

**TERRACE COMMUNITY
MIDDLE SCHOOL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
June 30, 2021**

**TERRACE COMMUNITY MIDDLE SCHOOL
JUNE 30, 2021**

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TCMS Terrace Community Middle School

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Back To Basics Charter School Foundation, Inc. Terrace Community Middle School Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2021

Our analysis and discussion of the Back to Basics Charter School Foundation Inc.- Terrace Community Middle School (BTBCSF-TCMS) financial performance provides an overview of the school's financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

The BTBCSF-TCMS net assets totaled \$2,637,644 which represents 31% increase over prior fiscal year. The net assets balance consisted of net capital investments of \$ 1,890,924, loans payable of \$0.00 and unrestricted net assets of \$ 746,720. General state revenues totaled \$ 4,920,393 and accounted for 94.6% of all revenues for the school.

The year end balances in our separate funds were: general fund reported a balance of \$827,538 while our debt service fund ended with a fund balance of \$ 867,597.

Using this Comprehensive Annual Financial Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand BTBCSF-TCMS as a whole, and then proceed to a detailed look at specific financial activities.

Reporting BTBCSF-TCMS as a Whole

The statement of Net Assets and Statement of Activities

One of the most important questions one can ask about the BTBCSF-TCMS financial activities is: Is BTBCSF-TCMS better off or worse as a result of this year's activities? The Statement of Net Assets and the Statement of Activities report information about BTBCSF-TCMS as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration when cash is received or paid.

These two statements report BTBCSF-TCMS net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the financial health of BTBCSF-TCMS is improving or deteriorating as a whole. The reader should consider other non- financial factors such as enrollment, state funding levels, and facility conditions in arriving at their conclusion of the overall health of BTBCSF-TCMS.

Reporting the Schools Most Significant Funds

Fund Financial Statements

Our analysis of the school's major funds begins on page 3 of the Auditors report. The fund financial statements begin on page 18 of the Auditors report and provide detailed information about the most significant funds at BTBCSF-TCMS. These funds represent the funds required to be established by the State of Florida, HSB, and the "Red Book". The form of accounting for these funds is described in the notes that accompany the financial statements.

Governmental Funds

All non debt service funds that flow through the BTBCSF-TFMC activities are classified under Governmental Funds, which focus on how money flows into and out of the funds and the balances left at year-end available for spending in future periods. These funds are accounting for under a modified accrual accounting method, which measures cash and other financial assets that can readily be converted into cash. The government fund statements provide a detailed short-term view of the BTBCSF-TCMS general government operations and the basic services it provides. Government fund information helps you to determine whether there are more or less financial resources available to spend in the future to finance school activities. The relationship or differences between governmental activities as reported in the Statement of Net Assets and the Statement of Activities and governmental funds is reconciled in the basic financial statements.

Debt Service Funds

All capital funds (SIT) flow through the Debt Service fund, and the balances left at year end available for spending in future periods. These funds are accounting for under a modified accrual accounting method, which measures cash and other financial assets that can readily be converted into cash. The Debt Service fund statements provide a detailed view of the debt service funds available for the retirement of the debt incurred on behalf of the construction of the physical plant of BTBCSF-TCMS.

School-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of BTBCSF-TCMS assets exceeded liabilities by \$2,637,644 at the close of the past fiscal year. Approx. 71.7% of the BTBCSF-TCMS net assets reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The BTBCSF-TCMS uses capital assets to provide education facilities and services, therefore these assets are not available for future spending. Although the BTBCSF-TCMS investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. It should be noted that BTBCSF-TCMS secured a mortgage for \$6.215MM via issuance of Series 2007 A & B Industrial Development Revenue Bonds for the retirement of various bridge mortgages used to acquire 3.39 acres MOL and construction of 33,000 sq. ft permanent facility, at this point the Series B have been retired.

BTBCSF-Terrace Community Middle School
Management's Discussion and Analysis

A comparative Analysis of Fiscal year 2020 to 2021 follows:

Net Assets	Government Assets	
	<u>2020</u>	<u>2021</u>
Current Assets	2,084,299	1,831,337
Capital Assets	5,582,063	5,552,125
Total Assets	7,666,362	7,383,462
Current Liabilities	760,261	392,020
Long term liabilities	4,892,330	4,343,798
Total Liabilities	5,652,591	4,745,818
 Net Assets		
Invested in Capital		
Assets net of debt	984,388	1,890,924
Bank loan-	777,290	-
Unrestricted	1,029,383	746,720
Total Net assets	2,013,771	2,637,644

Analysis of Net Assets Restrictions

Currently, no portion of net assets are restricted that are not part of invested Capital assets, these balances may be used to meet the schools on going activities. The BTBCSF-TCMS continues to report positive balances in all areas of net assets.

BTBCSF-Terrace Community Middle School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

See appendix A

Changes in Net Assets

As previously stated, and further demonstrated in this analysis, BTBCSF-TCMS has experienced an increase in net assets of 31% during fiscal year 2021. This change is the effect of a decrease of 3.6% in revenues compounded by a 1.0% increase in overall operational spending for the same period. The balance of the changer is due to the forgiveness of the Covid PPP debt of \$733k. Keep mind that this analysis is a year over year review of actual revenues and expenses, and any related balance sheet changes.

The net revenue decrease of \$15k results from a combination of issues- the per student allocations from the State of Florida were increased by \$394k, the State provided an increases to the SIT funds approx. \$8K, all of these increase were all offset by decreased donations and fundraising and associated student fees collected (\$376k) during the Covid-19 effected hybrid mix of in-class and Zoom teaching scenarios.

As in prior years these funding sources helped to supplement the state revenue or FTE sources. Economic conditions locally as well as the demographics of our student population are dynamic and can change yearly, as such may or may not continue to contribute to this revenue mix situation.

The spending increases of \$45K were well distributed throughout the operation. Personnel costs increased with salary increases YOY this was augmented by increases in G&A spending and decreased instructional expenses as well as increased Facilities Acquisition costs. Additional spending due to Covid-19 sanitation requirements was heavy especially with the hybrid mix of in-house teaching and Zoom activities. Every effort was made to control spending to balance against the decreased revenues. Capital asset acquisition is influenced totally by the continued operation and instructional needs of the students and faculty. The foundation and school administration continue to seek cost reductions and revenue improvements.

The foundation and the school administration diligently seeks both continued operational efficiencies, and an aggressive search for additional funding opportunities. This remains a paramount goal for this governing body. At this time there is no expectation of nor any indication of any limitations to the viability of the school in the near future.

**TBCSF-Terrace Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

See appendix B

Variance Analysis to Budgets

To discuss the variances of the NON capital asset portion of these statements, the BTBCSF-TCS had an overall variance of revenues that were \$ 26,287 favorable to the plan for FY 2021, this is compared to a variance of \$749,787 favorable for the FY 2020.

Revenue variances for both years included:

<u>Revenue Source</u>	<u>Fav/(unfav) FY 2020 Var.</u>	<u>Fav/(unfav) FY 2021 Var.</u>
State FTE funds	\$ (14,582)	301,991
SIT Funds	56,708	8,040
Grant/Donations	8,135	79
Student/PRA	(61,604)	(375,970)
Loan Proceeds	733,900	

The revenue variances this year being favorable will contribute to building our reserves and fund balances; this is consistent with our continual efforts to streamline our operations and gain efficiencies whenever possible. FTE fees were significantly favorable to the plan, SIT funds were slightly favorable. The Covid-19 pandemic has contributed to new learning scenarios the include in-house teaching long with Zoom teaching, regardless the pandemic continues to thwart fundraising and student activity revenues.

