

KING'S KIDS ACADEMY OF HEALTH SCIENCES

**A Charter School and Component Unit of the
District School Board of Hillsborough County, Florida**

**INDEPENDENT AUDITOR'S REPORT
For the fiscal year ended June 30, 2014**

KING'S KIDS ACADEMY OF HEALTH SCIENCES

JUNE 30, 2014

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To the Board of Directors
King's Kids Academy of Health Sciences

INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

We have audited the accompanying basic financial statements of the government activities and each major fund of **King's Kids Academy of Health Sciences** a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2014, which collectively comprise the School's basic financial statements as listed in the table of contents. These Financial Statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to in the first paragraph presents fairly in all material respects, the financial position of **King's Kids Academy of Health Sciences** as of June 30, 2014, and changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued a report dated September 6, 2014, on our consideration of **King's Kids Academy of Health Sciences** Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts and grants, and other guidelines included under the heading 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. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

September 6, 2014

Certified Public Accountants

Sincerely,

A handwritten signature in black ink that reads "Foster Lovett". The signature is written in a cursive style with a large, sweeping "F" and "L".

Foster Lovett
Lovett & Company, CPA, PA
www.lovettandco.com

**KING’S KIDS ACADEMY OF HEALTH SCIENCES
CHARTER SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS – (Unaudited)**

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the King’s Kids Academy of Health Sciences Charter School (“School”) provides an overview of the School’s activities for the fiscal year ended June 30, 2014.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements found on pages 6 through 14.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2014, the School’s expenditures exceeded revenues as shown on the School’s statement of activities by \$2,975.
- As shown on the statement of net assets, the School reported an Unrestricted Net Asset balance of \$3,521.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government- Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net assets provides information about the school’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the School. The statement of activities presents information about the change in the School’s net assets and the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School’s student base funding level.

Fund Financial Statements

Fund Financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus fund in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds; a General Fund to account for its general operations and internal account activities, and a Special Revenue Fund to account for Federal grant programs. Each of these funds are major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget. This is the first year of the School therefore, some comparisons will not be included in the audit.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. We were unable to complete any comparison of the financial analysis because this is the first year of the school's operation.

The largest revenue source for the School is the State of Florida (92 percent). Revenues from State sources for current operations are primarily received through the Florida Educational Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School. The School also received federal funding through Hillsborough County level one grant.

Financial Analysis of the School's Funds

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$3,521.

BUDGETARY HIGHLIGHTS

The general and special revenue fund budgets for the fiscal year ended June 30, 2014, were developed based on the School's anticipated revenues and expenditures and, the expected student population for the school year and federal grants. For the year ended June 30, 2014, actual expenditures 1 expenditures were equal to the final budgeted amounts. Total actual revenues were \$37,353 or 0.07% less than budget for the year. Budgetary expenditures were \$34,378 or .06% greater than actuals for the year under audit.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$0 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, equipment and leasehold improvements. .

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF NET ASSETS
JUNE 30, 2014

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	27,574
TOTAL ASSETS	<u><u>27,574</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accrued Payroll Liabilities	24,053
Total Liabilities	<u><u>24,053</u></u>
 Fund Balance:	
Nonspendable	-
Spendable:	
Unassigned	3,521
TOTAL FUND BALANCES	<u><u>3,521</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>27,574</u></u>

The Accompanying Notes to the Financial Statements are an Integral Part of the Audit

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES NET ASSETS	GOVERNMENTAL ACTIVITIES	TOTAL
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS			
GOVERNMENTAL:						
Instruction	244,607	-	-	-	(244,607)	(244,607)
School Administration	208,019	17,900	25,575	-	(164,544)	(164,544)
Fiscal Services	58,751	-	-	-	(58,751)	(58,751)
Food Services	7,567	-	-	-	(7,567)	(7,567)
Operation of Plant	100,167	-	-	-	(100,167)	(100,167)
Total Governmental Activities	619,111	17,900	25,575		(575,636)	(575,636)
General Revenue:						
State and Local Sources					564,722	
Contribution and Others					7,939	
Total General Revenues					572,661	
Changes in Net Assets					-2,975	
Net Assets-Beginning					6,496	
Net Assets-Ending					3,521	

The Accompanying Notes to the Financial Statements are an Integral Part of the Audit

