

**TERRACE COMMUNITY
MIDDLE SCHOOL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
June 30, 2023**

**TERRACE COMMUNITY MIDDLE SCHOOL
JUNE 30, 2023**

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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, 2023

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, 2023.

Financial Highlights

The BTBCSF-TCMS net assets totaled \$1,537,381 which represents 3.1% increase over prior fiscal year. The net assets balance consisted of net capital investments of \$ 228,902, loans payable of \$0.00 and unrestricted net assets of \$ 1,308,479. General state revenues totaled \$ 4,814,081 and accounted for 85.5% of all revenues for the school.

The year end balances in our separate funds were: general fund reported a balance of \$1,308,479 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 \$1,537,381 at the close of the past fiscal year. Approx 14.9% 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.

BTBCSF-Terrace Community Middle School
Management's Discussion and Analysis
A comparative Analysis of Fiscal year 2022 to 2023 follows:

Net Assets	Government Assets	
	<u>2022</u>	<u>2023</u>
Current Assets	1,327,105	1,316,944
Capital Assets	171,920	228,902
Total Assets	1,499,025	1,545,846
Current Liabilities	8,199	8,465
Long term liabilities	0	0
Total Liabilities	8,199	8,465
 Net Assets		
Invested in Capital		
Assets net of debt	171,920	228,902
Bank loan-	-	-
Unrestricted	1,318,906	1,308,479
Total Net assets	1,490,826	1,537,381

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, 2023**

See appendix A

Changes in Net Assets

As previously stated, and further demonstrated in this analysis, BTBCSF-TCMS has experienced a increase in net assets of 3.1% during fiscal year 2023.

Changes from Operations is the net impact normal operating revenue increases of \$472k. This was comprised primarily of FTE \$260k, due to per student funding increases from DOE. Student fee increases \$20k, this is related to resumption of normal teaching schedules post Covid-19 as well as settling into our new facility. Additional funding of \$ 241k YOY from specific Covid-19 related ESSER funding from the Feds. This was offset by a decrease in fundraising revenues of (\$49k)- for a net total revenue increase of \$ 472k.

Spending variances YOY included \$144k increase in PR and related, this resulted from mandated salary increases to instructional staff coupled with increased health insurance costs.. Instructional spending decreased (\$87k) fully related to absorption of 100% on campus teaching, as well as getting back to normal operations from the 2021 moving to and setting up in the new facility. G&A spending decreased (\$177k) related to economies form the new facility including interest exp elimination. Occupancy spending increased by \$68k, again related to the new facility operations and maintenance requirements for the new facility. ESSER related spending totaled \$674k, this relates to the increase in 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 any revenue fluctuations. 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, 2023**

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 \$ 697,563 favorable to the plan for FY 2023, this is compared to a variance of \$450,420 favorable for the FY 2022. **Selected Revenue variances for both years included:**

<u>Revenue Source</u>	<u>Fav/(unfav) FY 2022 Var.</u>	<u>Fav/(unfav) FY 2023 Var.</u>
State FTE funds	\$ 29,158	\$ 189,499
SIT Funds	22,633	(8,128)
Grant/Donations	3,916	(1,669)
Student/PRA	(37,985)	(55,844)
ESSER funds	432,698	673,704

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 continues to contribute to additional sources of revenues totaling \$ 573,704 to offset pandemic spending required by CDC rules and District mandates for student safety, we expect this to end as a source during the 2024 school year. 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 2022 Var.</u>	<u>Fav/(Unfav) FY 2023 Var.</u>
Salaries/Fringe	\$ 6,096	936
Instructional Svc	(167,808)	59,032
Gen Admin Exp.	(67,811)	(74,709)
Occupancy exp.	(17,856)	(17,581)
ESSER Spending	432,698	673,704

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

The reasons for these variances are mainly related to the combined impact of Covid-19 changes to learning environment as well as getting settled into the new campus. Management strives to promote and protect the welfare of the students and staff and still

provide educational standards that is BTBCSF-TCMS. Employee salaries and fringes were on target a mix 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 \$ 673,704 are 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 increased by \$ 56,982 net of accumulated depreciation. All additions included (at Gross):

Leasehold Improvements	74,582
Furniture and Fixtures	-
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 30,2023
 Appendix A

	2022	2023
	Governmental Activities <u>Actual</u>	Governmental Activities <u>Actual</u>
3001 · TOTAL REVENUE		
Sales proceeds	4,560,000	-
3110 · GRANT-DONATION INCOME		
3111 · CORPORATE GRANTS/DONATIONS	5,000	4,029
3112 · PRIVATE FOUNDATION GRANTS		
3113 · GENERAL PUBLIC DONATIONS		
3119 · GRANTS-GOVERNMENTAL	4,916	4,302
3110 · GRANT-DONATION INCOME - Other	-	-
Total 3110 · GRANT-DONATION INCOME	<u>9,916</u>	<u>8,331</u>
3120 · INVESTMENT INCOME		
3121 · INTEREST INCOME	206	8
Total 3120 · INVESTMENT INCOME	<u>206</u>	<u>8</u>
3130 · SCHOOL BOARD REVENUE=EFT		
3131 · STATE FUNDS-EFT	4,655,395	4,814,081
3132 · SIT FUNDS..CAPITAL OUTLAY	347,633	326,872
3139 · OTHER INCOME-EFT	11,272	133,333
Total 3130 · SCHOOL BOARD REVENUE=EFT	<u>5,014,300</u>	<u>5,274,286</u>
3140 · OTHER INCOME		
3141 · SCHOOL LUNCH INCOME	166,374	215,156
3142 · TRANSPORTATION REVENUE		
3143 · STUDENT ACTIVITY/PROJECT INCOME		
31431 · FIELD TRIP RECEIPTS	73,840	57,300
31433 · YEARBOOK RECEIPTS	17,781	20,527
31435 · OTHER	12,349	6,607
31437 · Student Gov. Receipts	9,401	7,270
31450 · Music	1,006	1,300
31439 · 8th GRADE GRADUATION	2,295	1,156
31450 · Book fees	41,257	30,081
31460- Drama Receipts After School / Slam / FAFO	<u>77,979</u>	<u>82,301</u>
Total 3143 · STUDENT ACTIVITY/PROJECT INCOME	<u>235,908</u>	<u>206,542</u>
3144 · ATHLETIC DEPARTMENT		
31441 · ADMISSION RECEIPTS	-	-
31442 · STUDENT PAYMENTS-FEES	15,189	13,944
31443 · FUND RAISING	-	-
31444 · OTHER-ATHLETIC	569	-
3144 · ATHLETIC DEPARTMENT - Other		
Total 3144 · ATHLETIC DEPARTMENT	<u>15,758</u>	<u>13,944</u>
3145 · P.R.A. ACTIVITIES		
31451 · AUCTION RECEIPTS		
31452 · TEAM TORNADO RECEIPTS	110,083	100,194
31453 · SCHOOL STORE	36,056	1,323
31454 · WED. PIZZA LUNCH RECEIPTS	30	-
31455 · PRA RECEIPTS OTHER		
31456 · PRA T SHIRT SALES		
3145 · P.R.A. ACTIVITIES - Other		
Total 3145 · P.R.A. ACTIVITIES	<u>146,169</u>	<u>101,517</u>
3149 · OTHER ESSER	432,698	673,704
3140 · OTHER INCOME - Other		
Total 3140 · OTHER INCOME	<u>996,907</u>	<u>1,210,863</u>
Total 3100 · FOUNDATION INCOME	<u>10,581,329</u>	<u>6,493,488</u>
Total 3001 · TOTAL REVENUE	<u>10,581,329</u>	<u>6,493,488</u>