Spending variances for the same periods included:

<u>Spending /Exp.</u>	<u>Fav/(Unfav) FY 2020 Var.</u>	<u>Fav/(Unfav) FY 2021 Var.</u>
Salaries/Fringe	\$ (292,565)	\$ 61,199
Instructional Svc	28,377	112,797
Gen Admin Exp.	77,197	(13,849)
Occupancy exp.	86,007	(149,617)

There were no changes between the original budget and the final budget.

The reasons for these variances are mainly related to the impact of Covid-19 changes to learning environment mix of in-house and Zoom the full fiscal year. Some savings in some areas and higher costs in other areas. All are primarily related to student needs and

they cover numerous issues. All issues were made aware to management and are dealt with accordingly. Every effort was made to ensure that there was ample funding to cover any program or initiative.

Management sees no significant impact on immediate operations of the school as a result of these variances.

Significant Capital Assets

As presented in Auditors NOTE 5 dealing with Capital Fixed assets, the net value of the capital Fixed assets at BTBCSF-TCMS decreased by \$21,358 net of accumulated depreciation of \$ 100,000. These additions included (at Gross):

Building Improvements	\$64,017
Furniture and Fixtures	4,111
Computers and related	10,314

Declaration of facts conditions since period end and audit report date:

During the past year, there were negotiations underway to securing a new facility. The Patel Family Foundation has built a 33,000 sq ft facility located at 10735 Raulerson Ranch Rd. Subsequent to year end management entered into a lease agreement to occupy the new facility for next school year. It is expected that the building will be ready for occupancy during August 2021 in time for the next school year. The Patel Family Foundation has offered and BTBCSF has accepted an offer of \$4,410,000 to acquire the property on Jefferson Rd. This transaction was consummated on July 29, 2021. The funds were used to fully retire the debt instruments associated with the existing Bond issue Series 2007 A. These bonds were redeemed on August 4, 2021. The residual deposits and reserves were refunded to BTBCSF, Inc.

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2021
 Appendix A

	2020 Governmental Activities	2021 Governmental Activities
	Actual	Actual
3001 · TOTAL REVENUE		
LOAN PROCEEDS	733,900	-
3110 · GRANT-DONATION INCOME		
3111 · CORPORATE GRANTS/DONATIONS	2,543	568
3112 · PRIVATE FOUNDATION GRANTS		
3113 · GENERAL PUBLIC DONATIONS	4,092	6,011
3119 · GRANTS-GOVERNMENTAL	10,000	-
3110 · GRANT-DONATION INCOME - Other		
Total 3110 · GRANT-DONATION INCOME	16,635	6,579
3120 · INVESTMENT INCOME		
3121 · INTEREST INCOME	13,057	319
Total 3120 · INVESTMENT INCOME	13,057	319
3130 · SCHOOL BOARD REVENUE=EFT		
3131 · STATE FUNDS-EFT	4,371,315	4,486,943
3132 · SIT FUNDS.,CAPITAL OUTLAY	331,708	341,272
3139 · OTHER INCOME-EFT	139,573	92,178
Total 3130 · SCHOOL BOARD REVENUE=EFT	4,842,596	4,920,393
3140 · OTHER INCOME		
3141 · SCHOOL LUNCH INCOME	130,559	84,446
3142 · TRANSPORTATION REVENUE		
3143 · STUDENT ACTIVITY/PROJECT INCOME		
31431 · FIELD TRIP RECEIPTS	48,957	14,091
31433 · YEARBOOK RECEIPTS	17,400	14,869
31435 · OTHER	32,081	12,209
31437 · Student Gov. Receipts	3,545	-
31459 · Music	-	-
31439 · 8th GRADE GRADUATION	25,593	
31450 · Book fees	42,131	43,935
31460- Drama Receipts	14,950	
After School / Slam / FAFO	57,839	18,136
Total 3143 · STUDENT ACTIVITY/PROJECT INCOME	242,496	103,240
3144 · ATHLETIC DEPARTMENT		
31441 · ADMISSION RECEIPTS	52	-
31442 · STUDENT PAYMENTS-FEES	10,951	300
31443 · FUND RAISING	-	-
31444 · OTHER-ATHLETIC	110	27
3144 · ATHLETIC DEPARTMENT - Other		
Total 3144 · ATHLETIC DEPARTMENT	11,113	327
3145 · P.R.A. ACTIVITIES		
31451 · AUCTION RECEIPTS	3,875	5,285
31452 · TEAM TORNADO RECEIPTS	108,284	64,550
31453 · SCHOOL STORE	27,423	18,324
31454 · WED. PIZZA LUNCH RECEIPTS		
31455 · PRA RECEIPTS OTHER	668	
31456 · PRA T SHIRT SALES	978	28
3145 · P.R.A. ACTIVITIES - Other		
Total 3145 · P.R.A. ACTIVITIES	141,228	88,211
3149 · OTHER		
3140 · OTHER INCOME - Other		
Total 3140 · OTHER INCOME	525,396	276,224
Total 3100 · FOUNDATION INCOME	6,131,584	5,203,515
Total 3001 · TOTAL REVENUE	6,131,584	5,203,515

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 Managment Discussion Analysis
 Fiscal Year Ended June 30,2021
 Appendix A

	6,131,584	5,203,515
4000 · TOTAL EXPENSES		
5100 · Basic instruction		
5100100 · Basic Instruction salaries		
5100101 · CLASSROOM TEACHER P/R	2,617,742	2,535,877
Total 5100100 · Basic Instruction salaries	2,617,742	2,535,877
5100200 · Basic Instruction Employee Ben.		
5100203 · FICA-ER EXP.	188,916	184,072
5100204 · Group Inc exp.	-	-
5100206 · FLA SUI EXP.	1,945	3,322
5100207 · OTHER P/R RELATED EXP	376,618	401,191
Total 5100200 · Basic Instruction Employee Ben.	567,479	588,585
5100500 · Basic Instr-material & suppl		
5100510 · MATERIALS & SUPPLIES	9,780	53
5100520 · SUPPLIES-INSTRUCTIONAL	23,050	10,482
= 5100540 · TEXT BOOKS	11,665	17,038
5100550 · instructional equipment	47,373	21,299
5100580 · STUDENT ACTIVITIES-PROGRAMS	2,485	6,080
5100581 · FIELD TRIP EXP.	53,580	10,556
5100582 · BANQUET EXPENSES		
5100583 · YEARBOOK EXPENSES	13,723	9,415
5100585 · OTHER	6,105	6,674
5100586 · SGA EXPENSES	1,514	4,300
5100587 · Forensics expense	4,240	1,468
5100588 · 8th Grade Graduation	2,606	3,083
Total 5100500 · Basic Instr-material & suppl	176,121	90,448
Total 5100 · Basic instruction	3,361,342	3,214,910
5600 · Other Instructional		
5600100 · Other Instr-salaries		
5600101 · SUBSTITUTE TEACHER P/R	20,791	8,282
5600102 · AIDE P/R		
5600103 · Stipends	-	-
Total 5600100 · Other Instr-salaries	20,791	8,282
5600200 · Other instr-employee ben		
5600203 · OI FICA ER	1,407	668
5600206 · OI Fla SUI	67	126
5600207 · OI other PR related		
Total 5600200 · Other instr-employee ben	1,474	794
Total 5600 · Other Instructional	22,265	9,076
6200 · Instructional Media Services		
6200500 · Instr. media Svc-materials		
6200530 · PERIODICALS		
6200590 · OTHER MATERIAL & SUPPLIES		
Total 6200500 · Instr. media Svc-materials	-	-
Total 6200 · Instructional Media Services	-	-
7200 · General Administration		
7200300 · Gen Admin purchases svc		
7200310 · PROFESSIONAL & TECH. SERVICES	59,567	69,081
7200320 · GENERAL & PROPERTY INSURANCE EX	56,145	59,004
7200330 · TRAVEL EXP.		
7200335 · ENTERTAINMENT EXP.	1,003	101
7200363 · EQUIPMENT-OFFICE RENTALS	4,209	5,276
7200371 · TELEPHONE EXPENSES	17,844	18,310
7200372 · INTERNET EXPENSES		
7200380 · DISTRICT ADMIN ERXP	106,496	110,047
7200390 · OFFICE EXPENSES	12,859	11,132

