

**TERRACE COMMUNITY
MIDDLE SCHOOL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
June 30, 2024**

**TERRACE COMMUNITY MIDDLE SCHOOL
JUNE 30, 2024**

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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, 2024

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, 2024.

Financial Highlights

The BTBCSF-TCMS net assets totaled \$1,584,726 which represents 3.1% increase over prior fiscal year. The net assets balance consisted of net capital investments of \$ 234,643, loans payable of \$0.00 and unrestricted net assets of \$ 1,350,083. General state revenues totaled \$ 5,186,341 and accounted for 80.8% of all revenues for the school.

The year end balances in our separate funds were: general fund reported a balance of \$1,350,083 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 18 of the Auditors report and provide detailed information about the most significant funds at BTBCSF-TCMS. These funds represent the funds required to be established by the State of Florida, HSB, and the "Red Book". The form of accounting for these funds is described in the notes that accompany the financial statements.

Governmental Funds

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

Debt Service Funds

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

School-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of BTBCSF-TCMS assets exceeded liabilities by \$1,584,726 at the close of the past fiscal year. Approx 14.8% 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 2023 to 2024 follows:

| Net Assets | Government Assets | |
|-----------------------|--------------------------|-------------|
| | 2023 | 2024 |
| Current Assets | 1,316,944 | 1,358,318 |
| Capital Assets | 228,902 | 234,643 |
| Total Assets | 1,545,846 | 1,592,961 |
| Current Liabilities | 8,465 | 8,235 |
| Long term liabilities | 0 | 0 |
| Total Liabilities | 8,465 | 8,235 |
| Net Assets | | |
| Invested in Capital | | |
| Assets net of debt | 228,902 | 234,643 |
| Bank loan- | - | - |
| Unrestricted | 1,308,479 | 1,350,083 |
| Total Net assets | 1,537,381 | 1,584,726 |

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, 2024**

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 2024.

Changes from Operations is the net impact normal operating revenue decreases of (\$72k). This was comprised primarily of increased FTE of \$353k, due to per student funding increases from DOE. Student fee increases \$35k, this is related to resumption of normal teaching schedules from settling into our new facility. This was offset by decreased funding of (519k) YOY from specific Covid-19 related ESSER funding from the Feds. This was offset by an increase in fundraising revenues of \$44k- for a net total revenue decrease of (\$ 72k).

Spending variances YOY included \$238k increase in PR and related, this resulted from mandated salary increases to instructional staff coupled with increased health insurance costs. Instructional spending increased \$114k fully related to absorption of 100% on campus teaching, as well as getting back to normal operations from the moving to and setting up in the new facility. G&A spending increased \$36k related to economies from the new facility. Occupancy spending increased by \$16k, again related to the new facility operations and maintenance requirements for the new facility. ESSER related spending totaled \$155k, this is related 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 seek 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, 2024**

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 \$ 447,177 favorable to the plan for FY 2024, this is compared to a variance of \$697,563 favorable for the FY 2023. **Selected Revenue variances for both years included:**

| <u>Revenue Source</u> | <u>Fav/(unfav) FY 2023 Var.</u> | <u>Fav/(unfav) FY 2024 Var.</u> |
|-----------------------|-------------------------------------|-------------------------------------|
| State FTE funds | \$ 189,499 | \$ 122,407 |
| SIT Funds | (8,128) | 93,072 |
| Grant/Donations | (1,669) | 1,807 |
| Student/PRA | (55,844) | 75,136 |
| ESSER funds | 673,704 | 154,498 |

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 favorable to the plan, SIT funds were also favorable. The Covid-19 pandemic continues to contribute to additional sources of revenues totaling \$ 154,498 to offset pandemic spending required by CDC rules and District mandates for student safety, we expect this to end as a source during the 2025 school year. Furthermore, the economic pandemic recovery continues to affect fundraising and student activity revenues.

Spending variances for the same periods included:

| <u>Spending /Exp.</u> | <u>Fav/(Unfav) FY 2023 Var.</u> | <u>Fav/(Unfav) FY 2024 Var.</u> |
|-----------------------|-------------------------------------|-------------------------------------|
| Salaries/Fringe | \$ 936 | \$ (145,138) |
| Instructional Svc | 59,032 | 1,411 |
| Gen Admin Exp. | (74,709) | (67,473) |
| Occupancy exp. | (17,581) | (101,522) |
| ESSER Spending | (673,704) | (154,498) |

There were no changes between the original budget and the final budget. Overall variance to the budget netted out at \$ 13,457 or 0.2% of total spending. The reasons for these variances are mainly related to the continued combined impact of Covid-19 changes to the 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 fringe were up YOY 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 \$ 154,498 are referenced above.

Management sees no impact on the 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 \$ 5,741\ net of accumulated depreciation. All additions included (at Gross):

| | |
|------------------------|--------|
| Leasehold Improvements | 13,830 |
| Furniture and Fixtures | 6,511 |
| 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 30,2024
 Appendix A

| | 2023 | 2024 |
|---|---|---|
| | Governmental Activities <u>Actual</u> | Governmental Activities <u>Actual</u> |
| 3001 · TOTAL REVENUE | | |
| Sales proceeds | - | - |
| 3110 · GRANT-DONATION INCOME | | |
| 3111 · CORPORATE GRANTS/DONATIONS | 4,029 | - |
| 3112 · PRIVATE FOUNDATION GRANTS | | |
| 3113 · GENERAL PUBLIC DONATIONS | 4,302 | 11,807 |
| 3119 · GRANTS-GOVERNMENTAL | - | - |
| 3110 · GRANT-DONATION INCOME - Other | | |
| Total 3110 · GRANT-DONATION INCOME | <u>8,331</u> | <u>11,807</u> |
| 3120 · INVESTMENT INCOME | | |
| 3121 · INTEREST INCOME | 8 | 267 |
| Total 3120 · INVESTMENT INCOME | <u>8</u> | <u>267</u> |
| 3130 · SCHOOL BOARD REVENUE=EFT | | |
| 3131 · STATE FUNDS-EFT | 4,814,081 | 5,186,341 |
| 3132 · SIT FUNDS..CAPITAL OUTLAY | 326,872 | 438,072 |
| 3139 · OTHER INCOME-EFT | 133,333 | 2,494 |
| Total 3130 · SCHOOL BOARD REVENUE=EFT | <u>5,274,286</u> | <u>5,626,907</u> |
| 3140 · OTHER INCOME | | |
| 3141 · SCHOOL LUNCH INCOME | 215,156 | 227,102 |
| 3142 · TRANSPORTATION REVENUE | | |
| 3143 · STUDENT ACTIVITY/PROJECT INCOME | | |
| 31431 · FIELD TRIP RECEIPTS | 57,300 | 94,323 |
| 31433 · YEARBOOK RECEIPTS | 20,527 | 22,919 |
| 31435 · OTHER | 6,607 | 1,072 |
| 31437 · Student Gov. Receipts | 7,270 | 3,211 |
| 31459 · Music | 1,300 | 308 |
| 31439 · 8th GRADE GRADUATION | 1,156 | 5,383 |
| 31450 · Book fees | 30,081 | 34,369 |
| 31460- Drama Receipts After School / Slam / FAFO | <u>82,301</u> | <u>80,255</u> |
| Total 3143 · STUDENT ACTIVITY/PROJECT INCOME | <u>206,542</u> | <u>241,840</u> |
| 3144 · ATHLETIC DEPARTMENT | | |
| 31441 · ADMISSION RECEIPTS | - | - |
| 31442 · STUDENT PAYMENTS-FEES | 13,944 | 13,790 |
| 31443 · FUND RAISING | - | - |
| 31444 · OTHER-ATHLETIC | - | - |
| 3144 · ATHLETIC DEPARTMENT - Other | | |
| Total 3144 · ATHLETIC DEPARTMENT | <u>13,944</u> | <u>13,790</u> |
| 3145 · P.R.A. ACTIVITIES | | |
| 31451 · AUCTION RECEIPTS | | 84,921 |
| 31452 · TEAM TORNADO RECEIPTS | 100,194 | 56,360 |
| 31453 · SCHOOL STORE | 1,323 | 3,493 |
| 31454 · WED. PIZZA LUNCH RECEIPTS | - | - |
| 31455 · PRA RECEIPTS OTHER | | 630 |
| 31456 · PRA T SHIRT SALES | | |
| 3145 · P.R.A. ACTIVITIES - Other | | |
| Total 3145 · P.R.A. ACTIVITIES | <u>101,517</u> | <u>145,404</u> |
| 3149 · OTHer ESSER | 673,704 | 154,498 |
| 3140 · OTHER INCOME - Other | | |
| Total 3140 · OTHER INCOME | <u>1,210,863</u> | <u>782,634</u> |
| Total 3100 · FOUNDATION INCOME | <u>6,493,488</u> | <u>6,421,615</u> |
| Total 3001 · TOTAL REVENUE | <u>6,493,488</u> | <u>6,421,615</u> |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024
 Appendix A