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	10,581,329	6,493,488
4000 · TOTAL EXPENSES		
5100 · Basic instruction		
5100100 · Basic Instruction salaries		
5100101 · CLASSROOM TEACHER P/R	2,440,772	2,481,592
Total 5100100 · Basic Instruction salaries	2,440,772	2,481,592
5100200 · Basic Instruction Employee Ben.		
5100203 · FICA-ER EXP.	190,255	201,698
5100204 · Group inc exp.		
5100206 · FLA SUI EXP.	2,430	2,578
5100207 · OTHER P/R RELATED EXP	472,516	440,789
Total 5100200 · Basic Instruction Employee Ben.	665,201	645,065
5100500 · Basic Instr-material & suppl		
5100510 · MATERIALS & SUPPLIES	13,762	2,100
5100520 · SUPPLIES-INSTRUCTIONAL	47,564	20,402
5100540 · TEXT BOOKS	28,190	20,369
5100550 · instructional equipment	45,954	-
5100580 · STUDENT ACTIVITIES-PROGRAMS	8,617	2,594
5100581 · FIELD TRIP EXP.	79,198	73,564
5100582 · BANQUET EXPENSES		
5100583 · YEARBOOK EXPENSES	21,143	20,725
5100585 · OTHER	3,155	11,610
5100586 · SGA EXPENSES	1,250	3,147
5100587 · Forensics expense	11,671	14,646
5100588 · 8th Grade Graduation	5,275	9,556
Total 5100500 · Basic Instr-material & suppl	265,779	178,713
Total 5100 · Basic Instruction	3,371,752	3,305,370
5600 · Other instructional		
5600100 · Other Instr-salaries		
5600101 · SUBSTITUTE TEACHER P/R	63,312	50,606
5600102 · AIDE P/R		
5600103 · Stipends	-	-
Total 5600100 · Other Instr-salaries	63,312	50,606
5600200 · Other instr-employee ben		
5600203 · OI FICA ER	4,843	3,866
5600206 · OI Fla SUI	109	106
5600207 · OI other PR related		
Total 5600200 · Other Instr-employee ben	4,952	3,972
Total 5600 · Other Instructional	68,264	54,578
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	44,830	53,414
7200320 · GENERAL & PROPERTY INSURANCE EX	73,078	35,708
7200330 · TRAVEL EXP.	7,888	5,608
7200335 · ENTERTAINMENT EXP.	-	-
7200363 · EQUIPMENT-OFFICE RENTALS	4,525	5,439
7200371 · TELEPHONE EXPENSES	34,404	39,108
7200372 · INTERNET EXPENSES		
7200380 · DISTRICT ADMIN ERXP	110,345	117,953
7200390 · OFFICE EXPENSES	21,912	23,077

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7200395 · CITY UTILITIES	1,397	-
Total 7200300 · Gen Admin purchases svc	<u>298,379</u>	<u>280,307</u>
7200400 · Gen Admin Energy svc		
7200430 · ELECTRICITY EXP.	66,365	74,122
7200431 · Gas bill		
Total 7200400 · Gen Admin Energy svc	<u>66,365</u>	<u>74,122</u>
7200700 · Gen Admin other exp		
7200701 · OTHER EXPENSES		
7200703 · INTEREST EXP.	51,284	-
7200704 · FUND RAISING EXP	6,999	10,979
7200705 · Challenge Fund Spending		
7200751 · P.R.A. SPENDING		
7200752 · PRA AUCTION EXPENSES		1,145
7200753 · PRA TEAM TORNADO EXPENSES	24,809	23,938
7200754 · PRA SCHOOL STORE EXPENSES		
7200755 · PRA PIZZA LUNCH EXP		
7200756 · PRA OTHER EXPENSES	7,172	4,244
7200760 · BOARD EXPENSES	9,124	2,763
7200780 · ATHLETIC DEPT. SPENDING	420	-
7200781 · ATHLETIC FACILITY RENTALS		
7200782 · REFEREE FEES	1,695	6,875
7200783 · ATHLETIC UNIFORM EXPENSES	1,787	1,555
7200784 · ATHLETIC EQUIPMENT-SUPPLIES		370
7200785 · ATHLETIC REGISTRATION FEES	700	970
7200786 · ATHLETIC EXPENSES-OTHER	9,267	8,394
7200790 · MISC. OTHER EXP.	41,224	20,956
7277702 · MOSI MOVING EXPENSES	<u>100,259</u>	<u>5,490</u>
Total 7200700 · Gen Admin other exp	<u>254,740</u>	<u>87,679</u>
Total 7200 · General Administration	<u>619,484</u>	<u>442,108</u>
7300 · School Admin		
7300100 · School Admin Salaries		
7300101 · ADMINISTRATION P/R	819,502	947,838
7300102 · CLERICAL P/R		
7300103 · OVERTIME-NON EXEMPT		
Total 7300100 · School Admin Salaries	<u>819,502</u>	<u>947,838</u>
7300200 · School Admin Empl Benefits		
7300203 · School Admin FICA ER	68,652	74,830
7300206 · School Admin Fla Sui	915	982
7300207 · School Admin other PR related	14,000	16,000
Total 7300200 · School Admin Empl Benefits	<u>83,567</u>	<u>91,812</u>
Total 7300 · School Admin	<u>903,069</u>	<u>1,039,650</u>
7600 · Food Service		
7600500 · Food svc Material supplies		
7600570 · FOOD-LUNCH PROGRAMS	199,598	218,924
Total 7600500 · Food svc Material supplies	<u>199,598</u>	<u>218,924</u>
Total 7600 · Food Service	<u>199,598</u>	<u>218,924</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		
7900365 · SUPPLIES-CUSTODIAL, OTHER	8,176	24,116
7900360 · RENTALS-LEASES	49,096	56,077
7900361 · BUILDING	<u>574,556</u>	<u>544,221</u>