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7200395 · CITY UTILITIES	15,064	7,660
Total 7200300 · Gen Admin purchases svc	<u>273,187</u>	<u>280,611</u>
7200400 · Gen Admin Energy svc		
7200430 · ELECTRICITY EXP.	41,332	38,832
7200431 · Gas bill		
Total 7200400 · Gen Admin Energy svc	<u>41,332</u>	<u>38,832</u>
7200700 · Gen Admin other exp		
7200701 · OTHER EXPENSES		
7200703 · INTEREST EXP.	252,004	243,034
7200704 · FUND RAISING EXP	1,944	1,169
7200705 · Challenge Fund Spending		
7200751 · P.R.A. SPENDING	-	-
7200752 · PRA AUCTION EXPENSES	-	-
7200753 · PRA TEAM TORNADO EXPENSES	20,203	10,527
7200754 · PRA SCHOOL STORE EXPENSES		
7200755 · PRA PIZZA LUNCH EXP		
7200756 · PRA OTHER EXPENSES	5,818	3,653
7200760 · BOARD EXPENSES	3,861	7,997
7200780 · ATHLETIC DEPT. SPENDING	-	-
7200781 · ATHLETIC FACILITY RENTALS		
7200782 · REFEREE FEES	3,685	-
7200783 · ATHLETIC UNIFORM EXPENSES	3,727	115
7200784 · ATHLETIC EQUIPMENT-SUPPLIES		
7200785 · ATHLETIC REGISTRATION FEES	660	256
7200786 · ATHLETIC EXPENSES-OTHER	2,497	-
7200790 · MISC. OTHER EXP.	55,103	64,755
7277702 · MOSI MOVING EXPENSES		
Total 7200700 · Gen Admin other exp	<u>349,502</u>	<u>331,506</u>
Total 7200 · General Administration	<u>664,021</u>	<u>650,949</u>
7300 · School Admin		
7300100 · School Admin Salaries		
7300101 · ADMINISTRATION P/R	813,910	868,259
7300102 · CLERICAL P/R		
7300103 · OVERTIME-NON EXEMPT		
Total 7300100 · School Admin Salaries	<u>813,910</u>	<u>868,259</u>
7300200 · School Admin Empl Benefits		
7300203 · School Admin FICA ER	65,945	64,017
7300206 · School Admin Fla Sui	686	1,196
7300207 · School Admin other PR related	16,389	25,401
Total 7300200 · School Admin Empl Benefits	<u>83,020</u>	<u>90,614</u>
Total 7300 · School Admin	<u>896,930</u>	<u>958,873</u>
7600 · Food Service		
7600500 · Food svc Material supplies		
7600570 · FOOD-LUNCH PROGRAMS	142,539	93,802
Total 7600500 · Food svc Material supplies	<u>142,539</u>	<u>93,802</u>
Total 7600 · Food Service	<u>142,539</u>	<u>93,802</u>
7800 · Student Transportation		
7800500 · Student transp. materials/supp		
7800502 · TRANSPORTATION EXP		
7800595 · Bus related exp.		
Total 7800500 · Student transp. materials/supp	<u>-</u>	<u>-</u>
Total 7800 · Student Transportation	<u>-</u>	<u>-</u>
7900 · Plant ops		
7900300 · Plant ops purchased svc		
7900355 · SUPPLIES-CUSTODIAL, OTHER	31,243	25,214
7900360 · RENTALS-LEASES	33,604	34,647
7900361 · BUILDING	3,613	36,918

BTBCSF-Terrace Community Middle School
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Total 7900300 · Plant ops purchased svc	<u>68,460</u>	<u>96,779</u>
Total 7900 · Plant ops	<u>68,460</u>	<u>96,779</u>
8100 · Maintenance of Plant		
8100300 · Maintenance of Plant Services		
8100340 · REPAIRS MAINT. OFFICE	1,460	286
8100350 · REPAIRS & MAINTENANCE-FACILITY	<u>37,386</u>	<u>161,535</u>
Total 8100300 · Maintenance of Plant Services	<u>38,846</u>	<u>161,821</u>
Total 8100 · Maintenance of Plant	<u>38,846</u>	<u>161,821</u>
9100 · Community Svc		
9100100 · Community Svc salaries		
9100101 · SUMMER/AFTER SCHOOL PROGRAM	<u>-</u>	<u>-</u>
Total 9100100 · Community Svc salaries	<u>-</u>	<u>-</u>
7400-Facility Acquisition	10,200	64,017
7400663 Building & FA constr		
Total 7400	<u>10,200</u>	<u>64,017</u>
Total 7400	<u>10,200</u>	<u>64,017</u>
Total Governmental Activities	<u>5,204,603</u>	<u>5,250,227</u>
Depn Exp.		
CAPITAL SPENDING		
NOTE PAYABLE	179,828	208,390
Total Expenditures	<u>5,384,431</u>	<u>5,458,617</u>
Excess Revenues over Expenditures	<u>747,153</u>	<u>(255,102)</u>

BTBCSF-Terrace Community Middle School
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 Appendix B

	2020 Governmental Activities			2021 Governmental Activities		
	Actual	Budget	Variance	Actual	Budget	Variance
3001 · TOTAL REVENUE						
3100 · LOAN PROCEEDS	733,900	-	733,900	-	-	-
3110 · GRANT-DONATION INCOME						
3111 · CORPORATE GRANTS/DONATIONS	2,543	4,000	(1,457)	568	2,500	(1,932)
3112 · PRIVATE FOUNDATION GRANTS	-	1,500	(1,500)	-	-	-
3113 · GENERAL PUBLIC DONATIONS	4,092	3,000	1,092	6,011	4,000	2,011
3119 · GRANTS-GOVERNMENTAL	10,000		10,000	-		-
3110 · GRANT-DONATION INCOME - Other			-			-
Total 3110 · GRANT-DONATION INCOME	16,635	8,500	8,135	6,579	6,500	79
3120 · INVESTMENT INCOME						
3121 · INTEREST INCOME	13,057	400	12,657	319	350	(31)
Total 3120 · INVESTMENT INCOME	13,057	400	12,657	319	350	(31)
3130 · SCHOOL BOARD REVENUE=EFT						
3131 · STATE FUNDS-EFT	4,371,315	4,385,897	(14,582)	4,486,943	4,184,952	301,991
3132 · SIT FUNDS..CAPITAL OUTLAY	331,708	275,000	56,708	341,272	333,232	8,040
3139 · OTHER INCOME-EFT	139,573	125,000	14,573	92,178	-	92,178
Total 3130 · SCHOOL BOARD REVENUE=EFT	4,842,596	4,785,897	56,699	4,920,393	4,518,184	402,209
3140 · OTHER INCOME						
3141 · SCHOOL LUNCH INCOME	130,559	150,000	(19,441)	84,446	165,000	(80,554)
3142 · TRANSPORTATION REVENUE						
3143 · STUDENT ACTIVITY/PROJECT INCOME						
31431 · FIELD TRIP RECEIPTS	48,957	42,000	6,957	14,091	50,000	(35,909)
31433 · YEARBOOK RECEIPTS	17,400	19,000	(1,600)	14,869	15,000	(131)
31435 · OTHER	32,081	21,000	11,081	12,209	45,694	(33,485)
31437 · Student Gov. Receipts	3,545	5,000	(1,455)	-	5,000	(5,000)
31459 · Music		5,000	(5,000)			
31439 · 8th GRADE GRADUATION			-			-
31450 · Book fees	42,131	40,000	2,131	43,935	60,000	(16,065)
31460 · Drama Receipts	14,950	15,000	(50)	-	-	-
After School / Slam / FAFO	83,432	114,000	(30,568)	18,136	100,000	(81,864)
Total 3143 · STUDENT ACTIVITY/PROJECT INCOME	242,496	261,000	(18,504)	103,240	275,694	(172,454)
3144 · ATHLETIC DEPARTMENT						
31441 · ADMISSION RECEIPTS	52	-	52	-	-	-
31442 · STUDENT PAYMENTS-FEE	10,951	14,000	(3,049)	300	12,000	(11,700)
31443 · FUND RAISING		14,000	(14,000)		14,000	(14,000)
31444 · OTHER-ATHLETIC	110	1,000	(890)	27	500	(473)
3144 · ATHLETIC DEPARTMENT - Other						
Total 3144 · ATHLETIC DEPARTMENT	11,113	29,000	(17,887)	327	26,500	(26,173)
3145 · P.R.A. ACTIVITIES						
31451 · AUCTION RECEIPTS	3,875	-	3,875	5,285	50,000	(44,715)
31452 · TEAM TORNADO RECEIPT	108,284	105,000	3,284	64,550	105,000	(40,450)
31453 · SCHOOL STORE	27,423	35,000	(7,577)	18,324	28,000	(9,676)
31454 · WED. PIZZA LUNCH RECEIPTS			-			-
31455 · PRA RECEIPTS OTHER	668	3,000	(2,332)	28	1,000	(972)
31456 · PRA T SHIRT SALES	978	2,000	(1,022)	24	1,000	(976)
3145 · P.R.A. ACTIVITIES - Other		2,000	(2,000)			
Total 3145 · P.R.A. ACTIVITIES	141,228	147,000	(5,772)	88,211	185,000	(96,789)
3149 · OTHER						
3140 · OTHER INCOME - Other						
Total 3140 · OTHER INCOME	525,396	587,000	(61,604)	276,224	652,194	(375,970)
Total 3100 · FOUNDATION INCOME	6,131,584	5,381,797	749,787	5,203,515	5,177,228	26,287
Total 3001 · TOTAL REVENUE	6,131,584	5,381,797	749,787	5,203,515	5,177,228	26,287