| | | |
|---|-----------|-----------|
| | 6,493,488 | 6,421,615 |
| 4000 - TOTAL EXPENSES | | |
| 5100 - Basic instruction | | |
| 5100100 - Basic Instruction salaries | | |
| 5100101 - CLASSROOM TEACHER P/R | 2,481,592 | 2,546,538 |
| Total 5100100 - Basic Instruction salaries | 2,481,592 | 2,546,538 |
| 5100200 - Basic Instruction Employee Ben. | | |
| 5100203 - FICA-ER EXP. | 201,698 | 189,692 |
| 5100204 - Group Inc exp. | | |
| 5100206 - FLA SUI EXP. | 2,578 | 2,516 |
| 5100207 - OTHER P/R RELATED EXP | 440,789 | 518,818 |
| Total 5100200 - Basic Instruction Employee Ben. | 645,065 | 711,026 |
| 5100500 - Basic Instr-material & suppl | | |
| 5100510 - MATERIALS & SUPPLIES | 2,100 | 4,051 |
| 5100520 - SUPPLIES-INSTRUCTIONAL | 20,402 | 21,175 |
| = 5100540 - TEXT BOOKS | 20,369 | 98,392 |
| 5100550 - Instructional equipment | - | 2,004 |
| 5100580 - STUDENT ACTIVITIES-PROGRAMS | 2,594 | 4,232 |
| 5100581 - FIELD TRIP EXP. | 73,564 | 107,288 |
| 5100582 - BANQUET EXPENSES | | |
| 5100583 - YEARBOOK EXPENSES | 20,725 | 16,902 |
| 5100585 - OTHER | 11,610 | 10,475 |
| 5100586 - SGA EXPENSES | 3,147 | 1,637 |
| 5100587 - Forensics expense | 14,646 | 19,817 |
| 5100588 - 8th Grade Graduation | 9,556 | 6,596 |
| Total 5100500 - Basic Instr-material & suppl | 178,713 | 292,569 |
| Total 5100 - Basic instruction | 3,305,370 | 3,550,133 |
| 5600 - Other Instructional | | |
| 5600100 - Other Instr-salaries | | |
| 5600101 - SUBSTITUTE TEACHER P/R | 50,606 | 69,794 |
| 5600102 - AIDE P/R | | |
| 5600103 - Stipends | - | - |
| Total 5600100 - Other Instr-salaries | 50,606 | 69,794 |
| 5600200 - Other instr-employee ben | | |
| 5600203 - OI FICA ER | 3,866 | 8,468 |
| 5600206 - OI Fla SUI | 106 | 120 |
| 5600207 - OI other PR related | | |
| Total 5600200 - Other instr-employee ben | 3,972 | 8,588 |
| Total 5600 - Other Instructional | 54,578 | 78,382 |
| 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 | 53,414 | 47,239 |
| 7200320 - GENERAL & PROPERTY INSURANCE EX | 35,708 | 33,884 |
| 7200330 - TRAVEL EXP. | 5,608 | 937 |
| 7200335 - ENTERTAINMENT EXP. | - | - |
| 7200363 - EQUIPMENT-OFFICE RENTALS | 5,439 | 6,379 |
| 7200371 - TELEPHONE EXPENSES | 39,108 | 21,406 |
| 7200372 - INTERNET EXPENSES | | |
| 7200380 - DISTRICT ADMIN ERXP | 117,953 | 126,494 |
| 7200390 - OFFICE EXPENSES | 23,077 | 27,177 |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024
 Appendix A

| | | |
|--|------------------|------------------|
| 7200395 · CITY UTILITIES | - | - |
| Total 7200300 · Gen Admin purchases svc | <u>280,307</u> | <u>263,516</u> |
| 7200400 · Gen Admin Energy svc | | |
| 7200430 · ELECTRICITY EXP. | 74,122 | 27,055 |
| 7200431 · Gas bill | | 569 |
| Total 7200400 · Gen Admin Energy svc | <u>74,122</u> | <u>27,624</u> |
| 7200700 · Gen Admin other exp | | |
| 7200701 · OTHER EXPENSES | | |
| 7200703 · INTEREST EXP. | - | - |
| 7200704 · FUND RAISING EXP | 10,979 | 15,128 |
| 7200705 · Challenge Fund Spending | | |
| 7200751 · P.R.A. SPENDING | | |
| 7200752 · PRA AUCTION EXPENSES | 1,145 | 49,453 |
| 7200753 · PRA TEAM TORNADO EXPENSES | 23,938 | 6,557 |
| 7200754 · PRA SCHOOL STORE EXPENSES | | |
| 7200755 · PRA PIZZA LUNCH EXP | | |
| 7200756 · PRA OTHER EXPENSES | 4,244 | 8,392 |
| 7200760 · BOARD EXPENSES | 2,763 | 9,173 |
| 7200780 · ATHLETIC DEPT. SPENDING | - | - |
| 7200781 · ATHLETIC FACILITY RENTALS | | |
| 7200782 · REFEREE FEES | 6,875 | 5,455 |
| 7200783 · ATHLETIC UNIFORM EXPENSES | 1,555 | 1,378 |
| 7200784 · ATHLETIC EQUIPMENT-SUPPLIES | 370 | - |
| 7200785 · ATHLETIC REGISTRATION FEES | 970 | - |
| 7200786 · ATHLETIC EXPENSES-OTHER | 8,394 | 12,719 |
| 7200790 · MISC. OTHER EXP. | 20,956 | 21,060 |
| 7277702 · MOSI MOVING EXPENSES | 5,490 | 58,173 |
| Total 7200700 · Gen Admin other exp | <u>87,679</u> | <u>187,488</u> |
| Total 7200 · General Administration | <u>442,108</u> | <u>478,628</u> |
| 7300 · School Admin | | |
| 7300100 · School Admin Salaries | | |
| 7300101 · ADMINISTRATION P/R | 947,838 | 1,027,995 |
| 7300102 · CLERICAL P/R | | |
| 7300103 · OVERTIME-NON EXEMPT | | |
| Total 7300100 · School Admin Salaries | <u>947,838</u> | <u>1,027,995</u> |
| 7300200 · School Admin Empl Benefits | | |
| 7300203 · School Admin FICA ER | 74,830 | 76,883 |
| 7300206 · School Admin Fla Sui | 982 | 958 |
| 7300207 · School Admin other PR related | 16,000 | 18,000 |
| Total 7300200 · School Admin Empl Benefits | <u>91,812</u> | <u>95,841</u> |
| Total 7300 · School Admin | <u>1,039,650</u> | <u>1,123,836</u> |
| 7600 · Food Service | | |
| 7600500 · Food svc Material supplies | | |
| 7600570 · FOOD-LUNCH PROGRAMS | 218,924 | 209,529 |
| Total 7600500 · Food svc Material supplies | <u>218,924</u> | <u>209,529</u> |
| Total 7600 · Food Service | <u>218,924</u> | <u>209,529</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 | 24,116 | 27,578 |
| 7900360 · RENTALS-LEASES | 56,077 | 62,570 |
| 7900361 · BUILDING | 544,221 | 620,393 |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024
 Appendix A