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Total 7900300 · Plant ops purchased svc	<u>631,828</u>	<u>624,414</u>
Total 7900 · Plant ops	<u>631,828</u>	<u>624,414</u>
8100 · Maintenance of Plant		
8100300 · Maintenance of Plant Services		
8100340 · REPAIRS MAINT. OFFICE	21,544	3,221
8100350 · REPAIRS & MAINTENANCE-FACILITY	<u>47,849</u>	<u>141,946</u>
Total 8100300 · Maintenance of Plant Services	<u>69,393</u>	<u>145,167</u>
Total 8100 · Maintenance of Plant	<u>69,393</u>	<u>145,167</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		
7400663 Building & FA constr	152,002	-
ESSER expenses	<u>382,168</u>	<u>673,704</u>
Total 7400	<u>534,170</u>	<u>673,704</u>
Total 7400	<u>534,170</u>	<u>673,704</u>
Total Governmental Activities	<u>6,397,558</u>	<u>6,503,915</u>
Depn Exp.		
CAPITAL SPENDING		
NOTE PAYABLE	4,560,000	-
Total Expenditures	<u>10,957,558</u>	<u>6,503,915</u>
Excess Revenues over Expenditures	<u>(376,229)</u>	<u>(10,427)</u>

BTBCSF-Terrace Community Middle School
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	2022 Governmental Activities			2023 Governmental Activities		
	Actual	Budget	Variance	Actual	Budget	Variance
3001 · TOTAL REVENUE						
3100- Sales proceeds	4,560,000	-	4,560,000	-	-	-
3110 · GRANT-DONATION INCOME						
3111 · CORPORATE GRANTS/DONATIONS	5,000	2,000	3,000	4,029	5,000	(971)
3112 · PRIVATE FOUNDATION GRANTS						
3113 · GENERAL PUBLIC DONATIONS	4,916	4,000	916	4,302	5,000	(698)
3119 · GRANTS-GOVERNMENTAL						
3110 · GRANT-DONATION INCOME - Other						
Total 3110 · GRANT-DONATION INCOME	9,916	6,000	3,916	8,331	10,000	(1,669)
3120 · INVESTMENT INCOME						
3121 · INTEREST INCOME	206	350	(144)	8	10	(2)
Total 3120 · INVESTMENT INCOME	206	350	(144)	8	10	(2)
3130 · SCHOOL BOARD REVENUE=EFT						
3131 · STATE FUNDS-EFT	4,655,395	4,637,509	17,886	4,814,081	4,742,915	71,166
3132 · SIT FUNDS..CAPITAL OUTLAY	347,633	325,000	22,633	326,872	335,000	(8,128)
3139 · OTHER INCOME-EFT	11,272	-	11,272	133,333	15,000	118,333
Total 3130 · SCHOOL BOARD REVENUE=EFT	5,014,300	4,962,509	51,791	5,274,286	5,092,915	181,371
3140 · OTHER INCOME						
3141 · SCHOOL LUNCH INCOME	166,374	165,000	1,374	215,156	175,000	40,156
3142 · TRANSPORTATION REVENUE						
3143 · STUDENT ACTIVITY/PROJECT INCOME						
31431 · FIELD TRIP RECEIPTS	73,840	50,000	23,840	57,300	75,000	(17,700)
31433 · YEARBOOK RECEIPTS	17,781	15,000	2,781	20,527	20,000	527
31435 · OTHER	12,349	45,694	(33,345)	6,607	1,000	5,607
31437 · Student Gov. Receipts	9,401	5,000	4,401	7,270	10,000	(2,730)
31459 · Music	1,006		1,006	1,300	1,000	300
31439 · 8th GRADE GRADUATION	2,295		2,295	1,156	-	1,156
31450 · Book fees	41,257	60,000	(18,743)	30,081	44,000	(13,919)
31460 · Drama Receipts						
After School / Siam / FAFO	77,979	100,000	(22,021)	82,301	76,000	4,301
Total 3143 · STUDENT ACTIVITY/PROJECT INCI	235,908	275,694	(39,786)	206,542	229,000	(22,458)
3144 · ATHLETIC DEPARTMENT						
31441 · ADMISSION RECEIPTS	-	-	-	-	-	-
31442 · STUDENT PAYMENTS-FEE	15,189	12,000	3,189	13,944	15,000	(1,056)
31443 · FUND RAISING		14,000	(14,000)			
31444 · OTHER-ATHLETIC	569	500	69		1,000	(1,000)
3144 · ATHLETIC DEPARTMENT - Other						
Total 3144 · ATHLETIC DEPARTMENT	15,758	26,500	(10,742)	13,944	16,000	(2,056)
3145 · P.R.A. ACTIVITIES						
31451 · AUCTION RECEIPTS						
31452 · TEAM TORNADO RECEIPT	110,083	105,000	5,083	100,194	135,000	(34,806)
31453 · SCHOOL STORE	36,056	28,000	8,056	1,222	28,000	(26,778)
31454 · WED. PIZZA LUNCH RECEIPTS						
31455 · PRA RECEIPTS OTHER	30	1,000	(970)			
31456 · PRA T SHIRT SALES		1,000	(1,000)			
3145 · P.R.A. ACTIVITIES - Other						
Total 3145 · P.R.A. ACTIVITIES	146,169	135,000	11,169	101,517	173,000	(71,483)
3149 · OTHER						
3140 · OTHER INCOME - ESSER	432,698		432,698	673,704	100,000	573,704
Total 3140 · OTHER INCOME	396,907	602,194	394,713	1,210,863	693,000	517,863
Total 3100 · FOUNDATION INCOME	10,581,329	5,571,053	5,010,276	6,493,488	5,795,925	697,563
Total 3001 · TOTAL REVENUE	10,581,329	5,571,053	5,010,276	6,493,488	5,795,925	697,563