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2021

Appendix B

6,131,584	5,381,797	749,787	5,203,515	5,177,228	26,287
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4000 · TOTAL EXPENSES						
5100 · Basic Instruction						
5100100 · Basic Instruction salaries						
5100101 · CLASSROOM TEACHER P/R	2,617,742	2,229,186	(388,556)	2,535,877	2,566,398	30,521
Total 5100100 · Basic Instruction salaries	2,617,742	2,229,186	(388,556)	2,535,877	2,566,398	30,521
5100200 · Basic Instruction Employee Ben.						
5100203 · FICA-ER EXP.	188,914	170,533	(18,381)	184,072	196,329	12,257
5100204 · Group Inc exp.			-			-
5100206 · FLA SUI EXP.	1,945	2,900	955	3,322	2,838	(484)
5100207 · OTHER P/R RELATED EXP	376,618	366,973	(9,645)	401,191	425,042	23,851
Total 5100200 · Basic Instruction Employee Ben.	567,477	540,406	(27,071)	588,585	624,209	35,624
5100500 · Basic Instr-material & suppl						
5100510 · MATERIALS & SUPPLIES	9,780	12,500	2,720	53	1,900	1,847
5100520 · SUPPLIES-INSTRUCTIONAL	23,050	30,000	6,950	10,482	25,200	14,718
5100540 · TEXT BOOKS	11,665	25,000	13,335	17,038	25,200	8,162
5100550 · Instructional equipment	47,373	36,000	(11,373)	21,299	14,800	(6,499)
5100580 · STUDENT ACTIVITIES-PROGRAMS	2,485	10,000	7,515	6,080	3,000	(3,080)
5100581 · FIELD TRIP EXP.	53,580	43,000	(10,580)	10,556	30,000	19,444
5100582 · BANQUET EXPENSES			-			-
5100583 · YEARBOOK EXPENSES	13,723	22,000	8,277	9,415	20,000	10,585
5100585 · OTHER	6,105	2,000	(4,105)	6,674	7,000	326
5100586 · SGA EXPENSES	1,516	10,000	8,484	4,300	2,000	(2,300)
5100587 · Forensics expense	4,240	12,000	7,760	1,468	6,000	4,532
5100588 · 8th Grade Graduation	2,606	2,000	(606)	3,083	2,000	(1,083)
Total 5100500 · Basic Instr-material & suppl	176,123	204,500	28,377	90,448	137,100	46,652
Total 5100 · Basic instruction	3,361,342	2,974,092	(387,250)	3,214,910	3,327,707	112,797
5600 · Other Instructional						
5600100 · Other Instr-salaries						
5600101 · SUBSTITUTE TEACHER P/R	20,791	15,000	(5,791)	8,282	10,000	1,718
5600102 · AIDE P/R		-	-		-	-
5600103 · Stipends	-	-	-	-	-	-
Total 5600100 · Other Instr-salaries	20,791	15,000	(5,791)	8,282	10,000	1,718
5600200 · Other instr-employee ben						
5600203 · OI FICA ER	1,407	1,148	(259)	668	765	97
5600206 · OI Fla SUI	67	35	(32)	126	100	(26)
5600207 · OI other PR related			-			-
Total 5600200 · Other instr-employee ben	1,474	1,183	(291)	794	865	71
Total 5600 · Other Instructional	22,265	16,183	(6,082)	9,076	10,865	1,789
6200 · Instructional Media Services						
6200500 · Instr. media Svc-materials						
6200530 · PERIODICALS		-	-		-	-
6200590 · OTHER MATERIAL & SUPPLIES			-			-
Total 6200500 · Instr. media Svc-materials	-	-	-	-	-	-
Total 6200 · Instructional Media Services	-	-	-	-	-	-
7200 · General Administration						
7200300 · Gen Admin purchases svc						
7200310 · PROFESSIONAL & TECH. SERVICES	59,567	80,000	20,433	69,081	66,300	(2,781)
7200320 · GENERAL & PROPERTY INSURANCE EX	56,145	57,000	855	59,004	60,000	996
7200330 · TRAVEL EXP.			-			-
7200335 · ENTERTAINMENT EXP.	1,003	2,000	997	101	1,500	1,399
7200363 · EQUIPMENT-OFFICE RENTALS	4,209	5,500	1,291	5,276	5,000	(276)
7200371 · TELEPHONE EXPENSES	17,844	18,000	156	18,310	18,000	(310)
7200372 · INTERNET EXPENSES			-			-