| | | |
|--|------------------|------------------|
| Total 7900300 · Plant ops purchased svc | <u>624,414</u> | <u>710,541</u> |
| Total 7900 · Plant ops | <u>624,414</u> | <u>710,541</u> |
| 8100 · Maintenance of Plant | | |
| 8100300 · Maintenance of Plant Services | | |
| 8100340 · REPAIRS MAINT. OFFICE | 3,221 | 1,516 |
| 8100350 · REPAIRS & MAINTENANCE-FACILITY | <u>141,946</u> | <u>72,949</u> |
| Total 8100300 · Maintenance of Plant Services | <u>145,167</u> | <u>74,465</u> |
| Total 8100 · Maintenance of Plant | <u>145,167</u> | <u>74,465</u> |
| 9100 · Community Svc | | |
| 9100100 · Community Svc salaries | | |
| 9100101 · SUMMER/AFTER SCHOOL PROGRAM | <u>-</u> | <u>-</u> |
| Total 9100100 · Community Svc salaries | <u>-</u> | <u>-</u> |
| | | |
| 7400-Facility Acquisition | - | - |
| 7400663 Building & FA constr | | |
| ESSER expenses | <u>673,704</u> | <u>154,498</u> |
| Total 7400 | <u>673,704</u> | <u>154,498</u> |
| Total 7400 | <u>673,704</u> | <u>154,498</u> |
| Total Governmental Activities | <u>6,503,915</u> | <u>6,380,012</u> |
| Depn Exp. | | |
| CAPITAL SPENDING | | |
| NOTE PAYABLE | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>6,503,915</u> | <u>6,380,012</u> |
| Excess Revenues over Expenditures | <u>(10,427)</u> | <u>41,603</u> |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024
 Appendix B

| | 2023 Governmental Activities | | | 2024 Governmental Activities | | |
|---|------------------------------|------------------|-----------------|------------------------------|------------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| 3001 · TOTAL REVENUE | | | | | | |
| 3100- Sales proceeds | - | - | - | - | - | - |
| 3110 · GRANT-DONATION INCOME | | | | | | |
| 3111 · CORPORATE GRANTS/DONATIONS | 4,029 | 5,000 | (971) | - | 5,000 | (5,000) |
| 3112 · PRIVATE FOUNDATION GRANTS | | | | | | |
| 3113 · GENERAL PUBLIC DONATIONS | 4,302 | 5,000 | (698) | 11,807 | 5,000 | 6,807 |
| 3119 · GRANTS-GOVERNMENTAL | | | | | | |
| 3110 · GRANT-DONATION INCOME - Other | | | | | | |
| Total 3110 · GRANT-DONATION INCOME | 8,331 | 10,000 | (1,669) | 11,807 | 10,000 | 1,807 |
| 3120 · INVESTMENT INCOME | | | | | | |
| 3121 · INTEREST INCOME | 8 | 10 | (2) | 267 | 10 | 257 |
| Total 3120 · INVESTMENT INCOME | 8 | 10 | (2) | 267 | 10 | 257 |
| 3130 · SCHOOL BOARD REVENUE=EFT | | | | | | |
| 3131 · STATE FUNDS-EFT | 4,814,081 | 4,742,915 | 71,166 | 5,186,341 | 5,041,428 | 144,913 |
| 3132 · SIT FUNDS..CAPITAL OUTLAY | 326,872 | 335,000 | (8,128) | 438,072 | 345,000 | 93,072 |
| 3139 · OTHER INCOME-EFT | 133,333 | 15,000 | 118,333 | 2,494 | 25,000 | (22,506) |
| Total 3130 · SCHOOL BOARD REVENUE=EFT | 5,274,286 | 5,092,915 | 181,371 | 5,626,907 | 5,411,428 | 215,479 |
| 3140 · OTHER INCOME | | | | | | |
| 3141 · SCHOOL LUNCH INCOME | 215,156 | 175,000 | 40,156 | 227,102 | 215,000 | 12,102 |
| 3142 · TRANSPORTATION REVENUE | | | | | | |
| 3143 · STUDENT ACTIVITY/PROJECT INCOME | | | | | | |
| 31431 · FIELD TRIP RECEIPTS | 57,300 | 75,000 | (17,700) | 94,323 | 60,000 | 34,323 |
| 31433 · YEARBOOK RECEIPTS | 20,527 | 20,000 | 527 | 22,919 | 20,000 | 2,919 |
| 31435 · OTHER | 6,607 | 1,000 | 5,607 | 1,072 | 1,500 | (428) |
| 31437 · Student Gov. Receipts | 7,270 | 10,000 | (2,730) | 3,211 | 3,000 | 211 |
| 31459 · Music | 1,300 | 1,000 | 300 | 308 | 1,000 | (692) |
| 31439 · 8th GRADE GRADUATION | 1,156 | - | 1,156 | 5,383 | - | 5,383 |
| 31450 · Book fees | 30,081 | 44,000 | (13,919) | 34,369 | 37,000 | (2,631) |
| 31460- Drama Receipts | | | | | | |
| After School / Slam / FAFO | 82,301 | 78,000 | 4,301 | 80,255 | 49,000 | 31,255 |
| Total 3143 · STUDENT ACTIVITY/PROJECT INCOME | 206,542 | 229,000 | (22,458) | 241,840 | 171,500 | 70,340 |
| 3144 · ATHLETIC DEPARTMENT | | | | | | |
| 31441 · ADMISSION RECEIPTS | - | - | - | - | - | - |
| 31442 · STUDENT PAYMENTS-FEE | 13,944 | 15,000 | (1,056) | 13,790 | 15,000 | (1,210) |
| 31443 · FUND RAISING | | | | | | |
| 31444 · OTHER-ATHLETIC | - | 1,000 | (1,000) | - | - | - |
| 3144 · ATHLETIC DEPARTMENT - Other | | | | | | |
| Total 3144 · ATHLETIC DEPARTMENT | 13,944 | 16,000 | (2,056) | 13,790 | 15,000 | (1,210) |
| 3145 · P.R.A. ACTIVITIES | | | | | | |
| 31451 · AUCTION RECEIPTS | | | | 84,921 | 75,000 | 9,921 |
| 31452 · TEAM TORNADO RECEIPTS | 100,194 | 135,000 | (34,806) | 56,360 | 75,000 | (18,640) |
| 31453 · SCHOOL STORE | 1,323 | 38,000 | (36,677) | 3,493 | 1,500 | 1,993 |
| 31454 · WED. PIZZA LUNCH RECEIPTS | | | | | | |
| 31455 · PRA RECEIPTS OTHER | - | - | - | 630 | - | 630 |
| 31456 · PRA T SHIRT SALES | | | | | | |
| 3145 · P.R.A. ACTIVITIES - Other | | | | | | |
| Total 3145 · P.R.A. ACTIVITIES | 101,517 | 173,000 | (71,483) | 145,404 | 151,500 | (6,096) |
| 3149 · OTHER | | | | | | |
| 3140 · OTHER INCOME - ESSER | 673,704 | 100,000 | 573,704 | 154,498 | - | 154,498 |
| Total 3140 · OTHER INCOME | 1,210,863 | 693,000 | 517,863 | 782,634 | 553,000 | 229,634 |
| Total 3100 · FOUNDATION INCOME | 6,493,488 | 5,795,925 | 697,563 | 6,421,615 | 5,974,438 | 447,177 |
| Total 3001 · TOTAL REVENUE | 6,493,488 | 5,795,925 | 697,563 | 6,421,615 | 5,974,438 | 447,177 |