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
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	10,581,329	5,571,053	5,010,276	6,493,488	5,795,925	697,563
4000 - TOTAL EXPENSES						
5100 - Basic Instruction						
5100100 - Basic Instruction salaries						
5100101 - CLASSROOM TEACHER P/R	2,440,772	2,460,333	19,561	2,481,592	2,469,161	(12,431)
Total 5100100 - Basic Instruction salaries	2,440,772	2,460,333	19,561	2,481,592	2,469,161	(12,431)
5100200 - Basic Instruction Employee Ben.						
5100203 - FICA-ER EXP.	190,255	188,215	(2,040)	201,698	188,891	(12,807)
5100204 - Group Inc exp.			-			-
5100206 - FLA SUI EXP.	2,430	2,721	291	2,578	2,476	(102)
5100207 - OTHER P/R RELATED EXP	472,516	407,475	(65,041)	440,789	493,374	52,585
Total 5100200 - Basic Instruction Employee Ben.	665,201	598,411	(66,790)	645,065	684,741	39,676
5100500 - Basic Instr-material & suppl						
5100510 - MATERIALS & SUPPLIES	13,762	10,000	(3,762)	2,100	30,000	27,900
5100520 - SUPPLIES-INSTRUCTIONAL	47,564	25,200	(22,364)	20,402	16,000	(4,402)
5100540 - TEXT BOOKS	28,190	38,200	10,010	20,369	28,000	7,631
5100550 - Instructional equipment	45,954	1,800	(44,154)	-	5,000	5,000
5100580 - STUDENT ACTIVITIES-PROGRAMS	8,617	3,000	(5,617)	2,594	7,500	4,906
5100581 - FIELD TRIP EXP.	79,198	30,000	(49,198)	73,564	80,000	6,436
5100582 - BANQUET EXPENSES			-			-
5100583 - YEARBOOK EXPENSES	21,143	20,000	(1,143)	20,725	22,000	1,275
5100585 - OTHER	3,155	7,000	3,845	11,610	4,000	(7,610)
5100586 - SGA EXPENSES	1,250	2,000	750	3,147	2,000	(1,147)
5100587 - Forensics expense	11,671	6,000	(5,671)	14,646	10,000	(4,646)
5100588 - 8th Grade Graduation	5,275	2,000	(3,275)	9,556	6,000	(3,556)
Total 5100500 - Basic Instr-material & suppl	265,779	145,200	(120,579)	178,713	210,500	31,787
Total 5100 - Basic Instruction	3,371,752	3,203,944	(167,808)	3,305,370	3,364,402	59,032
5600 - Other Instructional						
5600100 - Other Instr-salaries						
5600101 - SUBSTITUTE TEACHER P/R	63,312	10,000	(53,312)	50,606	15,000	(35,606)
5600102 - AIDE P/R			-			-
5600103 - Stipends			-			-
Total 5600100 - Other Instr-salaries	63,312	10,000	(53,312)	50,606	15,000	(35,606)
5600200 - Other instr-employee ben						
5600203 - OI FICA ER	4,843	765	(4,078)	3,866	1,147	(2,719)
5600206 - OI Fla SUI	109	100	(9)	106	15	(91)
5600207 - OI other PR related			-			-
Total 5600200 - Other instr-employee ben	4,952	865	(4,087)	3,972	1,162	(2,810)
Total 5600 - Other Instructional	68,264	10,865	(57,399)	54,578	16,162	(38,416)
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	44,830	67,500	22,670	53,414	53,000	(414)
7200320 - GENERAL & PROPERTY INSURANCE EX	73,078	45,000	(28,078)	35,708	75,000	39,292
7200330 - TRAVEL EXP.	7,888	1,500	(6,388)	5,608	5,000	(608)
7200335 - ENTERTAINMENT EXP.			-			-
7200363 - EQUIPMENT-OFFICE RENTALS	4,525	15,000	10,475	5,439	5,000	(439)
7200371 - TELEPHONE EXPENSES	34,404	20,000	(14,404)	39,108	36,000	(3,108)
7200372 - INTERNET EXPENSES			-			-

