

**TERRACE COMMUNITY  
MIDDLE SCHOOL**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
June 30, 2022**

**TERRACE COMMUNITY MIDDLE SCHOOL  
JUNE 30, 2022**

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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, 2022**

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, 2022.

### **Financial Highlights**

The BTBCSF-TCMS net assets totaled \$1,490,826 which represents 56% decrease over prior fiscal year. The net assets balance consisted of net capital investments of \$ 171,920, loans payable of \$0.00 and unrestricted net assets of \$ 1,318,906. General state revenues totaled \$ 5,014,300 and accounted for 52.3% of all revenues for the school.

The year end balances in our separate funds were: general fund reported a balance of \$1,327,105 while our debt service fund ended with a fund balance of \$ 0.

### **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 17 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 \$1,490,826 at the close of the past fiscal year. Approx. 99.4% 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 equipment and services, therefore these assets are not available for future spending.

In August 2021 BTBCSF-TCMS extinguished all outstanding debt related to the mortgage for \$6.215MM related to the 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. This was related to the associated sale of the permanent facility the debt was used to acquire.

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

A comparative Analysis of Fiscal year 2021 to 2022 follows:

Net Assets	Government Assets	
	2021	2022
Current Assets	1,831,337	1,327,105
Capital Assets	5,552,125	171,920
Total Assets	7,383,462	1,499,025
Current Liabilities	392,020	8,199
Long term liabilities	4,343,798	0
Total Liabilities	4,745,818	8,199
Net Assets		
Invested in Capital		
Assets net of debt	1,890,924	171,920
Bank loan-	-	-
Unrestricted	746,720	1,318,906
Total Net assets	2,637,644	1,490,826

### 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, 2022**

See appendix A

**Changes in Net Assets**

As previously stated, and further demonstrated in this analysis, BTBCSF-TCMS has experienced a decrease in net assets of 56% during fiscal year 2022. This change while dramatic should be segregated into Changes from Operations and Changes from Building Sale and Retirement of Debt.

Changes from Operations is the net impact normal operating revenue increases of \$386k. This was comprised primarily of FTE \$94k, due to per student funding increases from DOE. Student fee increases \$289k, this is related to resumption of normal teaching schedules post Covid-19. Additional funding of \$ 433k from specific Covid-19 related ESSER funding from the Feds- for a total revenue increase of \$ 819k.

Spending variances to 2021 included (\$15k) reduction in PR and related. Instructional spending increase \$281k fully related to reversion to 100% on campus teaching, getting back to normal and increases from moving to and setting up in the new facility. G&A spending decreased (\$59k) related to economies form the new facility. Occupancy spending increased by \$558k fully related to the rent increases due to the new facility. ESSER related spending totaled \$382k, this relates to the ESSER income above.

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.

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, 2022

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 \$ 450,420 favorable to the plan for FY 2022, this is compared to a variance of \$26,287 favorable for the FY 2021.

**Revenue variances for both years included:**

<u>Revenue Source</u>	<u>Fav/(unfav) FY 2021 Var.</u>	<u>Fav/(unfav) FY 2022 Var.</u>
State FTE funds	\$ 301,991	\$ 29,158
SIT Funds	8,040	22,633
Grant/Donations	79	3,916
Student/PRA	(375,970)	( 37,985)

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 also favorable. The Covid-19 pandemic has contributed to additional sources of revenues, not listed above, but totaling \$ 432,698 to offset pandemic spending required by CDC rules and District mandates for student safety. Furthermore, 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 2021 Var.</u>	<u>Fav/(Unfav) FY 2022 Var.</u>
Salaries/Fringe	\$ 61,199	6,096
Instructional Svc	112,797	( 167,808)
Gen Admin Exp.	( 13,849)	( 67,811)
Occupancy exp.	(149,617)	( 17,856)

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 and changes required by CDC and District mandates designed to promote safety for students and staff., and still provide educational standards that is BTBCSF-TCMS. Employee salaries and fringes were on target 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. It should be noted that there were specifically identified ESSER related expense totaling \$ 382,186 not listed above. The variance between the ESSER funding listed above of \$ 422,698 less the specific ESSER spending of \$ 382,168= \$50,530 was used to offset the sending variances listed above.

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 \$ 5,242,924 net of accumulated depreciation. All were related to the disposition of the permanent facility as described on page 3. All additions included (at Gross):

Building Improvements	-
Furniture and Fixtures	42,184
Computers and related	-

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

None

BTBCSF-Terrace Community Middle School  
 Managements Discussion Analysis  
 Fiscal Year Ended June 30,2022  
 Appendix A

	2021	2022
	Governmental Activities <u>Actual</u>	Governmental Activities <u>Actual</u>
<b>3001 · TOTAL REVENUE</b>		
Sales proceeds	-	4,560,000
<b>3110 · GRANT-DONATION INCOME</b>		
3111 · CORPORATE GRANTS/DONATIONS	568	5,000
3112 · PRIVATE FOUNDATION GRANTS		
3113 · GENERAL PUBLIC DONATIONS	6,011	4,916
3119 · GRANTS-GOVERNMENTAL	-	-
3110 · GRANT-DONATION INCOME - Other		
<b>Total 3110 · GRANT-DONATION INCOME</b>	<u>6,579</u>	<u>9,916</u>
<b>3120 · INVESTMENT INCOME</b>		
3121 · INTEREST INCOME	319	206
<b>Total 3120 · INVESTMENT INCOME</b>	<u>319</u>	<u>206</u>
<b>3130 · SCHOOL BOARD REVENUE=EFT</b>		
3131 · STATE FUNDS-EFT	4,486,943	4,655,395
3132 · SIT FUNDS..CAPITAL OUTLAY	341,272	347,633
3139 · OTHER INCOME-EFT	92,178	11,272
<b>Total 3130 · SCHOOL BOARD REVENUE=EFT</b>	<u>4,920,393</u>	<u>5,014,300</u>
<b>3140 · OTHER INCOME</b>		
3141 · SCHOOL LUNCH INCOME	84,446	166,374
3142 · TRANSPORTATION REVENUE		
<b>3143 · STUDENT ACTIVITY/PROJECT INCOME</b>		
31431 · FIELD TRIP RECEIPTS	14,091	73,840
31433 · YEARBOOK RECEIPTS	14,869	17,781
31435 · OTHER	12,209	12,349
31437 · Student Gov. Receipts	-	9,401
31459 · Music	-	1,006
31439 · 8th GRADE GRADUATION	-	2,295
31450 · Book fees	43,935	41,257
31460- Drama Receipts	-	
After School / Slam / FAFO	18,136	77,979
<b>Total 3143 · STUDENT ACTIVITY/PROJECT INCOME</b>	<u>103,240</u>	<u>235,908</u>
<b>3144 · ATHLETIC DEPARTMENT</b>		
31441 · ADMISSION RECEIPTS	-	-
31442 · STUDENT PAYMENTS-FEES	300	15,189
31443 · FUND RAISING	-	-
31444 · OTHER-ATHLETIC	27	569
3144 · ATHLETIC DEPARTMENT - Other		
<b>Total 3144 · ATHLETIC DEPARTMENT</b>	<u>327</u>	<u>15,758</u>
<b>3145 · P.R.A. ACTIVITIES</b>		
31451 · AUCTION RECEIPTS	5,285	
31452 · TEAM TORNADO RECEIPTS	64,550	110,083
31453 · SCHOOL STORE	18,324	36,056
31454 · WED. PIZZA LUNCH RECEIPTS		30
31455 · PRA RECEIPTS OTHER	-	
31456 · PRA T SHIRT SALES	28	
3145 · P.R.A. ACTIVITIES - Other	24	
<b>Total 3145 · P.R.A. ACTIVITIES</b>	<u>88,211</u>	<u>146,169</u>
3149 · OTHer ESSER		432,698
3140 · OTHER INCOME - Other		
<b>Total 3140 · OTHER INCOME</b>	<u>276,224</u>	<u>996,907</u>
<b>Total 3100 · FOUNDATION INCOME</b>	<u>5,203,515</u>	<u>10,581,329</u>
<b>Total 3001 · TOTAL REVENUE</b>	<u>5,203,515</u>	<u>10,581,329</u>