BTBCSF-Terrace Community Middle School
 Managment's Discussion Analysis
 Fiscal Year Ended June 30,2024

Appendix B

| | | | | | | |
|--|-----------|-----------|---------|-----------|-----------|---------|
| | 6,493,488 | 5,795,925 | 697,563 | 6,421,615 | 5,974,438 | 447,177 |
|--|-----------|-----------|---------|-----------|-----------|---------|

4000 · TOTAL EXPENSES

5100 · Basic instruction

5100100 · Basic Instruction salaries

| | | | | | | |
|--|-----------|-----------|----------|-----------|-----------|--------|
| 5100101 · CLASSROOM TEACHER P/R | 2,481,592 | 2,469,161 | (12,431) | 2,546,538 | 2,574,678 | 28,140 |
| Total 5100100 · Basic Instruction salaries | 2,481,592 | 2,469,161 | (12,431) | 2,546,538 | 2,574,678 | 28,140 |

5100200 · Basic Instruction Employee Ben.

| | | | | | | |
|---|---------|---------|----------|---------|---------|----------|
| 5100203 · FICA-ER EXP. | 201,698 | 188,891 | (12,807) | 189,692 | 186,671 | (3,021) |
| 5100204 · Group Inc exp. | | | - | | | - |
| 5100206 · FLA SUI EXP. | 2,578 | 2,476 | (102) | 2,516 | 2,370 | (146) |
| 5100207 · OTHER P/R RELATED EXP | 440,789 | 493,374 | 52,585 | 518,818 | 460,325 | (58,493) |
| Total 5100200 · Basic Instruction Employee Ben. | 645,065 | 684,741 | 39,676 | 711,026 | 649,366 | (61,660) |

5100500 · Basic Instr-material & suppl

| | | | | | | |
|--|---------|---------|---------|---------|---------|----------|
| 5100510 · MATERIALS & SUPPLIES | 2,100 | 30,000 | 27,900 | 4,051 | 1,000 | (3,051) |
| 5100520 · SUPPLIES-INSTRUCTIONAL | 20,402 | 16,000 | (4,402) | 21,175 | 15,000 | (6,175) |
| 5100540 · TEXT BOOKS | 20,369 | 28,000 | 7,631 | 98,392 | 205,000 | 106,608 |
| 5100550 · Instructional equipment | - | 5,000 | 5,000 | 2,004 | - | (2,004) |
| 5100580 · STUDENT ACTIVITIES-PROGRAMS | 2,594 | 7,500 | 4,906 | 4,232 | 2,000 | (2,232) |
| 5100581 · FIELD TRIP EXP. | 73,564 | 80,000 | 6,436 | 107,288 | 60,000 | (47,288) |
| 5100582 · BANQUET EXPENSES | | - | - | | | - |
| 5100583 · YEARBOOK EXPENSES | 20,725 | 22,000 | 1,275 | 16,902 | 18,000 | 1,098 |
| 5100585 · OTHER | 11,610 | 4,000 | (7,610) | 10,475 | 5,000 | (5,475) |
| 5100586 · SGA EXPENSES | 3,147 | 2,000 | (1,147) | 1,637 | 3,000 | 1,363 |
| 5100587 · Forensics expense | 14,646 | 10,000 | (4,646) | 19,817 | 11,000 | (8,817) |
| 5100588 · 8th Grade Graduation | 9,556 | 6,000 | (3,556) | 6,596 | 7,500 | 904 |
| Total 5100500 · Basic Instr-material & suppl | 178,713 | 210,500 | 31,787 | 292,569 | 327,500 | 34,931 |

Total 5100 · Basic instruction

| | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|-------|
| | 3,305,370 | 3,364,402 | 59,032 | 3,550,133 | 3,551,544 | 1,411 |
|--|-----------|-----------|--------|-----------|-----------|-------|

5600 · Other Instructional

5600100 · Other Instr-salaries

| | | | | | | |
|--------------------------------------|--------|--------|----------|--------|--------|----------|
| 5600101 · SUBSTITUTE TEACHER P/R | 50,606 | 15,000 | (35,606) | 69,794 | 40,000 | (29,794) |
| 5600102 · AIDE P/R | | - | - | | | - |
| 5600103 · Stipends | - | - | - | - | - | - |
| Total 5600100 · Other Instr-salaries | 50,606 | 15,000 | (35,606) | 69,794 | 40,000 | (29,794) |

5600200 · Other instr-employee ben

| | | | | | | |
|--|-------|-------|---------|-------|-------|---------|
| 5600203 · OI FICA ER | 3,866 | 1,147 | (2,719) | 8,468 | 3,055 | (5,413) |
| 5600206 · OI Fla SUI | 106 | 15 | (91) | 120 | 92 | (28) |
| 5600207 · OI other PR related | | - | - | | | - |
| Total 5600200 · Other instr-employee ben | 3,972 | 1,162 | (2,810) | 8,588 | 3,147 | (5,441) |

Total 5600 · Other Instructional

| | | | | | | |
|--|--------|--------|----------|--------|--------|----------|
| | 54,578 | 16,162 | (38,416) | 78,382 | 43,147 | (35,235) |
|--|--------|--------|----------|--------|--------|----------|

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 | 53,414 | 53,000 | (414) | 47,239 | 59,500 | 12,261 |
| 7200320 · GENERAL & PROPERTY INSURANCE EX | 35,708 | 75,000 | 39,292 | 33,884 | 45,000 | 11,116 |
| 7200330 · TRAVEL EXP. | 5,608 | 5,000 | (608) | 937 | 5,000 | 4,063 |
| 7200335 · ENTERTAINMENT EXP. | | | - | | | - |
| 7200363 · EQUIPMENT-OFFICE RENTALS | 5,439 | 5,000 | (439) | 6,379 | 5,000 | (1,379) |
| 7200371 · TELEPHONE EXPENSES | 39,108 | 36,000 | (3,108) | 21,406 | 40,000 | 18,594 |
| 7200372 · INTERNET EXPENSES | | | - | | | - |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024

