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Statement of Revenues and Expenditures -  
Budget and Actual - Special Revenue Fund  
For the Year Ended June 30, 2017

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	<u>Account</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues:</b>					
Federal through state and local sources:					
E-Rate credit	3199	\$ <u>32,880</u>	\$ <u>32,880</u>	\$ <u>27,503</u>	\$ <u>(5,377)</u>
Total revenues		<u>32,880</u>	<u>32,880</u>	<u>27,503</u>	<u>(5,377)</u>
<b>Expenditures:</b>					
Operation of plant	7900	<u>32,880</u>	<u>32,880</u>	<u>27,503</u>	<u>5,377</u>
Total expenditures		<u>32,880</u>	<u>32,880</u>	<u>27,503</u>	<u>5,377</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 the statements.

## Note 1 - Organization and Operations

Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School (the “School”), a component unit of the School District of Hillsborough County, Florida (the “School Board”) was established as a charter school for students from ninth to twelfth grade in Hillsborough County. For the year ended June 30, 2017, 227 students were enrolled in the School. The School is funded primarily through the School Board and was organized as a Florida nonprofit corporation. The School was granted a charter from the School Board to operate a public high school within the School District. The School Board may terminate the charter before its expiration date based on various circumstances as defined in the charter agreement.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. as of June 30, 2017, and the changes in its 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 School Board. The current charter is effective until June 30, 2019, and may be renewed in increments of five years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School 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 School 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, Florida.

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 basic financial statements.

**Basis of presentation:** Based on the guidance provided in the American Institute of Certified Public Accountants and provisions of Section 228.056(9), Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

**Government-wide basic statements:** The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major fund). Both the government-wide and fund basic financial statements categorize primary activities as either governmental or business-type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations.

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

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues (unrestricted contributions, investment earnings, miscellaneous revenue, etc.). The statement of activities reduces gross expenses (including provision for depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the year ended June 30, 2017, the School had program revenues of \$ 90,668.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net position resulting from the current year's activities.

**Fund basic financial statements:** The accounts of the School are organized on the basis of funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures.

The School reports the following major governmental funds:

**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.

**Special Revenue Fund** – This fund is used to account for federal grants that are legally restricted to expenditures for particular purposes.

**Capital Projects Fund** – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

**Measurement focus and basis of accounting:** The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide basic financial statements is presented on the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within sixty days after year end or soon enough thereafter to be used to pay liabilities of the current period.

**Cash and cash equivalents:** The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

In addition, the School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

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

**Due to and from other funds:** Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

**Due from governmental agencies:** Amounts due to the School from governmental agencies are for grants or programs under which the services have been provided by the School. At June 30, 2017, amounts due from governmental agencies mostly represents amounts due from Florida Department of Education for FEFP and capital outlay funding.

**Capital assets:** Capital assets purchased or acquired with an original cost of \$ 1,000 or more are capitalized at historical cost or estimated historical cost and are reported in the government-wide financial statement. Donated capital assets are valued at the estimated fair market 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 capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is provided on the straight-line basis over the respective useful lives ranging from 3 to 7 years.

Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

**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. The School does not have any items that qualify for reporting in this category.

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 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 legal claim to them.

**Grant and contract revenue:** Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred.

**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 basic statements. The School Board retains a 5% administration fee for enrollment up to and including 250 students. The administration fee is reduced to 3% for the portion of the administration fee representing student population in excess of 250. The difference between the total administrative fee calculation (5%) on total enrollment and the amount of administrative fee withheld (3%) may only be used for capital outlay purposes. This funding is received on a pro-rata basis over a twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

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

**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.
- Unrestricted - indicates that portion of net position that will need to be funded by future operations.
- Restricted net position - 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. The School does not have any items that qualify for reporting in this category.

**Fund balance:** The School implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable Fund Balance* – amounts that are not in spendable form (such as prepaid items) or are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – amounts constrained to specific purposes by external providers (such as grantors, creditors, etc.) or imposed by law through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – amounts constrained to specific purposes by formal action of the Board itself, using its highest level of decision making authority (i.e., the Board Members) through resolution or ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the Board Members take the same highest level action (i.e., resolution or ordinance) to remove or change the constraint.
- *Assigned Fund Balance* – amounts the School intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the Board.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. Positive amounts are only reported in the General Fund.

The School uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the School would first use committed fund balance, followed by assigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.



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

**Budget:** An operating budget is adopted and maintained by the governing board for the School 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 financial statements.

**Income taxes:** The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**Use of estimates:** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Date of management review:** Subsequent events were evaluated by management through September 27, 2017, which is the date the financial statements were available for issuance.

**Note 3 – Cash and Cash Equivalents**

At June 30, 2017, the carrying amount and bank balance of the deposits and cash on hand totaled \$ 298,742.

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 reporting requirements of the qualified public depositor to the treasurer is defined by the 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 are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2017.

**Note 4 - Capital Assets**

A summary of changes in governmental capital assets is as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets, depreciable:				
Leasehold improvements	\$ 677,312	\$ -	\$ -	\$ 677,312
Computers and equipment	234,826	-	-	234,826
Furniture and fixtures	143,999	-	-	143,999
Total capital assets, depreciable	<u>1,056,137</u>	<u>-</u>	<u>-</u>	<u>1,056,137</u>



Florida High School for Accelerated Learning –  
Hillsborough County Campus, Inc. d/b/a  
Town and Country Charter High School  
Notes to Basic Financial Statements  
June 30, 2017

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**Note 4 - Capital Assets (continued)**

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Accumulated depreciation:				
Leasehold improvements	135,065	67,731	-	202,796
Computers and equipment	63,560	33,547	-	97,107
Furniture and fixtures	26,972	20,571	-	47,543
Total accumulated depreciation	<u>225,597</u>	<u>121,849</u>	<u>-</u>	<u>347,446</u>
Net capital assets	\$ <u>830,540</u>	\$ <u>(121,849)</u>	\$ <u>-</u>	\$ <u>708,691</u>

The provision for depreciation for the year ended June 30, 2017, amounted to \$ 121,849. The School allocated 100% of the depreciation to facilities acquisition and construction.