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	5,203,515	10,581,329
4000 · TOTAL EXPENSES		
5100 · Basic instruction		
5100100 · Basic Instruction salaries		
5100101 · CLASSROOM TEACHER P/R	2,535,877	2,440,772
Total 5100100 · Basic Instruction salaries	2,535,877	2,440,772
5100200 · Basic Instruction Employee Ben.		
5100203 · FICA-ER EXP.	184,072	190,255
5100204 · Group Inc exp.	-	-
5100206 · FLA SUI EXP.	3,322	2,430
5100207 · OTHER P/R RELATED EXP	401,191	472,516
Total 5100200 · Basic Instruction Employee Ben.	588,585	665,201
5100500 · Basic Instr-material & suppl		
5100510 · MATERIALS & SUPPLIES	53	13,762
5100520 · SUPPLIES-INSTRUCTIONAL	10,482	47,564
= 5100540 · TEXT BOOKS	17,038	28,190
5100550 · Instructional equipment	21,299	45,954
5100580 · STUDENT ACTIVITIES-PROGRAMS	6,080	8,617
5100581 · FIELD TRIP EXP.	10,556	79,198
5100582 · BANQUET EXPENSES		
5100583 · YEARBOOK EXPENSES	9,415	21,143
5100585 · OTHER	6,674	3,155
5100586 · SGA EXPENSES	4,300	1,250
5100587 · Forensics expense	1,468	11,671
5100588 · 8th Grade Graduation	3,083	5,275
Total 5100500 · Basic Instr-material & suppl	90,448	265,779
Total 5100 · Basic instruction	3,214,910	3,371,752
5600 · Other Instructional		
5600100 · Other Instr-salaries		
5600101 · SUBSTITUTE TEACHER P/R	8,282	63,312
5600102 · AIDE P/R		
5600103 · Stipends	-	-
Total 5600100 · Other Instr-salaries	8,282	63,312
5600200 · Other instr-employee ben		
5600203 · OI FICA ER	668	4,843
5600206 · OI Fla SUI	126	109
5600207 · OI other PR related		
Total 5600200 · Other instr-employee ben	794	4,952
Total 5600 · Other Instructional	9,076	68,264
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	69,081	44,830
7200320 · GENERAL & PROPERTY INSURANCE EX	59,004	73,078
7200330 · TRAVEL EXP.		7,888
7200335 · ENTERTAINMENT EXP.	101	-
7200363 · EQUIPMENT-OFFICE RENTALS	5,276	4,525
7200371 · TELEPHONE EXPENSES	18,310	34,404
7200372 · INTERNET EXPENSES		
7200380 · DISTRICT ADMIN ERXP	110,047	110,345
7200390 · OFFICE EXPENSES	11,132	21,912

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7200395 · CITY UTILITIES	7,660	1,397
Total 7200300 · Gen Admin purchases svc	<u>280,611</u>	<u>298,379</u>
7200400 · Gen Admin Energy svc		
7200430 · ELECTRICITY EXP.	38,832	66,365
7200431 · Gas bill		
Total 7200400 · Gen Admin Energy svc	<u>38,832</u>	<u>66,365</u>
7200700 · Gen Admin other exp		
7200701 · OTHER EXPENSES		
7200703 · INTEREST EXP.	243,034	51,284
7200704 · FUND RAISING EXP	1,169	6,999
7200705 · Challenge Fund Spending		
7200751 · P.R.A. SPENDING	-	
7200752 · PRA AUCTION EXPENSES	-	
7200753 · PRA TEAM TORNADO EXPENSES	10,527	24,809
7200754 · PRA SCHOOL STORE EXPENSES		
7200755 · PRA PIZZA LUNCH EXP		
7200756 · PRA OTHER EXPENSES	3,653	7,172
7200760 · BOARD EXPENSES	7,997	9,124
7200780 · ATHLETIC DEPT. SPENDING	-	420
7200781 · ATHLETIC FACILITY RENTALS		
7200782 · REFEREE FEES	-	1,695
7200783 · ATHLETIC UNIFORM EXPENSES	115	1,787
7200784 · ATHLETIC EQUIPMENT-SUPPLIES		
7200785 · ATHLETIC REGISTRATION FEES	256	700
7200786 · ATHLETIC EXPENSES-OTHER	-	9,267
7200790 · MISC. OTHER EXP.	64,755	41,224
7277702 · MOSI MOVING EXPENSES		100,259
Total 7200700 · Gen Admin other exp	<u>331,506</u>	<u>254,740</u>
Total 7200 · General Administration	<u>650,949</u>	<u>619,484</u>
7300 · School Admin		
7300100 · School Admin Salaries		
7300101 · ADMINISTRATION P/R	868,259	819,502
7300102 · CLERICAL P/R		
7300103 · OVERTIME-NON EXEMPT		
Total 7300100 · School Admin Salaries	<u>868,259</u>	<u>819,502</u>
7300200 · School Admin Empl Benefits		
7300203 · School Admin FICA ER	64,017	68,652
7300206 · School Admin Fla Sui	1,196	915
7300207 · School Admin other PR related	25,401	14,000
Total 7300200 · School Admin Empl Benefits	<u>90,614</u>	<u>83,567</u>
Total 7300 · School Admin	<u>958,873</u>	<u>903,069</u>
7600 · Food Service		
7600500 · Food svc Material supplies		
7600570 · FOOD-LUNCH PROGRAMS	93,802	199,598
Total 7600500 · Food svc Material supplies	<u>93,802</u>	<u>199,598</u>
Total 7600 · Food Service	<u>93,802</u>	<u>199,598</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	25,214	8,176
7900360 · RENTALS-LEASES	34,647	49,096
7900361 · BUILDING	36,918	574,556