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
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720 District Admin fee	110,345	124,063	13,718	117,953	127,323	9,370
7200390 · OFFICE EXPENSES	21,912	15,000	(6,912)	23,077	21,000	(2,077)
7200395 · CITY UTILITIES	1,397	16,000	14,603	-	2,000	2,000
Total 7200300 · Gen Admin purchases svc	298,379	304,063	5,684	280,307	324,323	44,016
7200400 · Gen Admin Energy svc						
7200430 · ELECTRICITY EXP.	66,365	40,000	(26,365)	74,122	50,000	(24,122)
7200431 · Gas bill			-			-
Total 7200400 · Gen Admin Energy svc	66,365	40,000	(26,365)	74,122	50,000	(24,122)
7200700 · Gen Admin other exp						
7200701 · OTHER EXPENSES			-			-
7200703 · INTEREST EXP.	51,284	22,083	(29,201)			
7200704 · FUND RAISING EXP	6,999	18,000	11,001	10,979	7,500	(3,479)
7200705 · Challenge Fund Spending			-			-
7200751 · P.R.A. SPENDING			-			-
7200752 · PRA AUCTION EXPENSES			-			-
7200753 · PRA TEAM TORNADO EXPENSES	24,809	6,000	(18,809)	1,145		(1,145)
7200754 · PRA SCHOOL STORE EXPENSES			-	23,938	7,500	(16,438)
7200755 · PRA PIZZA LUNCH EXP			-			-
7200756 · PRA OTHER EXPENSES	7,172	1,000	(6,172)	4,244	4,500	256
7200780 · BOARD EXPENSES	9,124	2,500	(6,624)	2,763	5,000	2,237
7200780 · ATHLETIC DEPT. SPENDING	420		(420)			
7200781 · ATHLETIC FACILITY RENTALS			-			-
7200782 · REFEREE FEES	1,695	3,500	1,805	6,875	2,000	(4,875)
7200783 · ATHLETIC UNIFORM EXPENSES	1,787	1,900	113	1,555	2,000	445
7200784 · ATHLETIC EQUIPMENT-SUPPLIES		1,500	1,500	370		(370)
7200785 · ATHLETIC REGISTRATION FEES	700	1,000	300	970	500	(470)
7200785 · ATHLETIC EXPENSES-OTHER	9,267	1,900	(7,367)	8,394	8,000	(394)
7200790 · MISC. OTHER EXP.	41,224	27,000	(14,224)	20,956		(20,956)
7277702 · MOSI MOVING EXPENSES	100,259			5,490		(5,490)
Total 7200700 · Gen Admin other exp	254,740	86,383	(68,098)	87,679	37,000	(50,679)
Total 7200 · General Administration	619,484	430,446	(88,779)	442,108	411,323	(30,785)
7300 · School Admin						
7300100 · School Admin Salaries						
7300101 · ADMINISTRATION P/R	819,502	916,136	96,634	947,838	922,533	(25,305)
7300102 · CLERICAL P/R						
7300103 · OVERTIME-NON EXEMPT			-			-
Total 7300100 · School Admin Salaries	819,502	916,136	96,634	947,838	922,533	(25,305)
7300200 · School Admin Empl Benefits						
7300203 · School Admin FICA ER	68,652	70,084	1,432	74,830	70,574	(4,256)
7300206 · School Admin Fla Suf	915	1,065	150	982	92	(890)
7300207 · School Admin other PR related	14,000	26,508	12,508	16,000	46,127	30,127
Total 7300200 · School Admin Empl Benefits	83,567	97,657	14,090	91,812	116,793	24,981
Total 7300 · School Admin	903,069	1,013,793	110,724	1,039,650	1,039,326	(324)
7600 · Food Service						
7600500 · Food svc Material supplies						
7600570 · FOOD-LUNCH PROGRAMS	199,598	165,000	(34,598)	218,924	175,000	(43,924)
Total 7600500 · Food svc Material supplies	199,598	165,000	(34,598)	218,924	175,000	(43,924)
Total 7600 · Food Service	199,598	165,000	(34,598)	218,924	175,000	(43,924)
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
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7900300 · Plant ops purchased svc						
7900355 · SUPPLIES-CUSTODIAL, OTHER	8,176	40,000	31,824	24,116	25,000	884
7900380 · RENTALS-LEASES	49,096	35,000	(14,096)	58,674	95,000	36,326
7900381 · BUILDING	574,556	570,000	(4,556)	541,624	550,000	8,376
Total 7900300 · Plant ops purchased svc	631,828	645,000	13,172	624,414	670,000	45,586
Total 7900 · Plant ops	631,828	645,000	13,172	624,414	670,000	45,586
8100 · Maintenance of Plant						
8100300 · Maintenance of Plant Services						
8100340 · REPAIRS MAINT. OFFICE	21,544	5,000	(16,544)	3,221	35,000	31,779
8100350 · REPAIRS & MAINTENANCE-FACILITY	47,849	60,000	12,151	141,946	47,000	(94,946)
Total 8100300 · Maintenance of Plant Services	69,393	65,000	(4,393)	145,167	82,000	(63,167)
Total 8100 · Maintenance of Plant	69,393	65,000	(4,393)	145,167	82,000	(63,167)
9100 · Community Svc						
9100100 · Community Svc salaries						
9100101 · SUMMER/AFTER SCHOOL PROGRAM	-	-	-	-	-	-
Total 9100100 · Community Svc salaries	-	-	-	-	-	-
7400-Facility Acquisition	152,002	-	(152,002)			
7400663 Building & FA constr						
Esser Exp	382,168		(382,168)	673,704		(673,704)
Total 7400	534,170	-	(534,170)	673,704	-	(673,704)
Total 7400	534,170	-	(534,170)	673,704	-	(673,704)
Total Governmental Activities	6,397,558	5,534,048	(763,251)	6,503,915	5,758,213	(745,702)
Depn Exp.						
CAPITAL SPENDING						
NOTE PAYABLE	4,560,000		(4,560,000)			
Total Expenditures	10,957,558	5,534,048	(5,323,251)	6,503,915	5,758,213	(745,702)
Excess Revenues over Expenditures	(376,229)	37,005	(413,234)	(10,427)	37,712	(48,139)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise Back to Basics Charter School Foundation, Inc. basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Rowe & Co. P.A.