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2014

		General Fund	Special Revenue Fund	TOTAL
		<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and Cash Equivalents	\$	27,574	-	27,574
TOTAL ASSETS	\$	<u>27,574</u>	<u>-</u>	<u>27,574</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued Payroll Liabilities		24,053	-	24,053
Total Liabilities	\$	<u>24,053</u>	<u>-</u>	<u>24,053</u>
 Fund Balance:				
Nonspendable		-	-	-
Spendable:				
Unassigned	\$	3,521	-	3,521
TOTAL FUND BALANCES		<u>3,521</u>	<u>-</u>	<u>3,521</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>27,574</u>	<u>-</u>	<u>27,574</u>

The Accompanying Notes to the Financial Statements are an Integral Part of the Audit

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2014

Total Fund Balances - Governmental Funds	\$	3,521
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds

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Total Net Assets - Governmental Activities	\$	<u>3,521</u>
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The Accompanying Notes to the Financial Statements are an Integral of the Audit

KING'S KIDS ACADEMY OF HEALTH SERVICES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental:			
Federal Through Local	-	25,575	25,575
State and Local	564,722	-	564,722
Contributions and Other	7,939	17,900	25,839
	<u>572,661</u>	<u>43,475</u>	<u>616,136</u>
TOTAL REVENUES			
EXPENDITURES			
Current-Education:			
Instructions	244,607	-	244,607
School Administration	164,544	43,475	208,019
Fiscal Services	58,751	-	58,751
Food Services	7,567	-	7,567
Operation of Plant	100,167	-	100,167
	<u>575,636</u>	<u>43,475</u>	<u>619,111</u>
TOTAL EXPENDITURES			
Net changes in fund Balance	(2,975)	-	(2,975)
Fund Balance - Beginning	6,496	-	6,496
	<u>3,521</u>	<u>-</u>	<u>3,521</u>
Fund Balance - Ending			

The Accompanying Notes to the Financial Statements are an Integral Part of the Audit

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2014

Net Change in Fund Balances- Governmental Funds	\$	3,521
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Amounts reported for governmental activities in the
statement of activities are different because:

Capital outlays are reported in governmental funds as
expenditures. However, in the statement of activities,
the cost of those assets is allocated over their estimated
useful lives as depreciation expense. This is the amount
of depreciation expense in excess of capital outlays
in the current period.

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Change in Net Assets - Governmental Activities	\$	<u>3,521</u>
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The Accompanying Notes to the Financial Statements are an Integral Part of the Audit

KING'S KIDS ACADEMY OF HEALTH SCIENCES
SPECIAL REVENUE FUND -ANNUAL BUDGET
JUNE 30, 2014

	ANNUAL BUDGET	ACTUAL AMOUNT	CHANGES
REVENUE:			
Elementary Education-title 1	22,500	25,575	(3,075)
Contributions	10,500	17,900	(7,400)
TOTAL	<u><u>33,000</u></u>	<u><u>43,475</u></u>	<u><u>(10,475)</u></u>
EXPENDITURES:			
School Administration	33,000	43,475	10,475
TOTAL Expenditures	<u><u>33,000</u></u>	<u><u>43,475</u></u>	<u><u>10,475</u></u>
Net Changes	-	-	-
Special Fund-Beginning	-	-	-
Special Fund-Ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization

King's Kids Academy of Health Science is a (DBA) of Tampa Bay Community & Family Corporation, Inc. Serving grades K - 5. King's Kids Academy is dedicated to encouraging and supporting the organization's vision to "bring about effective change within a ten mile radius" of the Organization. It is with this in mind that the academy stresses health teachings as well as academic excellence. Our commitment is to help develop the whole child health, physically, socially, and academically.

Basis of Accounting

The Organization uses the accrual method of accounting as prescribed by generally accepted accounting principles in the United States of America. Grants are recorded as support when performance occurs under the terms of the grant agreement.

Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities.

Government-wide Financial Statements (concluded)

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources associated with grants that are restricted to capital uses.

In the accompanying fund financial statements, the General Fund and Capital Projects Funds are considered to be major funds and, therefore, are separately displayed. The School has no non-major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other revenue items are considered to be measurable and available only when cash is received.

Cash and Cash Equivalents

Cash and Cash Equivalents consists of cash held in a checking account, and is considered highly liquid. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants, Contracts and Other Receivables

The company considers all grants, contracts and other receivables to be fully collectible; accordingly, no allowance for doubtful amounts is required. If amounts become uncollectible, they will be charged to the change in net assets when the determination is made.