**Note 5 – Commitments and Contingencies**

**Management agreement:** The School has entered into a contractual agreement with Accelerated Learning Solutions, Inc., a Tennessee Corporation (the “Company”), to provide management and consulting services to the School. The amended and restated management agreement commenced July 2014 for a five year term and is automatically renewable for successive five year terms unless notice of intent not to renew is executed six months prior to its anniversary by either party. Under the terms of the agreement, the School is charged fees for services of thirteen percent (13%), as defined by the agreement. Qualified gross revenues include various federal, state and local source revenues with certain exceptions, including, but not limited to federal or state awards that are intended to be a reimbursement of expenditures on a dollar for dollar basis. The Company is also entitled to all grants and contributions not defined by the agreement within the terms of qualified gross revenues. During the year ended June 30, 2017, the Company contributed \$ 500,000 to the School in support. This amount is included in miscellaneous revenues in the accompanying financial statements.

In return for the above fees the Company shall be responsible for providing management and consulting services in the areas of financial operations, facility and equipment procurement and maintenance, curriculum assessment and evaluation, technology and operational support, human resources and student recruitment.

The contract may be terminated by the School for non-renewal of the charter with the School Board, and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material changes in federal or state funding, or other material breaches of the contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

**Educational services agreement:** The School has also entered into a contractual agreement with the Company to provide educational services to the School. The agreement commenced July 2014 for a five year term and is automatically renewable for successive five year terms unless notice of intent not to renew is executed six months prior to its anniversary by either party. Under the terms of the agreement, the School is charged fees for services of three percent (3%) of the School’s qualified gross revenues as defined above. In addition, the School must pay the Company all salary and hourly wages and actual benefit costs of the personnel employed by the Company for the School, and all direct, third party costs incurred by the Company in connection with providing the educational program services.

**Note 5 - Commitments and Contingencies (continued)**

In return for the above fees the Company shall be responsible for providing the educational program for the School subject to the approval of the School and consistent with the mission set forth in the School’s charter. The Company shall also recruit, select and employ the School’s principal and other personnel deemed necessary by the Company and the School for the School’s operations.

The contract may be terminated by the School for non-renewal of the charter with the School Board, and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material changes in federal or state funding, or other material breaches of the contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

**Lease commitment:** The School entered into a five year lease agreement for the facilities of the School, which expires in August 2019 and requires base monthly payments of approximately \$ 10,000. The lease also calls for annual operating charges to be assessed in addition to other charges including payments for certain landlord improvements. The lease also contains four renewal options for five years each. Total expense in connection with the facility lease amounted to approximately \$ 120,000 for the year ended June 30, 2017.

Future lease payments, including the annual operating and other charges mentioned above, are approximately as follows:

Year Ending June 30,		
2018	\$	120,000
2019	\$	20,000
Thereafter	\$	NONE

**Post-retirement benefits:** The School does not provide post-retirement benefits to retired employees. All employees are employees of the management company and benefits are the management company’s sole responsibility.

**Note 6 - Risk Financing**

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. There have been no claims in excess of insurance coverage since the School’s inception.

#### **Note 7 – 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 2016/2017 school year, the School reported 227 unweighted FTE. Weighted funding represented approximately 1% of total state funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the 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 8 – Related Party**

The School and Seminole Heights High School ("Seminole") are related, as they all share common board membership and are departments of Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. As of June 30, 2017, the basic financial statements include an amount due to Seminole in the amount of \$ 696,037 for reimbursement of certain operating expenses and start-up costs.

#### **Note 9 – Deficit**

The School recorded a deficit fund balance of \$ 539,834 as of June 30, 2017. This is the third year of operations. The school's startup costs, outlay capital expenditures and other non-recurring expenditures attributable to the initial year of School operations resulted in a deficit. The School continues to budget a net income and believes that results of future years will offset the remaining deficit. In addition, the School is closely monitoring its budget to actual monthly results and making appropriate adjustments as necessary. The School previously expected future gains to offset the initial fund balance deficit. In the current year, the deficit was reduced by \$ 589,206.

OTHER REPORTS OF  
INDEPENDENT AUDITORS

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  
Florida High School for Accelerated Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
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 Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School (the "School"), a component unit of the School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 27, 2017.

**Internal Control over Financial Reporting**

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 27, 2017

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors  
Florida High School for Accelerated Learning – Hillsborough County Campus, Inc.  
d/b/a Town and Country Charter High School  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the financial statements of Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School (the “School”), a component unit of the School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2017, and have issued our report thereon dated September 27, 2017.

### Auditor's Responsibility

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; and chapter 10.820, Rules of the Auditor General.

### Other Report

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 September 27, 2017, 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 recommendations made in the preceding audit report.

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Florida High School for Accelerated Learning – Hillsborough County Campus, Inc. d/b/a Town and Country Charter High School.

### Financial Condition

Section 10.854(1)(e)2, Rules of the Auditor General, require that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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.

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains 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.

**Other Matters**

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

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

**Purpose of this Letter**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 27, 2017