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2021

Appendix B

720 District Admin fee	106,496	95,718	(10,778)	110,047	110,000	(47)
7200390 · OFFICE EXPENSES	12,859	15,500	2,641	11,132	14,000	2,868
7200395 · CITY UTILITIES	15,064	17,500	2,436	7,660	16,000	8,340
Total 7200300 · Gen Admin purchases svc	273,187	291,218	18,031	280,611	290,800	10,189
7200400 · Gen Admin Energy svc						
7200430 · ELECTRICITY EXP.	41,332	48,000	6,668	38,832	45,000	6,168
7200431 · Gas bill			-			-
Total 7200400 · Gen Admin Energy svc	41,332	48,000	6,668	38,832	45,000	6,168
7200700 · Gen Admin other exp						
7200701 · OTHER EXPENSES			-			-
7200703 · INTEREST EXP.	252,004	265,000	12,996	243,034	265,000	21,966
7200704 · FUND RAISING EXP	18,029	25,000	6,971	-	18,000	18,000
7200705 · Challenge Fund Spending			-			-
7200751 · P.R.A. SPENDING			-			-
7200752 · PRA AUCTION EXPENSES	1,944	1,000	(944)	1,169	-	(1,169)
7200753 · PRA TEAM TORNADO EXPENSES	20,203	20,000	(203)	10,527	6,000	(4,527)
7200754 · PRA SCHOOL STORE EXPENSES			-			-
7200755 · PRA PIZZA LUNCH EXP			-			-
7200756 · PRA OTHER EXPENSES	5,818	1,500	(4,318)	3,653	500	(3,153)
7200760 · BOARD EXPENSES	3,861	2,000	(1,861)	7,997	-	(7,997)
7200780 · ATHLETIC DEPT. SPENDING			-			-
7200781 · ATHLETIC FACILITY RENTALS		1,000	1,000			
7200782 · REFEREE FEES	3,685	3,500	(185)	-	3,500	3,500
7200783 · ATHLETIC UNIFORM EXPENSES	1,849	1,500	(349)	115	1,900	1,785
7200784 · ATHLETIC EQUIPMENT-SUPPLIES	1,878	-	(1,878)	-	1,500	1,500
7200785 · ATHLETIC REGISTRATION FEES	660	1,500	840	-	1,000	1,000
7200786 · ATHLETIC EXPENSES-OTHER	2,497	2,500	3	256	1,900	1,644
7200790 · MISC. OTHER EXP.	37,074	77,500	40,426	64,755	2,000	(62,755)
7277702 · MOSI MOVING EXPENSES						
Total 7200700 · Gen Admin other exp	349,502	402,000	52,498	331,506	301,300	(30,206)
Total 7200 · General Administration	664,021	741,218	77,197	650,949	637,100	(13,849)
7300 · School Admin						
7300100 · School Admin Salaries						
7300101 · ADMINISTRATION P/R	813,910	910,495	96,585	868,259	860,420	(7,839)
7300102 · CLERICAL P/R						
7300103 · OVERTIME-NON EXEMPT			-			-
Total 7300100 · School Admin Salaries	813,910	910,495	96,585	868,259	860,420	(7,839)
7300200 · School Admin Empl Benefits						
7300203 · School Admin FICA ER	65,945	69,653	3,708	64,017	65,822	1,805
7300206 · School Admin Fla Sui	686	1,000	314	1,196	1,000	(196)
7300207 · School Admin other PR related	16,389	32,762	16,373	25,401	24,896	(505)
Total 7300200 · School Admin Empl Benefits	83,020	103,415	20,395	90,614	91,718	1,104
Total 7300 · School Admin	896,930	1,013,910	116,980	958,873	952,138	(6,735)
7600 · Food Service						
7600500 · Food svc Material supplies						
7600570 · FOOD-LUNCH PROGRAMS	142,539	165,000	22,461	93,802	165,000	71,198
Total 7600500 · Food svc Material supplies	142,539	165,000	22,461	93,802	165,000	71,198
Total 7600 · Food Service	142,539	165,000	22,461	93,802	165,000	71,198
7800 · Student Transportation						
7800500 · Student transp. materials/supp						
7800502 · TRANSPORTATION EXP			-			-
7800595 · Bus related exp.			-			-
Total 7800500 · Student transp. materials/supp	-	-	-	-	-	-
Total 7800 · Student Transportation	-	-	-	-	-	-
7900 · Plant ops						

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2021
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7900300 · Plant ops purchased svc						
7900355 · SUPPLIES-CUSTODIAL, OTHER	31,243	35,000	3,757	25,214	27,000	1,786
7900360 · RENTALS-LEASES	37,217	30,000	(7,217)	34,647	5,000	(29,647)
7900361 · BUILDING		45,000	45,000	36,918	34,000	(2,918)
Total 7900300 · Plant ops purchased svc	68,460	110,000	41,540	96,779	66,000	(30,779)
Total 7900 · Plant ops	68,460	110,000	41,540	96,779	66,000	(30,779)
8100 · Maintenance of Plant						
8100300 · Maintenance of Plant Services						
8100340 · REPAIRS MAINT. OFFICE	1,460	65,000	63,540	286	65,000	64,714
8100350 · REPAIRS & MAINTENANCE-FACILITY	37,386	28,513	(8,873)	161,535	42,000	(119,535)
Total 8100300 · Maintenance of Plant Services	38,846	93,513	54,667	161,821	107,000	(54,821)
Total 8100 · Maintenance of Plant	38,846	93,513	54,667	161,821	107,000	(54,821)
9100 · Community Svc						
9100100 · Community Svc salaries						
9100101 · SUMMER/AFTER SCHOOL PROGRAM	-	-	-	-	-	-
Total 9100100 · Community Svc salaries	-	-	-	-	-	-
7400-Facility Acquisition	10,200	-	(10,200)	64,017	-	(64,017)
7400663 Building & FA constr						
Total 7400	10,200	-	(10,200)	64,017	-	(64,017)
Total 7400	10,200	-	(10,200)	64,017	-	(64,017)
Total Governmental Activities	5,204,603	5,113,916	(90,687)	5,250,227	5,265,810	15,583
Depn Exp.						
CAPITAL SPENDING						
NOTE PAYABLE	179,828	-	(179,828)	208,390	-	(208,390)
Total Expenditures	5,384,431	5,113,916	(270,515)	5,458,617	5,265,810	(192,807)
Excess Revenues over Expenditures	747,153	267,881	479,272	(255,102)	(88,582)	(166,520)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Back to Basics Charter School Foundation, Inc.
D/B/A Terrace Community Middle School
Thonotosassa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, a component unit of the Hillsborough County District School Board as of and for the year ended June 30, 2021, which collectively comprise the 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 Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles 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 1 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2021, 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.

In accordance with Section 11.45(3)(a)2, Florida Statutes, and Section 10.856(2), Rules of the Auditor General, we have also issued a statement of the auditor's comments and recommendations addressed to Terrace Community Middle School's Board of Directors, dated August 22, 2021, under the heading *Independent Auditor's Management Letter*.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rowlson & Company, P.A." with a stylized flourish at the end.

Rowlson & Company, P. A.
Certified Public Accountants
August 22, 2021

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$1,766,171
Due from state	65,166
Capital Assets:	
Land	2,525,138
Buildings & improvements	3,756,590
Furniture & fixtures	316,152
Computer, visual and audio equipment	832,250
Accumulated depreciation	(2,015,286)
Bond issuance costs, net	137,281
	7,383,462
 LIABILITIES	
Payroll taxes & benefits payable	136,202
Interest payable	80,818
Loan payable:	
Current portion of loans payable	0
Long-term portion of loans payable	0
Bonds payable:	
Current portion of bonds payable	175,000
Long-term portion of bonds payable, net	4,353,798
	4,745,818
 NET ASSETS	
Invested in capital assets, net of related debt	1,890,924
Unrestricted	746,720
	\$2,637,644

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
				TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES				
Instruction and instruction-related services	\$3,177,784			(\$3,177,784)
Support services-student-based	162,289	\$270,236	\$7,283	115,230
General administrative	1,192,844			(1,192,844)
Support services-non-student-based	480,633		341,272	(139,361)
Interest on long-term debt	284,992			(284,992)
Depreciation-unallocated	15,000			(15,000)
TOTALS	\$5,313,542	\$270,236	\$348,555	(\$4,694,751)
 GENERAL REVENUES:				
State funds-FTE				\$4,486,943
Other				831,681
Total General Revenues				5,318,624
Change In Net Assets				623,873
NET ASSETS-BEGINNING				2,013,771
NET ASSETS-ENDING				\$2,637,644