Appendix B

| | | | | | | |
|---|------------------|------------------|-----------------|------------------|------------------|------------------|
| 720 District Admin fee | 117,953 | 127,323 | 9,370 | 126,494 | 120,184 | (6,310) |
| 7200390 · OFFICE EXPENSES | 23,077 | 21,000 | (2,077) | 27,177 | 20,000 | (7,177) |
| 7200395 · CITY UTILITIES | - | 2,000 | 2,000 | 569 | - | (569) |
| Total 7200300 · Gen Admin purchases svc | 280,307 | 324,323 | 44,016 | 264,085 | 294,684 | 30,599 |
| 7200400 · Gen Admin Energy svc | | | | | | |
| 7200430 · ELECTRICITY EXP. | 74,122 | 50,000 | (24,122) | 27,055 | 45,000 | 17,945 |
| 7200431 · Gas bill | - | - | - | - | - | - |
| Total 7200400 · Gen Admin Energy svc | 74,122 | 50,000 | (24,122) | 27,055 | 45,000 | 17,945 |
| 7200700 · Gen Admin other exp | | | | | | |
| 7200701 · OTHER EXPENSES | - | - | - | - | - | - |
| 7200703 · INTEREST EXP. | - | - | - | - | - | - |
| 7200704 · FUND RAISING EXP | 10,979 | 7,500 | (3,479) | 15,128 | 30,000 | 14,872 |
| 7200705 · Challenge Fund Spending | - | - | - | - | - | - |
| 7200751 · P.R.A. SPENDING | - | - | - | - | - | - |
| 7200752 · PRA AUCTION EXPENSES | 1,145 | - | (1,145) | 49,453 | - | (49,453) |
| 7200753 · PRA TEAM TORNADO EXPENSES | 23,938 | 7,500 | (16,438) | 6,557 | 7,500 | 943 |
| 7200754 · PRA SCHOOL STORE EXPENSES | - | - | - | - | - | - |
| 7200755 · PRA PIZZA LUNCH EXP | - | - | - | - | - | - |
| 7200756 · PRA OTHER EXPENSES | 4,244 | 4,500 | 256 | 8,392 | 2,500 | (5,892) |
| 7200760 · BOARD EXPENSES | 2,763 | 5,000 | 2,237 | 9,173 | 2,500 | (6,673) |
| 7200780 · ATHLETIC DEPT. SPENDING | - | - | - | - | - | - |
| 7200781 · ATHLETIC FACILITY RENTALS | - | - | - | - | - | - |
| 7200782 · REFEREE FEES | 6,875 | 2,000 | (4,875) | 5,455 | 5,000 | (455) |
| 7200783 · ATHLETIC UNIFORM EXPENSES | 1,555 | 2,000 | 445 | - | 1,500 | 1,500 |
| 7200784 · ATHLETIC EQUIPMENT-SUPPLIES | 370 | - | (370) | - | - | - |
| 7200785 · ATHLETIC REGISTRATION FEES | 970 | 500 | (470) | 1,378 | 1,000 | (378) |
| 7200786 · ATHLETIC EXPENSES-OTHER | 8,394 | 8,000 | (394) | 12,719 | 5,500 | (7,219) |
| 7200790 · MISC. OTHER EXP. | 20,956 | - | (20,956) | 21,060 | 10,500 | (10,560) |
| 7277702 · MOSI MOVING EXPENSES | 5,490 | - | (5,490) | 58,173 | - | (58,173) |
| Total 7200700 · Gen Admin other exp | 87,679 | 37,000 | (45,189) | 187,488 | 66,000 | (121,488) |
| Total 7200 · General Administration | 442,108 | 411,323 | (25,295) | 478,628 | 405,684 | (72,944) |
| 7300 · School Admin | | | | | | |
| 7300100 · School Admin Salaries | | | | | | |
| 7300101 · ADMINISTRATION P/R | 947,838 | 922,533 | (25,305) | 1,027,995 | 975,668 | (52,327) |
| 7300102 · CLERICAL P/R | - | - | - | - | - | - |
| 7300103 · OVERTIME-NON EXEMPT | - | - | - | - | - | - |
| Total 7300100 · School Admin Salaries | 947,838 | 922,533 | (25,305) | 1,027,995 | 975,668 | (52,327) |
| 7300200 · School Admin Empl Benefits | | | | | | |
| 7300203 · School Admin FICA ER | 74,830 | 70,574 | (4,256) | 76,883 | 70,831 | (6,052) |
| 7300206 · School Admin Fla Sui | 982 | 92 | (890) | 958 | 934 | (24) |
| 7300207 · School Admin other PR related | 16,000 | 46,127 | 30,127 | 18,000 | - | (18,000) |
| Total 7300200 · School Admin Empl Benefits | 91,812 | 116,793 | 24,981 | 95,841 | 71,765 | (24,076) |
| Total 7300 · School Admin | 1,039,650 | 1,039,326 | (324) | 1,123,836 | 1,047,433 | (76,403) |
| 7600 · Food Service | | | | | | |
| 7600500 · Food svc Material supplies | | | | | | |
| 7600570 · FOOD-LUNCH PROGRAMS | 218,924 | 175,000 | (43,924) | 209,529 | 215,000 | 5,471 |
| Total 7600500 · Food svc Material supplies | 218,924 | 175,000 | (43,924) | 209,529 | 215,000 | 5,471 |
| Total 7600 · Food Service | 218,924 | 175,000 | (43,924) | 209,529 | 215,000 | 5,471 |
| 7800 · Student Transportation | | | | | | |
| 7800500 · Student transp. materials/supp | | | | | | |
| 7800502 · TRANSPORTATION EXP | - | - | - | - | - | - |
| 7800595 · Bus related exp. | - | - | - | - | - | - |
| Total 7800500 · Student transp. materials/supp | - | - | - | - | - | - |
| Total 7800 · Student Transportation | - | - | - | - | - | - |
| 7900 · Plant ops | | | | | | |

BTBCSF-Terrace Community Middle School
 Managements Discussion Analysis
 Fiscal Year Ended June 30,2024
 Appendix B

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| 7900300 · Plant ops purchased svc | | | | | | |
| 7900355 · SUPPLIES-CUSTODIAL, OTHER | 24,116 | 25,000 | 884 | 27,578 | 25,000 | (2,578) |
| 7900360 · RENTALS-LEASES | 58,674 | 95,000 | 36,326 | 104,775 | 53,000 | (51,775) |
| 7900361 · BUILDING | 541,624 | 550,000 | 8,376 | 578,188 | 537,984 | (40,204) |
| Total 7900300 · Plant ops purchased svc | 624,414 | 670,000 | 45,586 | 710,541 | 615,984 | (94,557) |
| Total 7900 · Plant ops | 624,414 | 670,000 | 45,586 | 710,541 | 615,984 | (94,557) |
| 8100 · Maintenance of Plant | | | | | | |
| 8100300 · Maintenance of Plant Services | | | | | | |
| 8100340 · REPAIRS MAINT. OFFICE | 3,221 | 35,000 | 31,779 | 1,516 | 5,000 | 3,484 |
| 8100350 · REPAIRS & MAINTENANCE-FACILITY | 141,946 | 47,000 | (94,946) | 72,949 | 62,500 | (10,449) |
| Total 8100300 · Maintenance of Plant Services | 145,167 | 82,000 | (63,167) | 74,465 | 67,500 | (6,965) |
| Total 8100 · Maintenance of Plant | 145,167 | 82,000 | (63,167) | 74,465 | 67,500 | (6,965) |
| 9100 · Community Svc | | | | | | |
| 9100100 · Community Svc salaries | | | | | | |
| 9100101 · SUMMER/AFTER SCHOOL PROGRAM | - | - | - | - | - | - |
| Total 9100100 · Community Svc salaries | - | - | - | - | - | - |
| 7400-Facility Acquisition | | | | | | |
| 7400663 Building & FA constr | | | | | | |
| Esser Exp | 673,704 | - | (673,704) | 154,498 | - | (154,498) |
| Total 7400 | 673,704 | - | (673,704) | 154,498 | - | (154,498) |
| Total 7400 | 673,704 | - | (673,704) | 154,498 | - | (154,498) |
| Total Governmental Activities | 6,503,915 | 5,758,213 | (740,212) | 6,380,012 | 5,946,292 | (433,720) |
| Depn Exp. | | | | | | |
| CAPITAL SPENDING | | | | | | |
| NOTE PAYABLE | | | | | | |
| Total Expenditures | 6,503,915 | 5,758,213 | (740,212) | 6,380,012 | 5,946,292 | (433,720) |
| Excess Revenues over Expenditures | (10,427) | 37,712 | (48,139) | 41,603 | 28,146 | 13,457 |



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, 2024, 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, 2024, 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.

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.

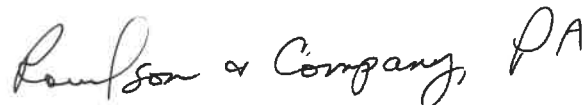
Required Supplementary information

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2024, on our consideration of the Back-to-Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Back-to-Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Back-to-Basics Charter School Foundation, Inc. D/B/A Terrace Community Middle School's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rowlson & Company, PA". The signature is written in dark ink and is positioned to the right of the typed name.