Fixed Assets

Fixed Assets valued in excess of \$1,000 are capitalized. Fixed Assets are valued at cost when purchased or estimated fair value at the date of donation and are depreciated using the straight-line method over the estimated useful lives of five to forty years.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

NOTE 2 – ECONOMIC DEPENDENCY

The school's revenues are derived predominately from grants and contracts from the Hillsborough County School Board of Florida. If these grants and contracts were significantly reduced or terminated, the organization would need to reduce its expenditures.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The school leased their facility from Rebirth Baptist Church. The lease is from July 1, 2013 until June 30, 2014. The monthly lease payment is \$6,000.

KING'S KIDS ACADEMY OF HEALTH SCIENCES
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		
	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Intergovernmental:			
Federal Through Local	\$		-
State and Local	610,014	564,722	45,292
Contributions and Other		7,939	(7,939)
TOTAL REVENUES	\$ 610,014	572,661	37,353
Expenditures			
Current Education			
Instruction	281,508	244,607	36,901
School Administration	194,706	164,544	30,162
Fiscal Services	36,100	58,751	(22,651)
Food Services	10,500	7,567	2,933
Operation of Plant	87,200	100,167	(12,967)
TOTAL EXPENDITURES	610,014	575,636	34,378
Net Change in Fund Balances	0		0
Fund Balance - Beginning	-	6,496	6,496
Fund Balance - Ending	0	6,496	3,521



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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*

The Board of Directors
King's Kids Academy of Health Sciences
Tampa, Florida

We have audited the financial statements of **King's Kids Academy of Health Sciences** as of and for the year ended June 30, 2014 and have issued our report thereon dated September 6, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

The management of **King's Kids Academy of Health Sciences** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **King's Kids Academy of Health Sciences** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal controls 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.

Internal Controls over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

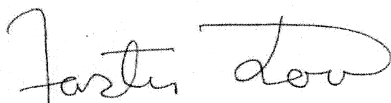
As part of obtaining reasonable assurance whether **King's Kids Academy of Health Sciences** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted no matters that we reported to management of **King's Kids Academy of Health Sciences**.

This report is intended for the information and use of the Board of Directors, management and state and local awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 6, 2014

Sincerely,



Foster Lovett
Lovett & Company, CPA, PA
www.lovettandco.com



**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of King’s Kids Academy of Health Sciences
a Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

We have audited the basic financial statements of King’s Kids Academy of Health Sciences (“School”), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated September 6, 2014.

We have issued our independent auditor’s report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards* dated September 6, 2014. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, our audit was conducted in accordance with 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 certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.854(1)(e)1.), require that we comment as to whether corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no prior auditing findings because this was the first year of the audit.

The Rules of the Auditor General (Section 10.854(1)(e)2.), require that we make a statement as to whether the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes regarding financial emergency. We applied financial condition assessment procedures pursuant to Rules of the Auditor General (Section 10.855(10)). The School has not met any of the conditions of the referenced statute.

Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

The Rules of the Auditor General (Section 10.854(1)(e)3.), 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.

The Rules of the Auditor General (Section 10.854(1)(e)4,5.), require disclosure in the management letter of matters that are not clearly inconsequential considering both quantitative and qualitative factors which include the following:

- Violations of laws, rules, regulations, contracts, and grant agreements or abuse that have occurred, or are likely to have occurred.
- Improper expenditures discovered within the scope of the financial audit which may or may not materially affect the financial statements.
- Control deficiencies that are not significant deficiencies, including, but not limited to: (1) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (2) failures to properly record financial transactions, and (3) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Our audit disclosed no matters required to be disclosed by this Rule.

The Rules of the Auditor General (Section 10.854(1)(e)6.), require we disclose the name or official title of the school. The school's official name is King's Kids Academy of Health Sciences.



This letter is intended for the information and use of the School and its management, the District School Board of Hillsborough County, Florida, the Florida Department of Education, the Florida Auditor General, and other granting agencies and is not intended to be and should not be used by anyone other than these specific parties.

September 6, 2014

Sincerely,

A handwritten signature in cursive script that reads "Foster Lovett".

Foster Lovett
Lovett & Company, CPA, PA
www.lovettandco.com