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$898,574	\$867,597	\$1,766,171
Accounts receivable	65,166		65,166
TOTAL ASSETS	963,740	867,597	1,831,337
 <u>LIABILITIES & FUND BALANCES</u>			
LIABILITIES			
Payroll taxes & benefits payable	136,202		136,202
TOTAL LIABILITIES	136,202	0	136,202
 FUND BALANCES			
Unassigned	827,538		827,538
Restricted		867,597	867,597
TOTAL FUND BALANCES	827,538	867,597	1,695,135
TOTAL LIABILITIES & FUND BALANCES	\$963,740	\$867,597	\$1,831,337

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2021**

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

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$1,695,135
Bond issuance costs, net	137,281
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The costs of the assets are \$7,430,130 and the accumulated depreciation is \$2,015,286	5,414,844
Long-term liabilities, including bonds payable, are not due and payable in current period and therefore not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds payable, net	\$4,528,798
Accrued interest on bonds	80,818
Loans payable	0
	(4,609,616)
TOTAL NET ASSETS-GOVERNMENTAL ACTIVITIES	\$2,637,644

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Other financing sources			
Bond proceeds			
Loan proceeds	\$0		\$0
Total other financing sources	<u>0</u>	<u>\$0</u>	<u>0</u>
Grants & donations			
Corporate grants & donations	568		568
Private foundation grants	0		0
General public donations	6,011		6,011
Grants - governmental	0		0
Total grants & donations	<u>6,579</u>		<u>6,579</u>
Investment income			
Interest income		319	319
Other investment income		0	0
Total investment income	<u>0</u>	<u>319</u>	<u>319</u>
School board - FTE			
State funds - FTE	4,486,943		4,486,943
SIT funds - capital outlay	341,272		341,272
Other income - FTE	92,178		92,178
Total school board - FTE	<u>4,920,393</u>		<u>4,920,393</u>
Other income			
School lunch income	84,446		84,446
Transportation revenue			
Student activity & project income:			
Field trip receipts	14,091		14,091
Yearbook receipts	14,869		14,869
Other	12,209		12,209
Student government receipts	0		0
Music fees	0		0
Book fees	35,857		35,857
Lab fees	8,078		8,078
Drama receipts	0		0
After school care receipts	17,432		17,432
8th grade graduation	0		0
FAFO income	704		704
Athletic department:			
Admission receipts	0		0
Student payment fees	300		300
Fundraising	0		0
Other-athletic	27		27
P.R.A. activities:			
Auction receipts	5,285		5,285
Team Tomado receipts	64,550		64,550
School store	18,324		18,324
Other receipts	24		24
T-shirt sales	28		28
Script	0		0
Other	0		0
Total other income	<u>276,224</u>		<u>276,224</u>
Total Revenues	<u>\$5,203,196</u>	<u>\$319</u>	<u>\$5,203,515</u>

TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Debt Service Fund	Total Governmental Funds
Expenditures:			
Other financing uses			
Principal	\$43,390	\$165,000	\$208,390
Interest expense	878	242,156	243,034
Total other financing uses	<u>44,268</u>	<u>407,156</u>	<u>451,424</u>
Basic instruction			
Classroom teacher payroll	2,535,877		2,535,877
Federal payroll taxes	184,072		184,072
State payroll taxes	3,322		3,322
Other payroll expenses	401,191		401,191
Materials & supplies	53		53
Supplies - instructional	10,482		10,482
Lab expenses	6,008		6,008
Textbooks	0		0
Books-consumables	17,038		17,038
Instructional equipment	15,291		15,291
Student activities - programs	6,080		6,080
Field trip expenses	10,556		10,556
Banquet expense			
Yearbook expenses	9,415		9,415
Other	6,674		6,674
SGA expenses	4,300		4,300
8th grade graduation	3,083		3,083
Band, chorus & drama expense	1,468		1,468
Jr. K. Club expenses	0		0
Total basic instruction expense	<u>3,214,910</u>	<u>0</u>	<u>3,214,910</u>
Other instructional			
Substitute teacher payroll	8,282		8,282
Stipends			
Federal payroll taxes	668		668
State payroll taxes	126		126
Other payroll related expenses			
Total other instructional expense	<u>9,076</u>	<u>0</u>	<u>9,076</u>
School administration			
Administration payroll	868,259		868,259
Overtime - non-exempt			
Federal payroll taxes	64,017		64,017
State payroll taxes	1,196		1,196
Other payroll related expenses	25,401		25,401
Total school administration expense	<u>958,873</u>	<u>0</u>	<u>958,873</u>
Food service			
Food - lunch programs	93,802		93,802
Total food service expense	<u>\$93,802</u>	<u>\$0</u>	<u>\$93,802</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Debt Service Fund	Total Governmental Funds
General administration			
Professional & technical services	\$69,081		\$69,081
General & property insurance expense	59,004		59,004
Travel & entertainment expense	101		101
Equipment - office rentals	5,276		5,276
Telephone & internet expense	18,310		18,310
Office expense	11,132		11,132
Advertising expense	0		0
District administrative fee	110,047		110,047
Electricity	38,832		38,832
Utilities	7,660		7,660
P.R.A. expense	0		0
P.R.A. auction expense	1,169		1,169
P.R.A. team tornado expense	10,527		10,527
P.R.A. other expense	3,653		3,653
Board expense	7,997		7,997
Athletic expense	0		0
Referee fees	0		0
Athletic uniform expense	115		115
Athletic registration fees	0		0
Athletic expense other	256		256
Fundraising	0		0
Miscellaneous & other expense	64,755		64,755
Total general administration expense	407,915	\$0	407,915
Facility acquisition costs			
Facility acquisition costs	64,017		64,017
Total facility acquisition costs	64,017	0	64,017
Plant operations			
Supplies - custodial	25,214		25,214
Alarm system and security	34,647		34,647
Building & rentals	36,918		36,918
Total plant operations expense	96,779	0	96,779
Maintenance of plant			
Repairs & maintenance - office	286		286
Repairs & maintenance - facility	161,535		161,535
Total maintenance of plant expense	161,821	0	161,821
Student transportation			
Transportation expense			
Total student transportation expense	0	0	0
Total Expenditures	5,051,461	407,156	5,458,617
Excess of Expenditures Over Revenues	151,735	(406,837)	(255,102)
Other financing uses			
Interfund transfers	(404,439)	404,439	0
Total other financing uses	(404,439)	404,439	0
Net Changes In Fund Balances	(252,704)	(2,398)	(255,102)
Fund Balances, July 1, 2020	1,080,242	869,995	1,950,237
Fund Balances, June 30, 2021	\$827,538	\$867,597	\$1,695,135

**TERRACE COMMUNITY MIDDLE SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS (\$255,102)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays \$78,642 are less than depreciation expense (\$100,000) for the year ended. (21,358)

Repayment of bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets. 165,000

Loan proceeds provide current financial resources to governmental funds, but incurring debt increases liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment and forgiveness reduces liabilities in the statement of net assets. This amount by which repayments and forgiveness \$777,290 exceeded proceeds \$0. 777,290

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires use of a current financial resource. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest reported in the governmental funds is the net result of these two factors. (41,957)

CHANGE IN NET ASSETS-GOVERNMENTAL ACTIVITIES \$623,873

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - REPORTING ENTITY

Back To Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School (the School) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 228.056, Florida Statutes. The governing body of the School is the not-for-profit corporation's Board of Directors.

Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School is exempt from income taxes under provision 501(c)(3) of the Internal Revenue Code.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The School operates under a charter of the sponsoring school district, the Hillsborough County District School Board. The current charter is effective until June 30, 2021 by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in 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 immediately if good cause is shown or if the health, safety, or welfare of the students is threatened. In such event, the Hillsborough County District School board shall assume operation of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School. Due to the above relationship, the School is deemed to be a component unit of the Hillsborough County District School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - Continued

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. Certain of the significant changes in the Statement include the following:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements relating to activities of the School.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements) as of June 30, 2021.