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Total 7900300 · Plant ops purchased svc	<u>96,779</u>	<u>631,828</u>
Total 7900 · Plant ops	<u>96,779</u>	<u>631,828</u>
8100 · Maintenance of Plant		
8100300 · Maintenance of Plant Services		
8100340 · REPAIRS MAINT. OFFICE	286	21,544
8100350 · REPAIRS & MAINTENANCE-FACILITY	<u>161,535</u>	<u>47,849</u>
Total 8100300 · Maintenance of Plant Services	<u>161,821</u>	<u>69,393</u>
Total 8100 · Maintenance of Plant	<u>161,821</u>	<u>69,393</u>
9100 · Community Svc		
9100100 · Community Svc salaries		
9100101 · SUMMER/AFTER SCHOOL PROGRAM	-	-
Total 9100100 · Community Svc salaries	<u>-</u>	<u>-</u>
7400-Facility Acquisition	64,017	152,002
7400663 Building & FA constr		
ESSER expenses		382,168
Total 7400	<u>64,017</u>	<u>534,170</u>
Total 7400	<u>64,017</u>	<u>534,170</u>
Total Governmental Activities	<u>5,250,227</u>	<u>6,397,558</u>
Depn Exp.		
CAPITAL SPENDING		
NOTE PAYABLE	208,390	4,560,000
Total Expenditures	<u>5,458,617</u>	<u>10,957,558</u>
Excess Revenues over Expenditures	<u>(255,102)</u>	<u>(376,229)</u>

BTBCSF-Terrace Community Middle School  
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	2021 Governmental Activities			2022 Governmental Activities		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>3001 · TOTAL REVENUE</b>						
<b>3100- Sales proceeds</b>	-	-	-	<u>4,560,000</u>	-	<u>4,560,000</u>
<b>3110 · GRANT-DONATION INCOME</b>						
3111 · CORPORATE GRANTS/DONATIONS	568	2,500	(1,932)	5,000	2,000	3,000
3112 · PRIVATE FOUNDATION GRANTS	-	-	-	-	-	-
3113 · GENERAL PUBLIC DONATIONS	6,011	4,000	2,011	4,916	4,000	916
3119 · GRANTS-GOVERNMENTAL	-	-	-	-	-	-
3110 · GRANT-DONATION INCOME - Other	-	-	-	-	-	-
<b>Total 3110 · GRANT-DONATION INCOME</b>	<u>6,579</u>	<u>6,500</u>	<u>79</u>	<u>9,916</u>	<u>6,000</u>	<u>3,916</u>
<b>3120 · INVESTMENT INCOME</b>						
3121 · INTEREST INCOME	319	350	(31)	206	350	(144)
<b>Total 3120 · INVESTMENT INCOME</b>	<u>319</u>	<u>350</u>	<u>(31)</u>	<u>206</u>	<u>350</u>	<u>(144)</u>
<b>3130 · SCHOOL BOARD REVENUE=EFT</b>						
3131 · STATE FUNDS-EFT	4,486,943	4,184,952	301,991	4,655,395	4,637,509	17,886
3132 · SIT FUNDS..CAPITAL OUTLAY	341,272	333,232	8,040	347,633	325,000	22,633
3139 · OTHER INCOME-EFT	92,178	-	92,178	11,272	-	11,272
<b>Total 3130 · SCHOOL BOARD REVENUE=EFT</b>	<u>4,920,393</u>	<u>4,518,184</u>	<u>402,209</u>	<u>5,014,300</u>	<u>4,962,509</u>	<u>51,791</u>
<b>3140 · OTHER INCOME</b>						
3141 · SCHOOL LUNCH INCOME	84,446	165,000	(80,554)	166,374	165,000	1,374
3142 · TRANSPORTATION REVENUE	-	-	-	-	-	-
<b>3143 · STUDENT ACTIVITY/PROJECT INCOME</b>						
31431 · FIELD TRIP RECEIPTS	14,091	50,000	(35,909)	73,840	50,000	23,840
31433 · YEARBOOK RECEIPTS	14,869	15,000	(131)	17,781	15,000	2,781
31435 · OTHER	12,209	45,694	(33,485)	12,349	45,694	(33,345)
31437 · Student Gov. Receipts	-	5,000	(5,000)	9,401	5,000	4,401
31459 · Music	-	-	-	1,006	-	1,006
31439 · 8th GRADE GRADUATION	-	-	-	2,295	-	2,295
31450 · Book fees	43,935	60,000	(16,065)	41,257	60,000	(18,743)
31460- Drama Receipts	-	-	-	-	-	-
After School / Slam / FAFO	18,136	100,000	(81,864)	77,979	100,000	(22,021)
<b>Total 3143 · STUDENT ACTIVITY/PROJECT INCOME</b>	<u>103,240</u>	<u>275,694</u>	<u>(172,454)</u>	<u>235,908</u>	<u>275,694</u>	<u>(39,786)</u>
<b>3144 · ATHLETIC DEPARTMENT</b>						
31441 · ADMISSION RECEIPTS	-	-	-	-	-	-
31442 · STUDENT PAYMENTS-FEE	300	12,000	(11,700)	15,189	12,000	3,189
31443 · FUND RAISING	-	14,000	(14,000)	-	14,000	(14,000)
31444 · OTHER-ATHLETIC	27	500	(473)	569	500	69
3144 · ATHLETIC DEPARTMENT - Other	-	-	-	-	-	-
<b>Total 3144 · ATHLETIC DEPARTMENT</b>	<u>327</u>	<u>26,500</u>	<u>(26,173)</u>	<u>15,758</u>	<u>26,500</u>	<u>(10,742)</u>
<b>3145 · P.R.A. ACTIVITIES</b>						
31451 · AUCTION RECEIPTS	5,285	50,000	(44,715)	-	-	-
31452 · TEAM TORNADO RECEIPT	64,550	105,000	(40,450)	110,083	105,000	5,083
31453 · SCHOOL STORE	18,324	28,000	(9,676)	36,056	28,000	8,056
31454 · WED. PIZZA LUNCH RECEIPTS	-	-	-	-	-	-
31455 · PRA RECEIPTS OTHER	28	1,000	(972)	30	1,000	(970)
31456 · PRA T SHIRT SALES	24	1,000	(976)	-	1,000	(1,000)
3145 · P.R.A. ACTIVITIES - Other	-	-	-	-	-	-
<b>Total 3145 · P.R.A. ACTIVITIES</b>	<u>88,211</u>	<u>185,000</u>	<u>(96,789)</u>	<u>146,169</u>	<u>135,000</u>	<u>11,169</u>
<b>3149 · OTHER</b>						
3140 · OTHER INCOME - ESSER	-	-	-	432,698	-	432,698
<b>Total 3140 · OTHER INCOME</b>	<u>276,224</u>	<u>652,194</u>	<u>(375,970)</u>	<u>996,907</u>	<u>602,194</u>	<u>394,713</u>
<b>Total 3100 · FOUNDATION INCOME</b>	<u>5,203,515</u>	<u>5,177,228</u>	<u>26,287</u>	<u>10,581,329</u>	<u>5,571,053</u>	<u>5,010,276</u>
<b>Total 3001 · TOTAL REVENUE</b>	<u>5,203,515</u>	<u>5,177,228</u>	<u>26,287</u>	<u>10,581,329</u>	<u>5,571,053</u>	<u>5,010,276</u>