Rowlson & Company, PA
Certified Public Accountants
Tampa, Florida
September 2, 2024

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF NET ASSETS
JUNE 30, 2024**

| | GOVERNMENTAL ACTIVITIES |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$848,635 |
| Due from state | 60,000 |
| Prepaid funds | 449,683 |
| Capital Assets: | |
| Leasehold improvements | 88,412 |
| Furniture & fixtures | 364,845 |
| Computer, visual and audio equipment | 832,250 |
| Accumulated depreciation | (1,050,864) |
| TOTAL ASSETS | 1,592,961 |
| LIABILITIES | |
| Payroll taxes & benefits payable | 8,235 |
| TOTAL LIABILITIES | 8,235 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 234,643 |
| Unrestricted | 1,350,083 |
| TOTAL NET ASSETS | \$1,584,726 |

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

| | 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 | \$3,461,567 | | | (\$3,461,567) |
| Support services-student-based | 486,004 | \$438,073 | \$11,807 | (36,124) |
| General administrative | 1,527,753 | | | (1,527,753) |
| Support services-non-student-based | 884,346 | | 628,134 | (256,212) |
| Depreciation-unallocated | 14,600 | | | (14,600) |
| TOTALS | \$6,374,270 | \$438,073 | \$639,941 | (\$5,296,256) |
| GENERAL REVENUES: | | | | |
| State funds-FTE | | | | \$5,186,341 |
| Other | | | | 157,260 |
| Total General Revenues | | | | 5,343,601 |
| Change In Net Assets | | | | 47,345 |
| NET ASSETS-BEGINNING | | | | 1,537,381 |
| NET ASSETS-ENDING | | | | \$1,584,726 |

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

| | GENERAL FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|---|-------------------------|----------------------------------|---|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$848,635 | | \$848,635 |
| Accounts receivable and prepaid funds | 509,683 | | 509,683 |
| TOTAL ASSETS | 1,358,318 | | 1,358,318 |
| <u>LIABILITIES & FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Payroll taxes & benefits payable | 8,235 | | 8,235 |
| TOTAL LIABILITIES | 8,235 | | 8,235 |
| FUND BALANCES | | | |
| Unassigned | 1,350,083 | | 1,350,083 |
| Restricted | | | |
| TOTAL FUND BALANCES | 1,350,083 | | 1,350,083 |
| TOTAL LIABILITIES & FUND BALANCES | \$1,358,318 | | \$1,358,318 |

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, 2024**

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

| | |
|---|----------------------------------|
| TOTAL FUND BALANCES-GOVERNMENTAL FUNDS | \$1,350,083 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The costs of the assets are \$1,285,507 and the accumulated depreciation is \$1,050,864 | <u>234,643</u> |
| TOTAL NET ASSETS-GOVERNMENTAL ACTIVITIES | <u><u>\$1,584,726</u></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, 2024**

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|-------------------------|----------------------------------|---|
| Revenues: | | | |
| Other financing sources | | | |
| Sale proceeds | | | |
| Other | \$0 | | \$0 |
| Total other financing sources | <u>0</u> | <u>\$0</u> | <u>0</u> |
| Grants & donations | | | |
| Corporate grants & donations | 0 | | 0 |
| Private foundation grants | 0 | | 0 |
| General public donations | 11,807 | | 11,807 |
| Grants - governmental | 0 | | 0 |
| Total grants & donations | <u>11,807</u> | | <u>11,807</u> |
| Investment income | | | |
| Interest income | 267 | 0 | 267 |
| Other investment income | 0 | 0 | 0 |
| Total investment income | <u>267</u> | <u>0</u> | <u>267</u> |
| School board - FTE | | | |
| State funds - FTE | 5,186,341 | | 5,186,341 |
| SIT funds - capital outlay | 438,072 | | 438,072 |
| Other income - FTE | 2,494 | | 2,494 |
| Total school board - FTE | <u>5,626,907</u> | | <u>5,626,907</u> |
| Other income | | | |
| School lunch income | 227,102 | | 227,102 |
| Transportion revenue | | | |
| Student activity & project income: | | | |
| Field trip receipts | 94,323 | | 94,323 |
| Yearbook receipts | 22,919 | | 22,919 |
| Other | 1,072 | | 1,072 |
| Student government receipts | 3,211 | | 3,211 |
| Music fees | 308 | | 308 |
| Book fees | 22,290 | | 22,290 |
| Lab fees | 12,079 | | 12,079 |
| Club receipts | 9,228 | | 9,228 |
| After school care receipts | 35,585 | | 35,585 |
| 8th grade graduation | 5,383 | | 5,383 |
| Fundraising income | 35,442 | | 35,442 |
| Athletic department: | | | |
| Admission receipts | 0 | | 0 |
| Student payment fees | 13,790 | | 13,790 |
| Fundraising | 0 | | 0 |
| Other-athletic | 0 | | 0 |
| P.R.A. activities: | | | |
| Auction receipts | 84,921 | | 84,921 |
| Team Tornado receipts | 56,360 | | 56,360 |
| School store | 3,493 | | 3,493 |
| Other receipts | 630 | | 630 |
| T-shirt sales | 0 | | 0 |
| Script | 0 | | 0 |
| Esser | 154,498 | | 154,498 |
| Total other income | <u>782,634</u> | | <u>782,634</u> |
| Total Revenues | <u>\$6,421,615</u> | <u>\$0</u> | <u>\$6,421,615</u> |

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | <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 | 2,546,538 | | 2,546,538 |
| Federal payroll taxes | 189,692 | | 189,692 |
| State payroll taxes | 2,516 | | 2,516 |
| Other payroll expenses | 518,818 | | 518,818 |
| Materials & supplies | 4,051 | | 4,051 |
| Supplies - instructional | 21,175 | | 21,175 |
| Lab expenses | 9,580 | | 9,580 |
| Textbooks | 0 | | 0 |
| Books-consumables | 88,812 | | 88,812 |
| Instructional equipment | 2,004 | | 2,004 |
| Student activities - programs | 4,232 | | 4,232 |
| Field trip expense | 107,288 | | 107,288 |
| Banquet expense | | | |
| Yearbook expense | 16,902 | | 16,902 |
| Other | 10,475 | | 10,475 |
| SGA expenses | 1,637 | | 1,637 |
| 8th grade graduation | 6,596 | | 6,596 |
| Music expense | 6,817 | | 6,817 |
| Club expenses | 13,000 | | 13,000 |
| Total basic instruction expense | <u>3,550,133</u> | <u>0</u> | <u>3,550,133</u> |
| Other instructional | | | |
| Substitute teacher payroll | 69,794 | | 69,794 |
| Stipends | | | |
| Federal payroll taxes | 8,468 | | 8,468 |
| State payroll taxes | 120 | | 120 |
| Other payroll related expenses | | | |
| Total other instructional expense | <u>78,382</u> | <u>0</u> | <u>78,382</u> |
| School administration | | | |
| Administration payroll | 1,027,995 | | 1,027,995 |
| Overtime - non-exempt | | | |
| Federal payroll taxes | 76,883 | | 76,883 |
| State payroll taxes | 958 | | 958 |
| Other payroll related expenses | 18,000 | | 18,000 |
| Total school administration expense | <u>1,123,836</u> | <u>0</u> | <u>1,123,836</u> |
| Food service | | | |
| Food - lunch programs | 209,529 | | 209,529 |
| Total food service expense | <u>\$209,529</u> | <u>\$0</u> | <u>\$209,529</u> |