Tampa, Florida
September 7, 2023

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2023**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$900,875
Due from state	60,000
Prepaid funds	356,069
Capital Assets:	
Leasehold improvements	74,582
Furniture & fixtures	358,334
Computer, visual and audio equipment	832,250
Accumulated depreciation	(1,036,264)
TOTAL ASSETS	1,545,846
 LIABILITIES	
Payroll taxes & benefits payable	8,465
TOTAL LIABILITIES	8,465
 NET ASSETS	
Invested in capital assets, net of related debt	228,902
Unrestricted	1,308,479
TOTAL NET ASSETS	\$1,537,381

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	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	\$3,224,106			(\$3,224,106)
Support services-student-based	416,437	\$504,452	\$35,294	123,309
General administrative	1,978,469			(1,978,469)
Support services-non-student-based	810,320		326,872	(483,448)
Depreciation-unallocated	17,600			(17,600)
TOTALS	\$6,446,932	\$504,452	\$362,166	(\$5,580,314)
 GENERAL REVENUES:				
State funds-FTE				\$4,814,081
Other				812,788
Total General Revenues				5,626,869
Change In Net Assets				46,555
NET ASSETS-BEGINNING				1,490,826
NET ASSETS-ENDING				\$1,537,381

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$900,875		\$900,875
Accounts receivable and prepaid funds	416,069		416,069
TOTAL ASSETS	1,316,944		1,316,944
 <u>LIABILITIES & FUND BALANCES</u>			
LIABILITIES			
Payroll taxes & benefits payable	8,465		8,465
TOTAL LIABILITIES	8,465		8,465
 FUND BALANCES			
Unassigned	1,308,479		1,308,479
Restricted			
TOTAL FUND BALANCES	1,308,479		1,308,479
TOTAL LIABILITIES & FUND BALANCES	\$1,316,944		\$1,316,944

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, 2023**

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

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$1,308,479
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The costs of the assets are \$1,265,166 and the accumulated depreciation is \$1,036,264	228,902
TOTAL NET ASSETS-GOVERNMENTAL ACTIVITIES	<u>\$1,537,381</u>

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, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Other financing sources			
Sale proceeds			
Other			
Total other financing sources	<u>\$0</u> <u>0</u>	<u>\$0</u>	<u>\$0</u> <u>0</u>
Grants & donations			
Corporate grants & donations			
Private foundation grants	4,029		4,029
General public donations	0		0
Grants - governmental	4,302		4,302
Total grants & donations	<u>0</u> <u>8,331</u>		<u>0</u> <u>8,331</u>
Investment income			
Interest income			
Other investment income	8	0	8
Total investment income	<u>0</u> <u>8</u>	<u>0</u> <u>0</u>	<u>0</u> <u>8</u>
School board - FTE			
State funds - FTE			
SIT funds - capital outlay	4,814,081		4,814,081
Other income - FTE	326,872		326,872
Total school board - FTE	<u>133,333</u> <u>5,274,286</u>		<u>133,333</u> <u>5,274,286</u>
Other income			
School lunch income			
Transportation revenue	215,156		215,156
Student activity & project income:			
Field trip receipts			
Yearbook receipts	57,300		57,300
Other	20,527		20,527
Student government receipts	6,607		6,607
Music fees	7,270		7,270
Book fees	1,300		1,300
Lab fees	19,209		19,209
Club receipts	10,872		10,872
After school care receipts	12,405		12,405
8th grade graduation	42,934		42,934
Fundraising income	1,156		1,156
Athletic department:	26,962		26,962
Admission receipts			
Student payment fees	0		0
Fundraising	13,944		13,944
Other-athletic	0		0
P.R.A. activities:			
Auction receipts			
Team Tornado receipts	0		0
School store	100,194		100,194
Other receipts	1,323		1,323
T-shirt sales	0		0
Script	0		0
Esser	0		0
Total other income	<u>673,704</u> <u>1,210,863</u>		<u>673,704</u> <u>1,210,863</u>
Total Revenues	<u>\$6,493,488</u>	<u>\$0</u>	<u>\$6,493,488</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Expenditures:			
Other financing uses			
Principal	\$0	\$0	\$0
Interest expense	0	0	0
Total other financing uses	<u>0</u>	<u>0</u>	<u>0</u>
Basic instruction			
Classroom teacher payroll	2,481,592		2,481,592
Federal payroll taxes	201,698		201,698
State payroll taxes	2,578		2,578
Other payroll expenses	440,789		440,789
Materials & supplies	2,100		2,100
Supplies - instructional	20,402		20,402
Lab expenses	8,947		8,947
Textbooks	0		0
Books-consumables	11,422		11,422
Instructional equipment	0		0
Student activities - programs	2,594		2,594
Field trip expense	73,564		73,564
Banquet expense			
Yearbook expense	20,725		20,725
Other	11,610		11,610
SGA expenses	3,147		3,147
8th grade graduation	9,556		9,556
Music expense	5,096		5,096
Club expenses	9,550		9,550
Total basic instruction expense	<u>3,305,370</u>	<u>0</u>	<u>3,305,370</u>
Other instructional			
Substitute teacher payroll	50,606		50,606
Stipends			
Federal payroll taxes	3,866		3,866
State payroll taxes	106		106
Other payroll related expenses			
Total other instructional expense	<u>54,578</u>	<u>0</u>	<u>54,578</u>
School administration			
Administration payroll	947,838		947,838
Overtime - non-exempt			
Federal payroll taxes	74,830		74,830
State payroll taxes	982		982
Other payroll related expenses	16,000		16,000
Total school administration expense	<u>1,039,650</u>	<u>0</u>	<u>1,039,650</u>
Food service			
Food - lunch programs	218,924		218,924
Total food service expense	<u>\$218,924</u>	<u>\$0</u>	<u>\$218,924</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
General administration			
Professional & technical services	\$53,414		\$53,414
General & property insurance expense	35,708		35,708
Travel expense	5,608		5,608
Equipment - office rentals	5,439		5,439
Telephone & internet expense	39,108		39,108
Office expense	23,077		23,077
Fundraising	10,979		10,979
District administrative fee	117,953		117,953
Electricity	74,122		74,122
Utilities	0		0
P.R.A. expense	0		0
P.R.A. auction expense	1,145		1,145
P.R.A. team tornado expense	23,938		23,938
P.R.A. other expense	4,244		4,244
Board expense	2,763		2,763
Athletic expense	0		0
Referee fees	6,875		6,875
Athletic uniform expense	1,555		1,555
Athletic registration fees	970		970
Athletic expense other	8,394		8,394
Athletic equipment supplies	370		370
Miscellaneous & other expense	20,956		20,956
Total general administration expense	<u>436,618</u>	<u>\$0</u>	<u>436,618</u>
Facility acquisition costs			
Loss on sale of assets	0		0
Moving expenses	5,490		5,490
Total facility acquisition costs	<u>5,490</u>	<u>0</u>	<u>5,490</u>
Plant operations			
Supplies - custodial	24,116		24,116
Alarm system and security	56,077		56,077
Building & rentals	544,221		544,221
Total plant operations expense	<u>624,414</u>	<u>0</u>	<u>624,414</u>
Maintenance of plant			
Repairs & maintenance - office	3,221		3,221
Repairs & maintenance - facility	141,946		141,946
Total maintenance of plant expense	<u>145,167</u>	<u>0</u>	<u>145,167</u>
Other			
Esser expenses	673,704		673,704
Total student transportation expense	<u>673,704</u>	<u>0</u>	<u>673,704</u>
Total Expenditures	<u>6,503,915</u>	<u>0</u>	<u>6,503,915</u>
Excess of Expenditures Over Revenues	<u>(10,427)</u>	<u>0</u>	<u>(10,427)</u>
Other financing uses			
Interfund transfers	0	0	0
Total other financing uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes In Fund Balances	<u>(10,427)</u>	<u>0</u>	<u>(10,427)</u>
Fund Balances, July 1, 2022	1,318,906	0	1,318,906
Fund Balances, June 30, 2023	<u>\$1,308,479</u>	<u>\$0</u>	<u>\$1,308,479</u>