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	5,203,515	5,177,228	26,287	10,581,329	5,571,053	5,010,276
<b>4000 · TOTAL EXPENSES</b>						
<b>5100 · Basic instruction</b>						
<b>5100100 · Basic Instruction salaries</b>						
5100101 · CLASSROOM TEACHER P/R	2,535,877	2,566,398	30,521	2,440,772	2,460,333	19,561
<b>Total 5100100 · Basic Instruction salaries</b>	<u>2,535,877</u>	<u>2,566,398</u>	<u>30,521</u>	<u>2,440,772</u>	<u>2,460,333</u>	<u>19,561</u>
<b>5100200 · Basic Instruction Employee Ben.</b>						
5100203 · FICA-ER EXP.	184,072	196,329	12,257	190,255	188,215	(2,040)
5100204 · Group Inc exp.			-			-
5100206 · FLA SUI EXP.	3,322	2,838	(484)	2,430	2,721	291
5100207 · OTHER P/R RELATED EXP	401,191	425,042	23,851	472,516	407,475	(65,041)
<b>Total 5100200 · Basic Instruction Employee Ben.</b>	<u>588,585</u>	<u>624,209</u>	<u>35,624</u>	<u>665,201</u>	<u>598,411</u>	<u>(66,790)</u>
<b>5100500 · Basic Instr-material &amp; suppl</b>						
5100510 · MATERIALS & SUPPLIES	53	1,900	1,847	13,762	10,000	(3,762)
5100520 · SUPPLIES-INSTRUCTIONAL	10,482	25,200	14,718	47,564	25,200	(22,364)
5100540 · TEXT BOOKS	17,038	25,200	8,162	28,190	38,200	10,010
5100550 · Instructional equipment	21,299	14,800	(6,499)	45,954	1,800	(44,154)
5100580 · STUDENT ACTIVITIES-PROGRAMS	6,080	3,000	(3,080)	8,617	3,000	(5,617)
5100581 · FIELD TRIP EXP.	10,556	30,000	19,444	79,198	30,000	(49,198)
5100582 · BANQUET EXPENSES			-			-
5100583 · YEARBOOK EXPENSES	9,415	20,000	10,585	21,143	20,000	(1,143)
5100585 · OTHER	6,674	7,000	326	3,155	7,000	3,845
5100586 · SGA EXPENSES	4,300	2,000	(2,300)	1,250	2,000	750
5100587 · Forensics expense	1,468	6,000	4,532	11,671	6,000	(5,671)
5100588 · 8th Grade Graduation	3,083	2,000	(1,083)	5,275	2,000	(3,275)
<b>Total 5100500 · Basic Instr-material &amp; suppl</b>	<u>90,448</u>	<u>137,100</u>	<u>46,652</u>	<u>265,779</u>	<u>145,200</u>	<u>(120,579)</u>
<b>Total 5100 · Basic instruction</b>	<u>3,214,910</u>	<u>3,327,707</u>	<u>112,797</u>	<u>3,371,752</u>	<u>3,203,944</u>	<u>(167,808)</u>
<b>5600 · Other Instructional</b>						
<b>5600100 · Other Instr-salaries</b>						
5600101 · SUBSTITUTE TEACHER P/R	8,282	10,000	1,718	63,312	10,000	(53,312)
5600102 · AIDE P/R		-	-		-	-
5600103 · Stipends		-	-		-	-
<b>Total 5600100 · Other Instr-salaries</b>	<u>8,282</u>	<u>10,000</u>	<u>1,718</u>	<u>63,312</u>	<u>10,000</u>	<u>(53,312)</u>
<b>5600200 · Other instr-employee ben</b>						
5600203 · OI FICA ER	668	765	97	4,843	765	(4,078)
5600206 · OI Fla SUI	126	100	(26)	109	100	(9)
5600207 · OI other PR related		-	-		-	-
<b>Total 5600200 · Other instr-employee ben</b>	<u>794</u>	<u>865</u>	<u>71</u>	<u>4,952</u>	<u>865</u>	<u>(4,087)</u>
<b>Total 5600 · Other Instructional</b>	<u>9,076</u>	<u>10,865</u>	<u>1,789</u>	<u>68,264</u>	<u>10,865</u>	<u>(57,399)</u>
<b>6200 · Instructional Media Services</b>						
<b>6200500 · Instr. media Svc-materials</b>						
6200530 · PERIODICALS		-	-		-	-
6200590 · OTHER MATERIAL & SUPPLIES		-	-		-	-
<b>Total 6200500 · Instr. media Svc-materials</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total 6200 · Instructional Media Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>7200 · General Administration</b>						
<b>7200300 · Gen Admin purchases svc</b>						
7200310 · PROFESSIONAL & TECH. SERVICES	69,081	66,300	(2,781)	44,830	67,500	22,670
7200320 · GENERAL & PROPERTY INSURANCE EX	59,004	60,000	996	73,078	45,000	(28,078)
7200330 · TRAVEL EXP.	101	1,500	1,399	7,888	1,500	(6,388)
7200335 · ENTERTAINMENT EXP.			-			-
7200363 · EQUIPMENT-OFFICE RENTALS	5,276	5,000	(276)	4,525	15,000	10,475
7200371 · TELEPHONE EXPENSES	18,310	18,000	(310)	34,404	20,000	(14,404)
7200372 · INTERNET EXPENSES			-			-