FUND ACCOUNTING

The School's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific school functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts. Interfund transfers are used to fund bonds payable.

GOVERNMENTAL FUND TYPES

The General Fund- to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund- to account for the proceeds of specific revenue sources and Federal grants (other than expendable trusts or for specific capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - Continued

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School as a whole. The government-wide statements are prepared using the economic measurement fund. These statements differ in the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanation to better identify the relationship between the government-wide statement and the statement for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All revenues not classified as program revenues are presented as general revenues of the School.

Fund Financial Statements

Fund financial statements report detailed information about the School. Their focus is on major funds rather than reporting funds by type. Each major governmental aid fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., expenditures and other financing uses) in net current assets.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - Continued

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or 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.

Accrual – Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual – The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

BUDGETS AND BUDGETARY ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies, capital outlay).

CASH AND CASH EQUIVALENTS

The School’s cash consists of demand deposits with commercial financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - Continued

CAPITAL ASSETS & DEPRECIATION

All capital assets are capitalized at cost and updated for addition and retention during the year. Donated fixed assets are recorded at their fair market values as of the date received. Capital assets are depreciated over ten to fifty years using the straight-line method. Depreciation expense for this year was not allocated to any activity. Due to its location in Florida the School has been unable to obtain wind-storm insurance at commercially reasonable rates. Therefore, the School is self-insured for wind-storm insurance.

REVENUE SOURCES

Revenues for current operations are received primarily from the Hillsborough County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056(13), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under provisions of Section 236.081, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) weighted 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)(c)(2). For the year 2020-2021 school year the School reported 654.22 un-weighted FTE. Weighted funding represents approximately 5.5% of the total state funding.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - Continued

The following is a break-down of the funding for the fiscal year before the 2% district administrative fee:

FEFP Funding:	
Basic Funding	\$ 2,870,078
ESE Funding	231,205
Class size reduction funds	589,897
Other	<u>747,396</u>
Total FEFP funding	4,438,576
Other Funding	<u>481,817</u>
Total	<u>\$ 4,920,393</u>

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. In this regard, the School is 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 (Section 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

The School also receives funding from the Public Education Capital Outlay funds pursuant to Section 228.056(1) of the Florida Statutes.

Finally, the School received donations from various corporations. These donations were used specifically for computer and technology enhancements for the school.

TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 - RETIREMENT PLAN

The School has available for the benefit of all its employees a retirement plan which provides benefits for the employees at retirement, disability, or death.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - CAPITAL FIXED ASSETS

A summary of general fixed assets follows:

<i>Governmental Activities:</i>	Balance July 1, 2020	Changes	Balance June 30, 2021
Buildings & Improvements	\$ 3,692,573	\$ 64,017	\$ 3,756,590
Furniture & Fixtures	311,841	4,311	316,152
Computer, visual & audio Equipment	821,936	10,314	832,250
Land	<u>2,525,138</u>	<u> </u>	<u>2,525,138</u>
Total	<u>7,351,488</u>	<u>78,642</u>	<u>7,430,130</u>
 <i>Less Accumulated Depreciation:</i>			
Buildings & Improvements	940,222	75,000	1,015,222
Furniture & Fixtures	188,710	15,000	203,710
Computer, visual & audio Equipment	<u>786,354</u>	<u>10,000</u>	<u>796,354</u>
Total	<u>1,915,286</u>	<u>100,000</u>	<u>2,015,286</u>
 Capital Assets, Net	 <u>\$ 5,436,202</u>	 <u>\$ (21,358)</u>	 <u>\$ 5,414,844</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 - BOND DEBT MATURITY

During 2007, the School secured a mortgage for \$6.215MM via the issuance of Series 2007 A & B Industrial Development Revenue Bonds for the retirement of various bridge mortgages used to acquire 3.39 acres MOL and construction of a 33,000 sq. ft permanent facility. The Series 2007A Bond has a maturity date of May 15, 2037 and a stated interest rate of 5.125%. The Series 2007B Bond matured on May 15, 2015 and had a stated interest rate of 6.900%. The payment schedule is summarized below:

Government Activities- Bonds

Revenue Bonds

Year Ended	Series 2007A	
June 30	Principal	Interest
2022	\$ 175,000	\$233,700
2023	185,000	224,731
2024	190,000	215,250
2025	200,000	205,513
2026	210,000	195,262
2027-2031	1,240,000	801,807
2032-2036	1,580,000	451,000
2037	780,000	39,975
Discount, net	(31,202)	-
Total	<u>\$ 4,528,798</u>	<u>\$ 2,367,238</u>

TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - FUND BALANCE REPORTING GASB 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)*. This statement defines types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the funds balance categories list below:

- 1) *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). **None at June 30, 2021.**
- 2) *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors. **None at June 30, 2021.**
- 4) *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. **None at June 30, 2021.**
- 5) *Unassigned* fund balance is the residual classification for the government general fund and includes all spendable amounts not contained in the other classifications.

The district's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 - RISK MANAGEMENT PROGRAM

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

REQUIRED SUPPLEMENTARY INFORMATION

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Grants & donations				
Corporate grants & donations	\$ 2,500	\$ 2,500	\$ 568	\$ (1,932)
Private foundation grants	0	0	0	0
General public donations	4,000	4,000	6,011	2,011
Grants - governmental	0	0	0	0
Total grants & donations	6,500	6,500	6,579	79
Other financing sources				
Loan proceeds	0	0	0	0
Other				
Total investment income	0	0	0	0
School board - FTE				
State funds - FTE	4,184,952	4,184,952	4,486,943	301,991
SIT capital funds	333,232	333,232	341,272	8,040
Other income - FTE	0	0	92,178	92,178
Total school board - FTE	4,518,184	4,518,184	4,920,393	402,209
Other income				
School lunch income	165,000	165,000	84,446	(80,554)
Transportation revenue				
Student activity & project income:				
Field trip receipts	50,000	50,000	14,091	(35,909)
Yearbook receipts	15,000	15,000	14,869	(131)
Other	45,694	45,694	12,209	(33,485)
Student government receipts	5,000	5,000	0	(5,000)
Music fees	0	0	0	0
Book fees	45,000	45,000	35,857	(9,143)
Lab fees	15,000	15,000	8,078	(6,922)
Drama receipts	0	0	0	0
After school care receipts	75,000	75,000	17,432	(57,568)
8th grade graduation	0	0	0	0
FAFO income	25,000	25,000	704	(24,296)
Athletic department:				
Admission receipts	0	0	0	0
Student payment fees	12,000	12,000	300	(11,700)
Fundraising	14,000	14,000	0	(14,000)
Other-athletic	500	500	27	(473)
P.R.A. activities:				
Auction receipts	50,000	50,000	5,285	(44,715)
Team Tornado receipts	105,000	105,000	64,550	(40,450)
School store	28,000	28,000	18,324	(9,676)
Other receipts	1,000	1,000	24	(976)
T-shirt sales	1,000	1,000	28	(972)
Script	0	0	0	0
Other	0	0	0	0
Total other income	652,194	652,194	276,224	(375,970)
Total Revenues	\$5,176,878	\$5,176,878	\$5,203,196	\$26,318