**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, 2023**

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

NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS	(\$10,427)
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 \$74,582 are more than depreciation expense (\$17,600) for the year ended.	56,982
	56,982
CHANGE IN NET ASSETS-GOVERNMENTAL ACTIVITIES	<u><u>\$46,555</u></u>

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2024 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, 2023**

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, 2023.

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, 2023**

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, 2023**

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, 2023

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 2022-2023 school year the School reported 660.00 un-weighted FTE. Weighted funding represents approximately 5.5% of the total state funding.

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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	\$ 3,058,050
ESE Funding	169,663
Class size reduction funds	613,943
Other	<u>917,035</u>
Total FEFP funding	4,758,691
Other Funding	<u>351,972</u>
Total	<u>\$ 5,110,663</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, 2023**

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, 2023**

NOTE 4 - CAPITAL FIXED ASSETS

A summary of general fixed assets follows:

<i>Governmental Activities:</i>	Balance July 1, 2022	Changes	Balance June 30, 2023
Leasehold Improvements	\$ 0	\$ 74,582	\$ 74,582
Furniture & Fixtures	358,334	0	358,334
Computer, visual & audio Equipment	832,250	0	832,250
Land	<u>0</u>	0	<u>0</u>
Total	<u>1,190,584</u>	74,582	<u>1,265,166</u>
 <i>Less Accumulated Depreciation:</i>			
Leasehold Improvements	0	2,500	2,500
Furniture & Fixtures	214,310	10,600	224,910
Computer, visual & audio Equipment	<u>804,354</u>	<u>4,500</u>	<u>808,854</u>
Total	<u>1,018,664</u>	17,600	1,036,264
 Capital Assets, Net	 <u>\$ 171,920</u>	 \$ 56,982	 <u>\$ 228,902</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2023 the lease expense recognized under these agreements amounted to \$544,221.

Future minimum lease payments under the lease agreement as of June 30, 2023 are as follows:

Year ending June 30:

2024	\$ 505,000
2025	505,000
2026	<u>505,000</u>
	<u>\$1,515,000</u>

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023.**
- 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, 2023.**
- 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, 2023.**
- 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, 2023**

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, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Grants & donations				
Corporate grants & donations	\$ 5,000	\$ 5,000	\$ 4,029	\$ (971)
Private foundation grants	0	0	0	0
General public donations	5,000	5,000	4,302	(698)
Grants - governmental	0	0	0	0
Total grants & donations	<u>10,000</u>	<u>10,000</u>	<u>8,331</u>	<u>(1,669)</u>
Other financing sources				
Sale proceeds	0	0	0	0
Interest income	10	10	8	(2)
Total investment income	<u>10</u>	<u>10</u>	<u>8</u>	<u>(2)</u>
School board - FTE				
State funds - FTE	4,742,915	4,742,915	4,814,081	71,166
SIT capital funds	335,000	335,000	326,872	(8,128)
Other income - FTE	15,000	15,000	133,333	118,333
Total school board - FTE	<u>5,092,915</u>	<u>5,092,915</u>	<u>5,274,286</u>	<u>181,371</u>
Other income				
School lunch income	175,000	175,000	215,156	40,156
Transportation revenue				
Student activity & project income:				
Field trip receipts	75,000	75,000	57,300	(17,700)
Yearbook receipts	20,000	20,000	20,527	527
Other	1,000	1,000	6,607	5,607
Student government receipts	10,000	10,000	7,270	(2,730)
Music fees	1,000	1,000	1,300	300
Book fees	30,000	30,000	19,209	(10,791)
Lab fees	14,000	14,000	10,872	(3,128)
Club receipts	0	0	12,405	12,405
After school care receipts	45,000	45,000	42,934	(2,066)
8th grade graduation	0	0	1,156	1,156
Fundraising income	33,000	33,000	26,962	(6,038)
Athletic department:				
Admission receipts	0	0	0	0
Student payment fees	15,000	15,000	13,944	(1,056)
Fundraising	0	0	0	0
Other-athletic	1,000	1,000	0	(1,000)
P.R.A. activities:				
Auction receipts	0	0	0	0
Team Tornado receipts	135,000	135,000	100,194	(34,806)
School store	38,000	38,000	1,323	(36,677)
Other receipts	0	0	0	0
T-shirt sales	0	0	0	0
Script	0	0	0	0
Esser	0	0	0	0
Total other income	<u>100,000</u>	<u>100,000</u>	<u>673,704</u>	<u>573,704</u>
Total Revenues	<u>693,000</u>	<u>693,000</u>	<u>1,210,863</u>	<u>517,863</u>
	<u>\$5,795,925</u>	<u>\$5,795,925</u>	<u>\$6,493,488</u>	<u>\$697,563</u>