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720 District Admin fee	110,047	110,000	(47)	110,345	124,063	13,718
7200390 · OFFICE EXPENSES	11,132	14,000	2,868	21,912	15,000	(6,912)
7200395 · CITY UTILITIES	7,660	16,000	8,340	1,397	16,000	14,603
<b>Total 7200300 · Gen Admin purchases svc</b>	<b>280,611</b>	<b>290,800</b>	<b>10,189</b>	<b>298,379</b>	<b>304,063</b>	<b>5,684</b>
7200400 · Gen Admin Energy svc						
7200430 · ELECTRICITY EXP.	38,832	45,000	6,168	66,365	40,000	(26,365)
7200431 · Gas bill			-			-
<b>Total 7200400 · Gen Admin Energy svc</b>	<b>38,832</b>	<b>45,000</b>	<b>6,168</b>	<b>66,365</b>	<b>40,000</b>	<b>(26,365)</b>
7200700 · Gen Admin other exp						
7200701 · OTHER EXPENSES		-	-		-	-
7200703 · INTEREST EXP.	243,034	265,000	21,966	51,284	22,083	(29,201)
7200704 · FUND RAISING EXP	-	18,000	18,000	6,999	18,000	11,001
7200705 · Challenge Fund Spending			-			-
7200751 · P.R.A. SPENDING			-			-
7200752 · PRA AUCTION EXPENSES	1,169	-	(1,169)			-
7200753 · PRA TEAM TORNADO EXPENSES	10,527	6,000	(4,527)	24,809	6,000	(18,809)
7200754 · PRA SCHOOL STORE EXPENSES			-			-
7200755 · PRA PIZZA LUNCH EXP			-			-
7200756 · PRA OTHER EXPENSES	3,653	500	(3,153)	7,172	1,000	(6,172)
7200760 · BOARD EXPENSES	7,997	-	(7,997)	9,124	2,500	(6,624)
7200780 · ATHLETIC DEPT. SPENDING	-	-	-	420		(420)
7200781 · ATHLETIC FACILITY RENTALS			-			-
7200782 · REFEREE FEES	-	3,500	3,500	1,695	3,500	1,805
7200783 · ATHLETIC UNIFORM EXPENSES	115	1,900	1,785	1,787	1,900	113
7200784 · ATHLETIC EQUIPMENT-SUPPLIES	-	1,500	1,500		1,500	1,500
7200785 · ATHLETIC REGISTRATION FEES	-	1,000	1,000	700	1,000	300
7200786 · ATHLETIC EXPENSES-OTHER	256	1,900	1,644	9,267	1,900	(7,367)
7200790 · MISC. OTHER EXP.	64,755	2,000	(62,755)	41,224	27,000	(14,224)
7277702 · MOSI MOVING EXPENSES				100,259		
<b>Total 7200700 · Gen Admin other exp</b>	<b>331,506</b>	<b>301,300</b>	<b>(30,206)</b>	<b>254,740</b>	<b>86,383</b>	<b>(68,098)</b>
<b>Total 7200 · General Administration</b>	<b>650,949</b>	<b>637,100</b>	<b>(13,849)</b>	<b>619,484</b>	<b>430,446</b>	<b>(88,779)</b>
7300 · School Admin						
7300100 · School Admin Salaries						
7300101 · ADMINISTRATION P/R	868,259	860,420	(7,839)	819,502	916,136	96,634
7300102 · CLERICAL P/R						
7300103 · OVERTIME-NON EXEMPT			-			-
<b>Total 7300100 · School Admin Salaries</b>	<b>868,259</b>	<b>860,420</b>	<b>(7,839)</b>	<b>819,502</b>	<b>916,136</b>	<b>96,634</b>
7300200 · School Admin Empl Benefits						
7300203 · School Admin FICA ER	64,017	65,822	1,805	68,652	70,084	1,432
7300206 · School Admin Fla Sui	1,196	1,000	(196)	915	1,065	150
7300207 · School Admin other PR related	25,401	24,896	(505)	14,000	26,508	12,508
<b>Total 7300200 · School Admin Empl Benefits</b>	<b>90,614</b>	<b>91,718</b>	<b>1,104</b>	<b>83,567</b>	<b>97,657</b>	<b>14,090</b>
<b>Total 7300 · School Admin</b>	<b>958,873</b>	<b>952,138</b>	<b>(6,735)</b>	<b>903,069</b>	<b>1,013,793</b>	<b>110,724</b>
7600 · Food Service						
7600500 · Food svc Material supplies						
7600570 · FOOD-LUNCH PROGRAMS	93,802	165,000	71,198	199,598	165,000	(34,598)
<b>Total 7600500 · Food svc Material supplies</b>	<b>93,802</b>	<b>165,000</b>	<b>71,198</b>	<b>199,598</b>	<b>165,000</b>	<b>(34,598)</b>
<b>Total 7600 · Food Service</b>	<b>93,802</b>	<b>165,000</b>	<b>71,198</b>	<b>199,598</b>	<b>165,000</b>	<b>(34,598)</b>
7800 · Student Transportation						
7800500 · Student transp. materials/supp						
7800502 · TRANSPORTATION EXP		-	-		-	-
7800595 · Bus related exp.			-			-
<b>Total 7800500 · Student transp. materials/supp</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 7800 · Student Transportation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7900 · Plant ops						

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7900300 · Plant ops purchased svc						
7900355 · SUPPLIES-CUSTODIAL, OTHER	25,214	27,000	1,786	8,176	40,000	31,824
7900360 · RENTALS-LEASES	34,647	5,000	(29,647)	49,096	35,000	(14,096)
7900361 · BUILDING	36,918	34,000	(2,918)	574,556	570,000	(4,556)
Total 7900300 · Plant ops purchased svc	<u>96,779</u>	<u>66,000</u>	<u>(30,779)</u>	<u>631,828</u>	<u>645,000</u>	<u>13,172</u>
Total 7900 · Plant ops	<u>96,779</u>	<u>66,000</u>	<u>(30,779)</u>	<u>631,828</u>	<u>645,000</u>	<u>13,172</u>
8100 · Maintenance of Plant						
8100300 · Maintenance of Plant Services						
8100340 · REPAIRS MAINT. OFFICE	286	65,000	64,714	21,544	5,000	(16,544)
8100350 · REPAIRS & MAINTENANCE-FACILITY	161,535	42,000	(119,535)	47,849	60,000	12,151
Total 8100300 · Maintenance of Plant Services	<u>161,821</u>	<u>107,000</u>	<u>(54,821)</u>	<u>69,393</u>	<u>65,000</u>	<u>(4,393)</u>
Total 8100 · Maintenance of Plant	<u>161,821</u>	<u>107,000</u>	<u>(54,821)</u>	<u>69,393</u>	<u>65,000</u>	<u>(4,393)</u>
9100 · Community Svc						
9100100 · Community Svc salaries						
9100101 · SUMMER/AFTER SCHOOL PROGRAM	-	-	-	-	-	-
Total 9100100 · Community Svc salaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7400-Facility Acquisition	64,017	-	(64,017)	152,002	-	(152,002)
7400663 Building & FA constr						
Esser Exp				382,168		(382,168)
Total 7400	<u>64,017</u>	<u>-</u>	<u>(64,017)</u>	<u>534,170</u>	<u>-</u>	<u>(534,170)</u>
Total 7400	<u>64,017</u>	<u>-</u>	<u>(64,017)</u>	<u>534,170</u>	<u>-</u>	<u>(534,170)</u>
Total Governmental Activities	<u>5,250,227</u>	<u>5,265,810</u>	<u>15,583</u>	<u>6,397,558</u>	<u>5,534,048</u>	<u>(763,251)</u>
Depn Exp.						
CAPITAL SPENDING						
NOTE PAYABLE	208,390	-	(208,390)	4,560,000		(4,560,000)
Total Expenditures	<u>5,458,617</u>	<u>5,265,810</u>	<u>(192,807)</u>	<u>10,957,558</u>	<u>5,534,048</u>	<u>(5,323,251)</u>
Excess Revenues over Expenditures	<u>(255,102)</u>	<u>(88,582)</u>	<u>(166,520)</u>	<u>(376,229)</u>	<u>37,005</u>	<u>(413,234)</u>

## **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, 2022, 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, 2022, 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*

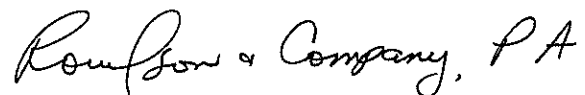
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 September 7, 2022, 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 September 7, 2022, under the heading *Independent Auditor's Management Letter*.

Respectfully submitted,



Rowlson & Company, P. A.  
Certified Public Accountants  
September 7, 2022

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF NET ASSETS  
JUNE 30, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$940,028
Due from state	80,000
Prepaid funds	307,077
Capital Assets:	
Furniture & fixtures	358,334
Computer, visual and audio equipment	832,250
Accumulated depreciation	(1,018,664)
	<b>1,499,025</b>
<b>LIABILITIES</b>	
Payroll taxes & benefits payable	8,199
	<b>8,199</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	171,920
Unrestricted	1,318,906
	<b>\$1,490,826</b>
	<b>\$1,490,826</b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS TOTAL GOVERNMENTAL ACTIVITIES</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction and instruction-related services	\$3,254,290			(\$3,254,290)
Support services-student-based	405,851	\$520,668	\$42,364	157,181
General administrative	2,495,802			(2,495,802)
Support services-non-student-based	942,319		347,633	(594,686)
Interest on long-term debt	51,284			(51,284)
Depreciation-unallocated	18,600			(18,600)
<b>TOTALS</b>	<b>\$7,168,146</b>	<b>\$520,668</b>	<b>\$389,997</b>	<b>(\$6,257,481)</b>
 <b>GENERAL REVENUES:</b>				
State funds-FTE				\$4,655,395
Other				455,268
Total General Revenues				5,110,663
Change In Net Assets				(1,146,818)
<b>NET ASSETS-BEGINNING</b>				2,637,644
<b>NET ASSETS-ENDING</b>				<b>\$1,490,826</b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>GENERAL FUND</b>	<b>DEBT SERVICE FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$940,028		\$940,028
Accounts receivable and prepaid funds	387,077		387,077
<b>TOTAL ASSETS</b>	<b>1,327,105</b>		<b>1,327,105</b>
 <b><u>LIABILITIES &amp; FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Payroll taxes & benefits payable	8,199		8,199
<b>TOTAL LIABILITIES</b>	<b>8,199</b>		<b>8,199</b>
 <b>FUND BALANCES</b>			
Unassigned	1,318,906		1,318,906
Restricted			
<b>TOTAL FUND BALANCES</b>	<b>1,318,906</b>		<b>1,318,906</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$1,327,105</b>		<b>\$1,327,105</b>