**TERRACE COMMUNITY MIDDLE SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | General Fund | Debt Service Fund | Total Governmental Funds |
|---|--------------------|-------------------------|--------------------------------|
| General administration | | | |
| Professional & technical services | \$47,239 | | \$47,239 |
| General & property insurance expense | 33,884 | | 33,884 |
| Travel expense | 937 | | 937 |
| Equipment - office rentals | 6,379 | | 6,379 |
| Telephone & internet expense | 21,406 | | 21,406 |
| Office expense | 27,177 | | 27,177 |
| Fundraising | 15,128 | | 15,128 |
| District administrative fee | 126,494 | | 126,494 |
| Electricity | 27,055 | | 27,055 |
| Utilities | 569 | | 569 |
| P.R.A. expense | 0 | | 0 |
| P.R.A. auction expense | 49,453 | | 49,453 |
| P.R.A. team tornado expense | 6,557 | | 6,557 |
| P.R.A. other expense | 8,392 | | 8,392 |
| Board expense | 9,173 | | 9,173 |
| Athletic expense | 0 | | 0 |
| Referee fees | 5,455 | | 5,455 |
| Athletic uniform expense | 0 | | 0 |
| Athletic registration fees | 1,378 | | 1,378 |
| Athletic expense other | 12,719 | | 12,719 |
| Athletic equipment supplies | 0 | | 0 |
| Miscellaneous & other expense | 21,060 | | 21,060 |
| Total general administration expense | 420,455 | \$0 | 420,455 |
| Facility acquisition costs | | | |
| Loss on sale of assets | 0 | | 0 |
| Moving expenses | 58,173 | | 58,173 |
| Total facility acquisition costs | 58,173 | 0 | 58,173 |
| Plant operations | | | |
| Supplies - custodial | 27,578 | | 27,578 |
| Alarm system and security | 62,570 | | 62,570 |
| Building & rentals | 620,393 | | 620,393 |
| Total plant operations expense | 710,541 | 0 | 710,541 |
| Maintenance of plant | | | |
| Repairs & maintenance - office | 1,516 | | 1,516 |
| Repairs & maintenance - facility | 72,949 | | 72,949 |
| Total maintenance of plant expense | 74,465 | 0 | 74,465 |
| Other | | | |
| Essex expenses | 154,498 | | 154,498 |
| Total student transportation expense | 154,498 | 0 | 154,498 |
| Total Expenditures | 6,380,012 | 0 | 6,380,012 |
| Excess of Expenditures Over Revenues | 41,603 | 0 | 41,603 |
| Other financing uses | | | |
| Interfund transfers | 0 | 0 | 0 |
| Total other financing uses | 0 | 0 | 0 |
| Net Changes In Fund Balances | 41,603 | 0 | 41,603 |
| Fund Balances, July 1, 2023 | 1,308,480 | 0 | 1,308,480 |
| Fund Balances, June 30, 2024 | \$1,350,083 | \$0 | \$1,350,083 |

**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, 2024**

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

| | |
|--|-----------------|
| NET CHANGES IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS | \$41,603 |
|--|-----------------|

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 \$20,342 are more than depreciation expense (\$14,600) for the year ended.

| | |
|--|-------|
| | 5,742 |
|--|-------|

| | |
|---|-------------------------------|
| CHANGE IN NET ASSETS-GOVERNMENTAL ACTIVITIES | <u><u>\$47,345</u></u> |
|---|-------------------------------|

See Accompanying Notes and Accountants' Report

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024**

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, 2024.

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, 2024**

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, 2024**

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, 2024**

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 2023-2024 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, 2024**

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 | \$ 3,438,421 |
| ESE Funding | 184,362 |
| Class size reduction funds | 605,261 |
| Other | <u>1,024,808</u> |
| Total FEFP funding | 5,252,852 |
| Other Funding | <u>374,056</u> |
| Total | <u>\$ 5,626,908</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, 2024**

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.

NOTE 4 - CAPITAL FIXED ASSETS

A summary of general fixed assets follows:

| <i>Governmental Activities:</i> | Balance July 1, 2023 | Changes | Balance June 30, 2024 |
|---------------------------------------|-------------------------|-----------------|--------------------------|
| Leasehold Improvements | \$ 74,582 | \$ 13,830 | \$ 88,412 |
| Furniture & Fixtures | 358,334 | 6,511 | 364,845 |
| Computer, visual & audio Equipment | 832,250 | 0 | 832,250 |
| Land | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>1,265,166</u> | <u>20,341</u> | <u>1,285,507</u> |
| <i>Less Accumulated Depreciation:</i> | | | |
| Leasehold Improvements | 2,500 | 2,500 | 5,000 |
| Furniture & Fixtures | 224,910 | 10,000 | 234,910 |
| Computer, visual & audio Equipment | <u>808,854</u> | <u>2,100</u> | <u>810,954</u> |
| Total | <u>1,036,264</u> | <u>14,600</u> | <u>1,050,864</u> |
| Capital Assets, Net | <u>\$ 228,902</u> | <u>\$ 5,741</u> | <u>\$ 234,643</u> |

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 2024 the lease expense recognized under these agreements amounted to \$578,188.

Future minimum lease payments under the lease agreement as of June 30, 2024 are as follows:

Year ending June 30:

| | |
|------|--------------------|
| 2025 | \$ 505,000 |
| 2026 | 505,000 |
| 2027 | <u>505,000</u> |
| | <u>\$1,515,000</u> |

**TERRACE COMMUNITY MIDDLE SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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) *Non spendable*, 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, 2024.**
- 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, 2024.**
- 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, 2024.**
- 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, 2024**

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.

NOTE 8 - COMPENSATED ABSENCES

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, Accounting for Compensated Absences. In the fund statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

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, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget- Positive (Negative)</u> |
|-------------------------------------|-------------------------|--------------------|---------------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Grants & donations | | | | |
| Corporate grants & donations | \$ 5,000 | \$ 5,000 | \$ - | \$ (5,000) |
| Private foundation grants | 0 | 0 | 0 | 0 |
| General public donations | 5,000 | 5,000 | 11,807 | 6,807 |
| Grants - governmental | 0 | 0 | 0 | 0 |
| Total grants & donations | 10,000 | 10,000 | 11,807 | 1,807 |
| Other financing sources | | | | |
| Sale proceeds | 0 | 0 | 0 | 0 |
| Interest income | 10 | 10 | 267 | 257 |
| Total investment income | 10 | 10 | 267 | 257 |
| School board - FTE | | | | |
| State funds - FTE | 5,041,428 | 5,041,428 | 5,186,341 | 144,913 |
| SIT capital funds | 345,000 | 345,000 | 438,072 | 93,072 |
| Other income - FTE | 25,000 | 25,000 | 2,494 | (22,506) |
| Total school board - FTE | 5,411,428 | 5,411,428 | 5,626,907 | 215,479 |
| Other income | | | | |
| School lunch income | 215,000 | 215,000 | 227,102 | 12,102 |
| Transportation revenue | | | | |
| Student activity & project income: | | | | |
| Field trip receipts | 60,000 | 60,000 | 94,323 | 34,323 |
| Yearbook receipts | 20,000 | 20,000 | 22,919 | 2,919 |
| Other | 1,500 | 1,500 | 1,072 | (428) |
| Student government receipts | 3,000 | 3,000 | 3,211 | 211 |
| Music fees | 1,000 | 1,000 | 308 | (692) |
| Book fees | 25,000 | 25,000 | 22,290 | (2,710) |
| Lab fees | 12,000 | 12,000 | 12,079 | 79 |
| Club receipts | 9,000 | 9,000 | 9,228 | 228 |
| After school care receipts | 40,000 | 40,000 | 35,585 | (4,415) |
| 8th grade graduation | 0 | 0 | 5,383 | 5,383 |
| Fundraising income | 0 | 0 | 35,442 | 35,442 |
| Athletic department: | | | | |
| Admission receipts | 0 | 0 | 0 | 0 |
| Student payment fees | 15,000 | 15,000 | 13,790 | (1,210) |
| Fundraising | 0 | 0 | 0 | 0 |
| Other-athletic | 0 | 0 | 0 | 0 |
| P.R.A. activities: | | | | |
| Auction receipts | 75,000 | 75,000 | 84,921 | 9,921 |
| Team Tornado receipts | 75,000 | 75,000 | 56,360 | (18,640) |
| School store | 1,500 | 1,500 | 3,493 | 1,993 |
| Other receipts | 0 | 0 | 630 | 630 |
| T-shirt sales | 0 | 0 | 0 | 0 |
| Script | 0 | 0 | 0 | 0 |
| Esser | 0 | 0 | 154,498 | 154,498 |
| Total other income | 553,000 | 553,000 | 782,634 | 229,634 |
| Total Revenues | \$5,974,438 | \$5,974,438 | \$6,421,615 | \$447,177 |