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**

	<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	\$2,469,161	\$2,469,161	\$2,481,592	\$12,431
Federal payroll taxes	188,891	188,891	201,698	12,807
State payroll taxes	2,476	2,476	2,578	102
Other payroll expenses	493,374	493,374	440,789	(52,585)
Materials & supplies	30,000	30,000	2,100	(27,900)
Supplies - instructional	16,000	16,000	20,402	4,402
Lab expenses	10,000	10,000	8,947	(1,053)
Textbooks	0	0	0	0
Books-consumables	18,000	18,000	11,422	(6,578)
Instructional equipment	5,000	5,000	0	(5,000)
Student activities - programs	7,500	7,500	2,594	(4,906)
Field trip expense	80,000	80,000	73,564	(6,436)
Yearbook expense	22,000	22,000	20,725	(1,275)
Other	4,000	4,000	11,610	7,610
SGA expense	2,000	2,000	3,147	1,147
8th grade graduation	6,000	6,000	9,556	3,556
Music expense	10,000	10,000	5,096	(4,904)
Club expenses	0	0	9,550	9,550
Total basic instruction expense	3,364,402	3,364,402	3,305,370	(59,032)
Other instructional				
Substitute teacher payroll	15,000	15,000	50,606	35,606
Stipends	0	0	0	0
Federal payroll taxes	1,147	1,147	3,866	2,719
State payroll taxes	15	15	106	91
Other payroll related expenses	0	0	0	0
Total other instructional expense	16,162	16,162	54,578	38,416
Other financing uses				
Principal and interest	0	0	0	0
Total other financing uses	0	0	0	0
School administration				
Administration payroll	922,533	922,533	947,838	25,305
Overtime - non-exempt	70,574	70,574	74,830	4,256
Federal payroll taxes	92	92	982	890
State payroll taxes	46,127	46,127	16,000	(30,127)
Other payroll related expenses	1,030,326	1,030,326	1,030,620	294
Total school administration expense	1,030,326	1,030,326	1,030,620	294
Food service				
Food - lunch programs	175,000	175,000	218,924	43,924
Total food service expense	\$175,000	\$175,000	\$218,924	\$43,924

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				
General & property insurance expense	\$53,000	\$53,000	\$53,414	\$414
Travel expense	75,000	75,000	35,708	(39,292)
Equipment - office rentals	5,000	5,000	5,608	608
Telephone & internet expense	5,000	5,000	5,439	439
Office expense	36,000	36,000	39,108	3,108
Fundraising	21,000	21,000	23,077	2,077
District administrative fee	7,500	7,500	10,979	3,479
Electricity	127,323	127,323	117,953	(9,370)
Utilities	50,000	50,000	74,122	24,122
P.R.A. expense	2,000	2,000	0	(2,000)
P.R.A. auction expense	0	0	0	0
P.R.A. team tornado expense	0	0	1,145	1,145
P.R.A. other expense	7,500	7,500	23,938	16,438
Board expense	4,500	4,500	4,244	(256)
Athletic expense	5,000	5,000	2,763	(2,237)
Referee fees	0	0	0	0
Athletic uniform expense	2,000	2,000	6,875	4,875
Athletic equipment supplies	2,000	2,000	1,555	(445)
Athletic registration fees	0	0	370	370
Athletic expense other	500	500	970	470
Miscellaneous & other expense	8,000	8,000	8,394	394
Total general administration expense	<u>411,323</u>	<u>411,323</u>	<u>436,618</u>	<u>25,295</u>
Facility acquisition costs				
Moving expenses	0	0	5,490	5,490
Total facility acquisition costs	<u>0</u>	<u>0</u>	<u>5,490</u>	<u>5,490</u>
Plant operations				
Supplies - custodial	25,000	25,000	24,116	(884)
Alarm system and security	45,000	45,000	56,077	11,077
Rentals-Leases	50,000	50,000	2,597	(47,403)
Building rental	550,000	550,000	541,624	(8,376)
Total Plant operations expense	<u>670,000</u>	<u>670,000</u>	<u>624,414</u>	<u>(45,586)</u>
Maintenance of plant				
Repairs & maintenance - office	35,000	35,000	\$3,221	(31,779)
Repairs & maintenance - facility	47,000	47,000	141,946	94,946
Total Maintenance of plant expense	<u>82,000</u>	<u>82,000</u>	<u>145,167</u>	<u>63,167</u>
Other				
Essex expenses	0	0	673,704	673,704
Total student transportation expense	<u>0</u>	<u>0</u>	<u>673,704</u>	<u>0</u>
Total Expenditures	<u>5,758,213</u>	<u>5,758,213</u>	<u>6,503,915</u>	<u>745,702</u>
Excess of Revenues Over Expenditures	<u>37,712</u>	<u>37,712</u>	<u>(10,427)</u>	<u>(48,139)</u>
Other financing uses				
Interfund transfers			0	0
Net Changes In Fund Balance	<u>37,712</u>	<u>37,712</u>	<u>(10,427)</u>	<u>(48,139)</u>
Fund Balance, July 1, 2022	<u>1,318,906</u>	<u>1,318,906</u>	<u>1,318,906</u>	<u>0</u>
Fund Balance, June 30, 2023	<u>\$1,356,618</u>	<u>\$1,356,618</u>	<u>\$1,308,479</u>	<u>(\$48,139)</u>

See Accompanying Notes and Accountants' Report

Page 3 of 3

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School, as of and for the year ended June 30, 20X3, and the related notes to the financial statements, which collectively comprise Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's basic financial statements, and have issued our report thereon dated September 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control. Accordingly, we do not express an opinion on the effectiveness of Back to Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control.

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

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

Report on Compliance and Other Matters

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

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Purpose of This Report

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

Debra J. Corbett P.A.

Tampa, Florida
September 7, 2023

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, 2023, and have issued our report thereon dated September 7, 2023.

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, 2023. 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, 2023