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, 2022**

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

<b>TOTAL FUND BALANCES-GOVERNMENTAL FUNDS</b>	\$1,318,906
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

The costs of the assets are \$1,190,584 and the accumulated depreciation is \$1,018,664

171,920

<b>TOTAL NET ASSETS-GOVERNMENTAL ACTIVITIES</b>	<u><u>\$1,490,826</u></u>
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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, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>			
<b>Other financing sources</b>			
Bond proceeds			
Sale proceeds	\$4,560,000		\$4,560,000
<b>Total other financing sources</b>	<u>4,560,000</u>	<u>\$0</u>	<u>4,560,000</u>
<b>Grants &amp; donations</b>			
Corporate grants & donations	5,000		5,000
Private foundation grants	0		0
General public donations	4,916		4,916
Grants - governmental	0		0
<b>Total grants &amp; donations</b>	<u>9,916</u>	<u></u>	<u>9,916</u>
<b>Investment income</b>			
Interest income		206	206
Other investment income		0	0
<b>Total investment income</b>	<u>0</u>	<u>206</u>	<u>206</u>
<b>School board - FTE</b>			
State funds - FTE	4,655,395		4,655,395
SIT funds - capital outlay	347,633		347,633
Other income - FTE	11,272		11,272
<b>Total school board - FTE</b>	<u>5,014,300</u>	<u></u>	<u>5,014,300</u>
<b>Other income</b>			
School lunch income	166,374		166,374
Transportation revenue			
<b>Student activity &amp; project income:</b>			
Field trip receipts	73,840		73,840
Yearbook receipts	17,781		17,781
Other	12,349		12,349
Student government receipts	9,401		9,401
Music fees	1,006		1,006
Book fees	28,249		28,249
Lab fees	13,008		13,008
Drama receipts	0		0
After school care receipts	45,530		45,530
8th grade graduation	2,295		2,295
FAFO income	32,449		32,449
<b>Athletic department:</b>			
Admission receipts	0		0
Student payment fees	15,189		15,189
Fundraising	0		0
Other-athletic	569		569
<b>P.R.A. activities:</b>			
Auction receipts	0		0
Team Tornado receipts	110,083		110,083
School store	36,056		36,056
Other receipts	30		30
T-shirt sales	0		0
Script	0		0
Esser	432,698		432,698
<b>Total other income</b>	<u>996,907</u>	<u></u>	<u>996,907</u>
<b>Total Revenues</b>	<u>\$10,581,123</u>	<u>\$206</u>	<u>\$10,581,329</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Expenditures:</b>			
<b>Other financing uses</b>			
Principal	\$0	\$4,560,000	\$4,560,000
Interest expense	0	51,284	51,284
<b>Total other financing uses</b>	<u>0</u>	<u>4,611,284</u>	<u>4,611,284</u>
<b>Basic instruction</b>			
Classroom teacher payroll	2,440,772		2,440,772
Federal payroll taxes	190,255		190,255
State payroll taxes	2,430		2,430
Other payroll expenses	472,516		472,516
Materials & supplies	13,762		13,762
Supplies - instructional	47,564		47,564
Lab expenses	10,567		10,567
Textbooks	65		65
Books-consumables	17,558		17,558
Instructional equipment	45,954		45,954
Student activities - programs	8,617		8,617
Field trip expenses	79,198		79,198
Banquet expense			
Yearbook expenses	21,143		21,143
Other	3,155		3,155
SGA expenses	1,250		1,250
8th grade graduation	5,275		5,275
Band, chorus & drama expense	11,671		11,671
Jr. K. Club expenses	0		0
<b>Total basic instruction expense</b>	<u>3,371,752</u>	<u>0</u>	<u>3,371,752</u>
<b>Other instructional</b>			
Substitute teacher payroll	63,312		63,312
Stipends			
Federal payroll taxes	4,843		4,843
State payroll taxes	109		109
Other payroll related expenses			
<b>Total other instructional expense</b>	<u>68,264</u>	<u>0</u>	<u>68,264</u>
<b>School administration</b>			
Administration payroll	819,502		819,502
Overtime - non-exempt			
Federal payroll taxes	68,652		68,652
State payroll taxes	915		915
Other payroll related expenses	14,000		14,000
<b>Total school administration expense</b>	<u>903,069</u>	<u>0</u>	<u>903,069</u>
<b>Food service</b>			
Food - lunch programs	199,598		199,598
<b>Total food service expense</b>	<u>\$199,598</u>	<u>\$0</u>	<u>\$199,598</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>General administration</b>			
Professional & technical services	\$44,830		\$44,830
General & property insurance expense	73,078		73,078
Travel & entertainment expense	7,888		7,888
Equipment - office rentals	4,525		4,525
Telephone & internet expense	34,404		34,404
Office expense	21,912		21,912
Advertising expense	0		0
District administrative fee	110,345		110,345
Electricity	66,365		66,365
Utilities	1,397		1,397
P.R.A. expense	0		0
P.R.A. auction expense	0		0
P.R.A. team tornado expense	24,809		24,809
P.R.A. other expense	7,172		7,172
Board expense	9,124		9,124
Athletic expense	420		420
Referee fees	1,695		1,695
Athletic uniform expense	1,787		1,787
Athletic registration fees	700		700
Athletic expense other	9,267		9,267
Fundraising	6,999		6,999
Miscellaneous & other expense	41,224		41,224
<b>Total general administration expense</b>	<b>467,941</b>	<b>\$0</b>	<b>467,941</b>
<b>Facility acquisition costs</b>			
Loss on sale of assets	152,002		152,002
Moving expenses	100,259		100,259
<b>Total facility acquisition costs</b>	<b>252,261</b>	<b>0</b>	<b>252,261</b>
<b>Plant operations</b>			
Supplies - custodial	8,176		8,176
Alarm system and security	49,096		49,096
Building & rentals	574,556		574,556
<b>Total plant operations expense</b>	<b>631,828</b>	<b>0</b>	<b>631,828</b>
<b>Maintenance of plant</b>			
Repairs & maintenance - office	21,544		21,544
Repairs & maintenance - facility	47,849		47,849
<b>Total maintenance of plant expense</b>	<b>69,393</b>	<b>0</b>	<b>69,393</b>
<b>Other</b>			
Esser expenses	382,168		382,168
<b>Total student transportation expense</b>	<b>382,168</b>	<b>0</b>	<b>382,168</b>
<b>Total Expenditures</b>	<b>6,346,274</b>	<b>4,611,284</b>	<b>10,957,558</b>
<b>Excess of Expenditures Over Revenues</b>	<b>4,234,849</b>	<b>(4,611,078)</b>	<b>(376,229)</b>
<b>Other financing uses</b>			
Interfund transfers	(3,743,481)	3,743,481	0
<b>Total other financing uses</b>	<b>(3,743,481)</b>	<b>3,743,481</b>	<b>0</b>
<b>Net Changes In Fund Balances</b>	<b>491,368</b>	<b>(867,597)</b>	<b>(376,229)</b>
Fund Balances, July 1, 2021	827,538	867,597	1,695,135
Fund Balances, June 30, 2022	<b>\$1,318,906</b>	<b>\$0</b>	<b>\$1,318,906</b>