REQUIRED SUPPLEMENTARY INFORMATION

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Basic instruction				
Classroom teacher payroll	\$2,566,398	\$2,566,398	\$2,535,877	(\$30,521)
Federal payroll taxes	196,329	196,329	184,072	(12,257)
State payroll taxes	2,838	2,838	3,322	484
Other payroll expenses	425,042	425,042	401,191	(23,851)
Materials & supplies	1,900	1,900	53	(1,847)
Supplies - instructional	25,200	25,200	10,482	(14,718)
Lab expenses	13,000	13,000	6,008	(6,992)
Textbooks	0	0	0	0
Books-consumables	25,200	25,200	17,038	(8,162)
Instructional equipment	1,800	1,800	15,291	13,491
Student activities - programs	3,000	3,000	6,080	3,080
Field trip expense	30,000	30,000	10,556	(19,444)
Yearbook expense	20,000	20,000	9,415	(10,585)
Other	7,000	7,000	6,674	(326)
SGA expense	2,000	2,000	4,300	2,300
8th grade graduation	2,000	2,000	3,083	1,083
Band, Chorus and Drama expense	6,000	6,000	1,468	(4,532)
Jr. K Club expenses	0	0	0	0
Total basic instruction expense	3,327,707	3,327,707	3,214,910	(112,797)
Other instructional				
Substitute teacher payroll	10,000	10,000	8,282	(1,718)
Stipends	0	0	0	0
Federal payroll taxes	765	765	668	(97)
State payroll taxes	100	100	126	26
Other payroll related expenses	0	0	0	0
Total other instructional expense	10,865	10,865	9,076	(1,789)
Other financing uses				
Principal and interest			44,268	44,268
Total other financing uses	0	0	44,268	44,268
School administration				
Administration payroll	860,420	860,420	868,259	7,839
Overtime - non-exempt				
Federal payroll taxes	65,822	65,822	64,017	(1,805)
State payroll taxes	1,000	1,000	1,196	196
Other payroll related expenses	24,896	24,896	25,401	505
Total school administration expense	952,138	952,138	958,873	6,735
Food service				
Food - lunch programs	165,000	165,000	93,802	(71,198)
Total food service expense	\$165,000	\$165,000	\$93,802	(\$71,198)

REQUIRED SUPPLEMENTARY INFORMATION

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
General administration				
Professional & technical services	\$66,300	\$66,300	\$69,081	\$2,781
General & property insurance expense	60,000	60,000	59,004	(996)
Travel & entertainment expense	1,500	1,500	101	(1,399)
Equipment - office rentals	5,000	5,000	5,276	276
Telephone & internet expense	18,000	18,000	18,310	310
Office expense	14,000	14,000	11,132	(2,868)
Fundraising	18,000	18,000	0	(18,000)
District administrative fee	110,000	110,000	110,047	47
Electricity	45,000	45,000	38,832	(6,168)
Utilities	16,000	16,000	7,660	(8,340)
P.R.A. expense	0	0	0	0
P.R.A. auction expense	0	0	1,169	1,169
P.R.A. team tornado expense	6,000	6,000	10,527	4,527
P.R.A. other expense	500	500	3,653	3,153
Board expense	0	0	7,997	7,997
Athletic expense	0	0	0	0
Referee fees	3,500	3,500	0	(3,500)
Athletic uniform expense	1,900	1,900	115	(1,785)
Athletic equipment supplies	1,500	1,500	0	(1,500)
Athletic registration fees	1,000	1,000	0	(1,000)
Athletic expense other	1,900	1,900	256	(1,644)
Miscellaneous & other expense	2,000	2,000	64,755	62,755
Total general administration expense	372,100	372,100	407,915	35,815
Facility acquisition costs				
Facility acquisition costs	0	0	64,017	64,017
Total facility acquisition costs	0	0	64,017	64,017
Plant operations				
Supplies - custodial	27,000	27,000	25,214	(1,786)
Alarm system and security	5,000	5,000	34,647	29,647
Rentals-Leases	34,000	34,000	36,918	2,918
Building	0	\$0	0	0
Total Plant operations expense	66,000	66,000	96,779	30,779
Maintenance of plant				
Repairs & maintenance - office	65,000	65,000	\$286	(64,714)
Repairs & maintenance - facility	42,000	42,000	161,535	119,535
Total Maintenance of plant expense	107,000	107,000	161,821	54,821
Student transportation				
Transportation expense	0	0	0	0
Total student transportation expense	0	0	0	0
Total Expenditures	5,000,810	5,000,810	5,051,461	50,651
Excess of Revenues Over Expenditures	176,068	176,068	151,735	(24,333)
Other financing uses				
Interfund transfers			(404,439)	(404,439)
Net Changes In Fund Balance	176,068	176,068	(252,704)	(428,772)
Fund Balance, July 1, 2020	1,080,242	1,080,242	1,080,242	0
Fund Balance, June 30, 2021	\$1,256,310	\$1,256,310	\$827,538	(\$428,772)

See Accompanying Notes and Accountants' Report

REQUIRED SUPPLEMENTARY INFORMATION

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other financing sources				
Interest income, net	350	350	319	(\$31)
Total other financing sources	<u>350</u>	<u>350</u>	<u>319</u>	<u>(31)</u>
Total Revenues	<u>350</u>	<u>350</u>	<u>319</u>	<u>(31)</u>
Expenditures:				
General administration				
Interest expense	265,000	265,000	242,156	(22,844)
Principal			165,000	165,000
General administration expense	<u>265,000</u>	<u>265,000</u>	<u>407,156</u>	<u>142,156</u>
Other financing uses				
Building				
Other financing uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>265,000</u>	<u>265,000</u>	<u>407,156</u>	<u>142,156</u>
Excess of Expenditures Over Revenues	(264,650)	(264,650)	(406,837)	(142,187)
Other financing sources:				
Interfund transfers			404,439	404,439
Net Changes in Fund Balance	<u>(264,650)</u>	<u>(264,650)</u>	<u>(2,398)</u>	<u>262,252</u>
Fund Balance July 1, 2020	<u>869,995</u>	<u>869,995</u>	<u>869,995</u>	<u>0</u>
Fund Balance June 30, 2021	<u><u>\$605,345</u></u>	<u><u>\$605,345</u></u>	<u><u>\$867,597</u></u>	<u><u>\$262,252</u></u>

See Accompanying Notes and Accountants' Report

**Independent Auditors' Report on Compliance and Internal Control
Based on an Audit of the General Purpose Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors of
Back to Basics Charter School Foundation, Inc.
D/B/A Terrace Community Middle School
Thonotosassa, Florida

We have audited the general purpose financial statements of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, a component unit of Hillsborough County District School Board, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon included under the heading Independent Auditor's Report on General Purpose Financial Statements. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of Charter School Audits performed in the State of Florida.

COMPLIANCE

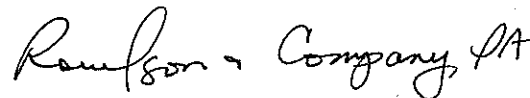
As part of obtaining reasonable assurance about whether the School's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the School's general purpose financial statements for the fiscal year ended June 30, 2021, we considered the School's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the School's general purpose financial statements and not to provide assurance on the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Terrace Community Middle School's internal control over financial reporting. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, School District and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Rowlson & Company, P. A.
Certified Public Accountants
August 22, 2021

Independent Auditors' Management Letter

To the Board of Directors of
Back to Basics Charter School Foundation, Inc.
D/B/A Terrace Community Middle School
Thonotosassa, Florida

Report on the Financial Statements

We have audited the financial statements of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated August 22, 2021.

Auditor's Responsibility

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of Charter School Audits performed in the State of Florida and require that certain items be addressed in this letter.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditors' Report on Compliance and Internal Control Based on An Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards dated August 22, 2021. Disclosures in that report, if any, 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, therefore, no corrective actions were required.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle 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 Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School did not meet any of the conditions described in Section 218.503(1).

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School. It is management's responsibility to monitor the Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School 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 apply appropriate procedures to determine whether the Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle 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 Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School maintained on its Web site 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.

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 Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School.

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.

Respectfully Submitted,

Rowlson & Company, PA

Rowlson & Company, PA
Certified Public Accountants
August 22, 2021