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 | \$2,574,678 | \$2,574,678 | \$2,546,538 | (\$28,140) |
| Federal payroll taxes | 186,671 | 186,671 | 189,692 | 3,021 |
| State payroll taxes | 2,370 | 2,370 | 2,516 | 146 |
| Other payroll expenses | 460,325 | 460,325 | 518,818 | 58,493 |
| Materials & supplies | 1,000 | 1,000 | 4,051 | 3,051 |
| Supplies - instructional | 15,000 | 15,000 | 21,175 | 6,175 |
| Lab expenses | 5,000 | 5,000 | 9,580 | 4,580 |
| Textbooks | 0 | 0 | 0 | 0 |
| Books-consumables | 200,000 | 200,000 | 88,812 | (111,188) |
| Instructional equipment | 0 | 0 | 2,004 | 2,004 |
| Student activities - programs | 2,000 | 2,000 | 4,232 | 2,232 |
| Field trip expense | 60,000 | 60,000 | 107,288 | 47,288 |
| Yearbook expense | 18,000 | 18,000 | 16,902 | (1,098) |
| Other | 5,000 | 5,000 | 10,475 | 5,475 |
| SGA expense | 3,000 | 3,000 | 1,637 | (1,363) |
| 8th grade graduation | 7,500 | 7,500 | 6,596 | (904) |
| Music expense | 2,000 | 2,000 | 6,817 | 4,817 |
| Club expenses | 9,000 | 9,000 | 13,000 | 4,000 |
| Total basic instruction expense | 3,551,544 | 3,551,544 | 3,550,133 | (1,411) |
| Other instructional | | | | |
| Substitute teacher payroll | 40,000 | 40,000 | 69,794 | 29,794 |
| Stipends | 0 | 0 | 0 | 0 |
| Federal payroll taxes | 3,055 | 3,055 | 8,468 | 5,413 |
| State payroll taxes | 92 | 92 | 120 | 28 |
| Other payroll related expenses | 0 | 0 | 0 | 0 |
| Total other instructional expense | 43,147 | 43,147 | 78,382 | 35,235 |
| Other financing uses | | | | |
| Principal and interest | | | 0 | 0 |
| Total other financing uses | 0 | 0 | 0 | 0 |
| School administration | | | | |
| Administration payroll | 975,668 | 975,668 | 1,027,995 | 52,327 |
| Overtime - non-exempt | | | | |
| Federal payroll taxes | 70,831 | 70,831 | 76,883 | 6,052 |
| State payroll taxes | 934 | 934 | 958 | 24 |
| Other payroll related expenses | 0 | 0 | 18,000 | 18,000 |
| Total school administration expense | 1,047,433 | 1,047,433 | 1,123,836 | 76,403 |
| Food service | | | | |
| Food - lunch programs | 215,000 | 215,000 | 209,529 | (5,471) |
| Total food service expense | \$215,000 | \$215,000 | \$209,529 | (\$5,471) |

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 | \$59,500 | \$59,500 | \$47,239 | (\$12,261) |
| General & property insurance expense | 45,000 | 45,000 | 33,884 | (11,116) |
| Travel expense | 5,000 | 5,000 | 937 | (4,063) |
| Equipment - office rentals | 5,000 | 5,000 | 6,379 | 1,379 |
| Telephone & internet expense | 40,000 | 40,000 | 21,406 | (18,594) |
| Office expense | 20,000 | 20,000 | 27,177 | 7,177 |
| Fundraising | 30,000 | 30,000 | 15,128 | (14,872) |
| District administrative fee | 120,184 | 120,184 | 126,494 | 6,310 |
| Electricity | 45,000 | 45,000 | 27,055 | (17,945) |
| Utilities | 0 | 0 | 569 | 569 |
| P.R.A. expense | 0 | 0 | 0 | 0 |
| P.R.A. auction expense | 0 | 0 | 49,453 | 49,453 |
| P.R.A. team tornado expense | 7,500 | 7,500 | 6,557 | (943) |
| P.R.A. other expense | 2,500 | 2,500 | 8,392 | 5,892 |
| Board expense | 2,500 | 2,500 | 9,173 | 6,673 |
| Athletic expense | 0 | 0 | 0 | 0 |
| Referee fees | 5,000 | 5,000 | 5,455 | 455 |
| Athletic uniform expense | 1,500 | 1,500 | 0 | (1,500) |
| Athletic equipment supplies | 0 | 0 | 0 | 0 |
| Athletic registration fees | 1,000 | 1,000 | 1,378 | 378 |
| Athletic expense other | 5,500 | 5,500 | 12,719 | 7,219 |
| Miscellaneous & other expense | 10,500 | 10,500 | 21,060 | 10,560 |
| Total general administration expense | 405,684 | 405,684 | 420,455 | 14,771 |
| Facility acquisition costs | | | | |
| Moving expenses | 0 | 0 | 58,173 | 58,173 |
| Total facility acquisition costs | 0 | 0 | 58,173 | 58,173 |
| Plant operations | | | | |
| Supplies - custodial | 25,000 | 25,000 | 27,578 | 2,578 |
| Alarm system and security | 53,000 | 53,000 | 62,570 | 9,570 |
| Rentals-Leases | 0 | 0 | 42,205 | 42,205 |
| Building rental | 537,984 | 537,984 | 578,188 | 40,204 |
| Total Plant operations expense | 615,984 | 615,984 | 710,541 | 94,557 |
| Maintenance of plant | | | | |
| Repairs & maintenance - office | 5,000 | 5,000 | \$1,516 | (3,484) |
| Repairs & maintenance - facility | 62,500 | 62,500 | 72,949 | 10,449 |
| Total Maintenance of plant expense | 67,500 | 67,500 | 74,465 | 6,965 |
| Other | | | | |
| Esser expenses | 0 | 0 | 154,498 | 154,498 |
| Total student transportation expense | 0 | 0 | 154,498 | 0 |
| Total Expenditures | 5,946,292 | 5,946,292 | 6,380,012 | 433,720 |
| Excess of Revenues Over Expenditures | 28,146 | 28,146 | 41,603 | 13,457 |
| Other financing uses | | | | |
| Interfund transfers | | | 0 | 0 |
| Net Changes In Fund Balance | 28,146 | 28,146 | 41,603 | 13,457 |
| Fund Balance, July 1, 2023 | 1,356,618 | 1,318,906 | 1,308,480 | (10,426) |
| Fund Balance, June 30, 2024 | \$1,384,764 | \$1,347,052 | \$1,350,083 | \$3,031 |



**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, 2024, 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 2, 2024.

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*.

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.

Respectfully submitted,



Rowlson & Company, P. A.
Certified Public Accountants
September 2, 2024



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, 2024, and have issued our report thereon dated September 2, 2024.

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 2, 2024. 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.

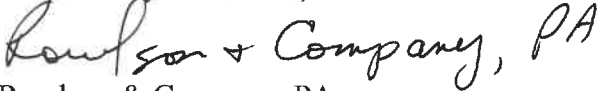
Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the 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
Certified Public Accountants
September 2, 2024