**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, 2022**

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

<b>NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS</b>	<b>(\$376,229)</b>
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 \$42,182 are more than depreciation expense (\$18,600) for the year ended.	23,582
Repayment of bond principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net assets.	4,560,000
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, when sold the book value of those assets are used to offset the sales proceeds. The amount by which the sales proceeds (\$4,560,000) are offset by costs and the book value of those assets (\$794,171).	<u>(5,354,171)</u>
<b>CHANGE IN NET ASSETS-GOVERNMENTAL ACTIVITIES</b>	<b><u>(\$1,146,818)</u></b>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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 2021-2022 school year the School reported 656.83 un-weighted FTE. Weighted funding represents approximately 5.5% of the total state funding.

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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	\$ 2,890,121
ESE Funding	208,982
Class size reduction funds	610,150
Other	<u>830,350</u>
Total FEFP funding	4,539,603
Other Funding	<u>474,697</u>
Total	<u>\$ 5,014,300</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, 2022**

**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, 2022**

**NOTE 4 - CAPITAL FIXED ASSETS**

A summary of general fixed assets follows:

<i>Governmental Activities:</i>	Balance July 1, 2021	Changes	Balance June 30, 2022
Buildings & Improvements	\$ 3,756,590	\$(3,756,590)	\$ 0
Furniture & Fixtures	316,152	42,182	358,334
Computer, visual & audio Equipment	832,250	0	832,250
Land	<u>2,525,138</u>	(2,525,138)	<u>0</u>
Total	<u>7,430,130</u>	(6,239,546)	<u>1,190,584</u>
 <i>Less Accumulated Depreciation:</i>			
Buildings & Improvements	1,015,222	(1,015,222)	0
Furniture & Fixtures	203,710	10,600	214,310
Computer, visual & audio Equipment	<u>796,354</u>	<u>8,000</u>	<u>804,354</u>
Total	<u>2,015,286</u>	( 996,622)	1,018,664
 Capital Assets, Net	 <u>\$ 5,414,844</u>	 \$(5,242,924)	 <u>\$ 171,920</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 5 - LEASE**

In August 2021 BTBCSF-TCMS extinguished all outstanding debt related to the mortgage for \$6.215MM related to the 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. This was related to the associated sale of the permanent facility the debt was used to acquire.

As a result of the sale of the property and extinguishment of the Bonds, TCMS entered into a lease agreement for the current School location on July 6, 2021.

For 2022 the lease expense recognized under these agreements amounted to \$382,168.

Future minimum lease payments under the lease agreement as of June 30, 2022 are as follows:

Year ending June 30:

2023	\$ 505,000
2024	505,000
2025	<u>505,000</u>
	<u>\$1,515,000</u>

**TERRACE COMMUNITY MIDDLE SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022.**
- 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, 2022.**
- 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, 2022.**
- 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, 2022**

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Grants &amp; donations</b>				
Corporate grants & donations	\$ 2,000	\$ 2,000	\$ 5,000	\$ 3,000
Private foundation grants	0	0	0	0
General public donations	4,000	4,000	4,916	916
Grants - governmental	0	0	0	0
<b>Total grants &amp; donations</b>	<b>6,000</b>	<b>6,000</b>	<b>9,916</b>	<b>3,916</b>
<b>Other financing sources</b>				
Sale proceeds	0	0	4,560,000	4,560,000
Other	0	0	0	0
<b>Total investment income</b>	<b>0</b>	<b>0</b>	<b>4,560,000</b>	<b>4,560,000</b>
<b>School board - FTE</b>				
State funds - FTE	4,637,509	4,637,509	4,655,395	17,886
SIT capital funds	325,000	325,000	347,633	22,633
Other income - FTE	0	0	11,272	11,272
<b>Total school board - FTE</b>	<b>4,962,509</b>	<b>4,962,509</b>	<b>5,014,300</b>	<b>51,791</b>
<b>Other income</b>				
School lunch income	165,000	165,000	166,374	1,374
Transportation revenue	0	0	0	0
Student activity & project income:				
Field trip receipts	50,000	50,000	73,840	23,840
Yearbook receipts	15,000	15,000	17,781	2,781
Other	45,694	45,694	12,349	(33,345)
Student government receipts	5,000	5,000	9,401	4,401
Music fees	0	0	1,006	1,006
Book fees	45,000	45,000	28,249	(16,751)
Lab fees	15,000	15,000	13,008	(1,992)
Drama receipts	0	0	0	0
After school care receipts	75,000	75,000	45,530	(29,470)
8th grade graduation	0	0	2,295	2,295
FAFO income	25,000	25,000	32,449	7,449
Athletic department:				
Admission receipts	0	0	0	0
Student payment fees	12,000	12,000	15,189	3,189
Fundraisng	14,000	14,000	0	(14,000)
Other-athletic	500	500	569	69
P.R.A. activities:				
Auction receipts	0	0	0	0
Team Tornado receipts	105,000	105,000	110,083	5,083
School store	28,000	28,000	36,056	8,056
Other receipts	1,000	1,000	30	(970)
T-shirt sales	1,000	1,000	0	(1,000)
Script	0	0	0	0
Esser	0	0	0	0
<b>Total other income</b>	<b>602,194</b>	<b>602,194</b>	<b>996,907</b>	<b>432,698</b>
<b>Total Revenues</b>	<b>\$5,570,703</b>	<b>\$5,570,703</b>	<b>\$10,581,123</b>	<b>\$5,010,420</b>

**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>		
<b>Expenditures:</b>				
<b>Basic instruction</b>				
Classroom teacher payroll	\$2,460,333	\$2,460,333	\$2,440,772	(\$19,561)
Federal payroll taxes	188,215	188,215	190,255	2,040
State payroll taxes	2,721	2,721	2,430	(291)
Other payroll expenses	407,475	407,475	472,516	65,041
Materials & supplies	10,000	10,000	13,762	3,762
Supplies - instructional	25,200	25,200	47,564	22,364
Lab expenses	13,000	13,000	10,567	(2,433)
Textbooks	0	0	65	65
Books-consumables	25,200	25,200	17,558	(7,642)
Instructional equipment	1,800	1,800	45,954	44,154
Student activities - programs	3,000	3,000	8,617	5,617
Field trip expense	30,000	30,000	79,198	49,198
Yearbook expense	20,000	20,000	21,143	1,143
Other	7,000	7,000	3,155	(3,845)
SGA expense	2,000	2,000	1,250	(750)
8th grade graduation	2,000	2,000	5,275	3,275
Band, Chorus and Drama expense	6,000	6,000	11,671	5,671
Jr. K Club expenses	0	0	0	0
<b>Total basic instruction expense</b>	<u>3,203,944</u>	<u>3,203,944</u>	<u>3,371,752</u>	<u>167,808</u>
<b>Other instructional</b>				
Substitute teacher payroll	10,000	10,000	63,312	53,312
Stipends	0	0	0	0
Federal payroll taxes	765	765	4,843	4,078
State payroll taxes	100	100	109	9
Other payroll related expenses	0	0	0	0
<b>Total other instructional expense</b>	<u>10,865</u>	<u>10,865</u>	<u>68,264</u>	<u>57,399</u>
<b>Other financing uses</b>				
Principal and interest	0	0	0	0
<b>Total other financing uses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>School administration</b>				
Administration payroll	916,136	916,136	819,502	(96,634)
Overtime - non-exempt				
Federal payroll taxes	70,084	70,084	68,652	(1,432)
State payroll taxes	1,065	1,065	915	(150)
Other payroll related expenses	26,508	26,508	14,000	(12,508)
<b>Total school administration expense</b>	<u>1,013,793</u>	<u>1,013,793</u>	<u>903,069</u>	<u>(110,724)</u>
<b>Food service</b>				
Food - lunch programs	165,000	165,000	199,598	34,598
<b>Total food service expense</b>	<u>\$165,000</u>	<u>\$165,000</u>	<u>\$199,598</u>	<u>\$34,598</u>

**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		
<b>General administration</b>				
Professional & technical services	\$67,500	\$67,500	\$44,830	(\$22,670)
General & property insurance expense	45,000	45,000	73,078	28,078
Travel & entertainment expense	1,500	1,500	7,888	6,388
Equipment - office rentals	15,000	15,000	4,525	(10,475)
Telephone & internet expense	20,000	20,000	34,404	14,404
Office expense	15,000	15,000	21,912	6,912
Fundraising	18,000	18,000	6,999	(11,001)
District administrative fee	124,063	124,063	110,345	(13,718)
Electricity	40,000	40,000	66,365	26,365
Utilities	16,000	16,000	1,397	(14,603)
P.R.A. expense	0	0	0	0
P.R.A. auction expense	0	0	0	0
P.R.A. team tornado expense	6,000	6,000	24,809	18,809
P.R.A. other expense	1,000	1,000	7,172	6,172
Board expense	2,500	2,500	9,124	6,624
Athletic expense	0	0	420	420
Referee fees	3,500	3,500	1,695	(1,805)
Athletic uniform expense	1,900	1,900	1,787	(113)
Athletic equipment supplies	1,500	1,500		(1,500)
Athletic registration fees	1,000	1,000	700	(300)
Athletic expense other	1,900	1,900	9,267	7,367
Miscellaneous & other expense	27,000	27,000	41,224	14,224
<b>Total general administration expense</b>	<b>408,363</b>	<b>408,363</b>	<b>467,941</b>	<b>59,578</b>
<b>Facility acquisition costs</b>				
Moving expenses & loss on asset sale	0	0	252,261	252,261
<b>Total facility acquisition costs</b>	<b>0</b>	<b>0</b>	<b>252,261</b>	<b>252,261</b>
<b>Plant operations</b>				
Supplies - custodial	40,000	40,000	8,176	(31,824)
Alarm system and security	35,000	35,000	49,096	14,096
Rentals-Leases	35,000	35,000	46,309	11,309
Building rental	535,000	535,000	528,247	(6,753)
<b>Total Plant operations expense</b>	<b>645,000</b>	<b>645,000</b>	<b>631,828</b>	<b>(13,172)</b>
<b>Maintenance of plant</b>				
Repairs & maintenance - office	5,000	5,000	\$21,544	16,544
Repairs & maintenance - facility	60,000	60,000	47,849	(12,151)
<b>Total Maintenance of plant expense</b>	<b>65,000</b>	<b>65,000</b>	<b>69,393</b>	<b>4,393</b>
<b>Other</b>				
Esser expenses	0	0	382,168	382,168
<b>Total student transportation expense</b>	<b>0</b>	<b>0</b>	<b>382,168</b>	<b>0</b>
<b>Total Expenditures</b>	<b>5,511,965</b>	<b>5,511,965</b>	<b>6,346,274</b>	<b>834,309</b>
<b>Excess of Revenues Over Expenditures</b>	<b>58,738</b>	<b>58,738</b>	<b>4,234,849</b>	<b>4,176,111</b>
<b>Other financing uses</b>				
Interfund transfers			(3,743,481)	(3,743,481)
<b>Net Changes In Fund Balance</b>	<b>58,738</b>	<b>58,738</b>	<b>491,368</b>	<b>432,630</b>
<b>Fund Balance, July 1, 2021</b>	<b>827,538</b>	<b>827,538</b>	<b>827,538</b>	<b>0</b>
<b>Fund Balance, June 30, 2022</b>	<b>\$886,276</b>	<b>\$886,276</b>	<b>\$1,318,906</b>	<b>\$432,630</b>

See Accompanying Notes and Accountants' Report

Page 3 of 3

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Other financing sources</b>				
Interest income, net	\$350	\$350	\$206	(\$144)
<b>Total other financing sources</b>	<u>350</u>	<u>350</u>	<u>206</u>	<u>(144)</u>
<b>Total Revenues</b>	<u>350</u>	<u>350</u>	<u>206</u>	<u>(144)</u>
<b>Expenditures:</b>				
<b>General administration</b>				
Interest expense	22,083	22,083	51,284	29,201
Principal			4,560,000	4,560,000
<b>General administration expense</b>	<u>22,083</u>	<u>22,083</u>	<u>4,611,284</u>	<u>4,589,201</u>
<b>Other financing uses</b>				
Building				
<b>Other financing uses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenses</b>	<u>22,083</u>	<u>22,083</u>	<u>4,611,284</u>	<u>4,589,201</u>
<b>Excess of Expenditures Over Revenues</b>	<u>(21,733)</u>	<u>(21,733)</u>	<u>(4,611,078)</u>	<u>(4,589,345)</u>
<b>Other financing sources:</b>				
Interfund transfers			3,743,481	3,743,481
<b>Net Changes in Fund Balance</b>	<u>(21,733)</u>	<u>(21,733)</u>	<u>(867,597)</u>	<u>(845,864)</u>
<b>Fund Balance July 1, 2021</b>	<u>867,597</u>	<u>867,597</u>	<u>867,597</u>	<u>0</u>
<b>Fund Balance June 30, 2022</b>	<u><u>\$845,864</u></u>	<u><u>\$845,864</u></u>	<u><u>\$0</u></u>	<u><u>(\$845,864)</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, 2022, 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**

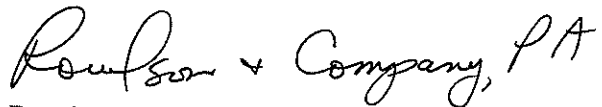
As part of obtaining reasonable assurance about whether the School's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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, 2022, 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  
September 7, 2022

## **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, 2022, and have issued our report thereon dated September 7, 2022.

### **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 September 7, 2022. 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

September 7, 2022