

**EAST WINDSOR MIDDLE ACADEMY
SCHOOL LOCATOR NUMBER 7351
(A COMPONENT UNIT OF
THE SCHOOL BOARD
OF PINELLAS COUNTY, FLORIDA)**

***REPORT ON AUDITED
FINANCIAL STATEMENTS***

YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Windsor Middle Academy

We have audited the accompanying financial statements of the governmental activities and the General and Special Revenue Funds of the East Windsor Middle Academy, (the School), (a component unit of the School Board of Pinellas County, Florida), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General and Special Revenue Funds of the School as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis ("MD&A") and the budgetary comparison information on pages 4 through 10 and 30, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, which 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge 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 29, 2015, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Klasfeld & Company, P.L.

Plantation, Florida
September 29, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST WINDSOR MIDDLE ACADEMY
SCHOOL LOCATOR NUMBER 7351
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

As management of East Windsor Middle Academy, (the "School"), (a component unit of the School Board of Pinellas County, Florida), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2015.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplementary information.

FINANCIAL HIGHLIGHTS

Our basic financial statements provide these insights into the results of this year's operations.

- The School's net assets as of June 30, 2015 consisted of cash and current assets over current liabilities, including accounts payable and deferred revenues, for a total of \$3,993.
- The School's total revenues were \$512,445 mostly from FEFP (Florida Education Finance Program). The School's expenses for the year ended June 30, 2015 were \$508,452.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements. This report also contains others supplementary information in addition to the basic financial statements themselves.

Government-wide Basic Financial Statements

The government-wide basic financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private sector business.

The statement of net assets presents information on all of the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

**EAST WINDSOR MIDDLE ACADEMY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS, (CONTINUED)

Government-wide Basic Financial Statements, (continued)

The statement of activities presents information showing how the School's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and services rendered but unpaid).

The government-wide basic financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund 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. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the basic government-wide financial statements. However, unlike the government-wide basic financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide basic financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**EAST WINDSOR MIDDLE ACADEMY
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(A COMPONENT UNIT OF THE
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS, (CONTINUED)

Governmental Funds, (continued)

The School maintains two governmental fund types, which are the General and Special Revenues Funds. Information is presented in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance for the General and Special Revenue Funds.

The General Fund is used to account for all financial resources not required to be accounted for in other funds.

The Special Revenues Fund is used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes; specifically the Public Charter Schools Grant Program (PCSGP) and certain amounts from the local School Board allocated for start up and initial operational purposes.

The School adopts an annual budget for its general fund. A budgetary comparison statement has been provided on page 30 for the General Fund to demonstrate compliance with the budget.

The School does not prepare an annual budget for the Special Revenues Fund. Therefore, no actual compared to budget financial statement is prepared for the Special Revenues.

The governmental fund financial statements can be found on pages 14 and 15 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund basic financial statements. The notes to the basic financial statements can be found on pages 18 through 27 of this report.

**EAST WINDSOR MIDDLE ACADEMY
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SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School's net assets were \$3,993 at June 30, 2015.

Our analysis in the table below focus on the unrestricted net assets of the School's governmental activities as follows:

STATEMENTS OF NET ASSETS

	<u>June 30, 2015</u>
ASSETS:	
Current assets	\$ 109,738
Non-current assets	<u>-</u>
Total assets	<u>\$ 109,738</u>
LIABILITIES:	
Current liabilities	\$ 105,745
Non-current liabilities	<u>-</u>
Total liabilities	<u>105,745</u>
NET POSITION:	
Restricted	-
Unrestricted	<u>3,993</u>
Total net position	<u>3,993</u>
Total liabilities and net position	<u>\$ 109,738</u>

**EAST WINDSOR MIDDLE ACADEMY
SCHOOL LOCATOR NUMBER 7351
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (CONTINUED)

Governmental Activities

The results of this year's operations for the School as a whole are reported in the statement of activities on page 13. The table below provides a condensed presentation of the School's revenues and expenses for the year ended June 30, 2015:

STATEMENT OF CHANGES IN NET ASSETS

	<u>June 30, 2015</u>
REVENUES:	
Total revenues	\$ <u>512,445</u>
 FUNCTIONS/PROGRAM EXPENSES	
Regular instruction	201,668
Instructional technology	48,225
School board	117,686
School administration	82,106
Facilities acquisition	15,533
Fiscal services	13,476
Food services	6,546
Operation of plant	9,060
Maintenance of plant	<u>14,152</u>
 Total governmental activities	<u>508,452</u>
 Change in net assets	\$ <u><u>3,993</u></u>

**EAST WINDSOR MIDDLE ACADEMY
SCHOOL LOCATOR NUMBER 7351
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SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

GOVERNMENTAL FUND EXPENDITURES

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

<u>Functions/Programs</u>	<u>Year Ended June 30, 2015</u>	
	<u>Expenditures</u>	<u>Percent</u>
Government expenditures:		
Instruction	\$ 201,668	39.7%
School board	117,686	23.1%
School administration	82,106	16.1%
Instructional technology	48,225	9.5%
Other expenditures	58,767	11.6%
Total governmental expenditures	<u>\$ 508,452</u>	<u>100.0%</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2015, the School invested in \$8,000 in capital assets, net of accumulated depreciation of \$400.

This year's major capital asset additions included the following:

- Computer equipment - \$8,000

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At June 30, 2015, the School had no long term financing debt outstanding to third parties.

**EAST WINDSOR MIDDLE ACADEMY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were unfavorable to the budget by \$46,851. The FEFP revenue was favorable to the budget by approximately \$129,856 due to greater an expected enrollment of approximately 21 students, which was offset by the School not collecting funds from the Public Charter Schools Grant Program in the amount of \$ 175,000.

Total expenditures were favorable to the budget by \$67,881. Instruction and school administration expenditures were favorable by approximately \$156,000 mainly due to the lack of funds from the Public Charter Schools Grant which was earmarked for those particular functions. School board and instructional technology costs were unfavorable by approximately \$83,000 as a result of additional IT support costs not expected during the budgeting process and an increase in management fees charges as compared to the budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Amounts available for appropriation in the general fund are approximately \$1,113,000, an increase from the actual 2015. The change is contributed to management preparing the budgets with an increased student population than that of fiscal year 2015.

Budgeted expenditures are expected to decrease to approximately \$837,000 from the fiscal 2015 actual amount. If these estimates are realized, the School's general fund balance is expected to increase at the conclusion of fiscal 2015.

REQUESTS FOR INFORMATION

If you have any questions about this report or need additional information, please write School Financial Services, Inc., P.O. Box 250 Bonifay, FL 32425.

BASIC FINANCIAL STATEMENTS

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS

	Governmental Activities
	<hr/>
CURRENT ASSETS	
Cash and cash equivalents	\$ 7,555
Due from related party	102,132
Due from other agencies	51
	<hr/>
Total current assets	109,738
	<hr/>
NON-CURRENT ASSETS	
Capital assets	
Furniture, fixtures and equipment	8,000
Less: accumulated depreciation	(400)
	<hr/>
Total non-current assets	7,600
	<hr/>
Total assets	\$ 117,338
	<hr/> <hr/>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Accounts payable	\$ 30,745
Deferred revenues	75,000
	<hr/>
Total liabilities	105,745
	<hr/>
NET POSITION	
Restricted	-
Unrestricted	11,593
	<hr/>
Total net position	11,593
	<hr/>
Total liabilities and net position	\$ 117,338
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**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

		Program Revenues			Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Assets
FUNCTIONS/PROGRAMS					
Instruction	\$ 202,068	\$ -	\$ -	\$ -	\$ (202,068)
Instructional technology	40,225	-	-	-	(40,225)
School board	117,686	-	-	-	(117,686)
School administration	82,106	-	-	-	(82,106)
Facilities	15,533	-	-	-	(15,533)
Fiscal services	13,476	-	-	-	(13,476)
Food services	6,546	-	-	-	(6,546)
Operation of plant	9,060	-	-	-	(9,060)
Maintenance of plant	14,152	-	-	-	(14,152)
Total governmental activities	\$ 500,852	\$ -	\$ -	\$ -	(500,852)
GENERAL REVENUE					
Florida education finance program					507,750
Other income					4,695
Total general revenues					512,445
Change in net position					11,593
Net position - beginning of year					-
Net position - end of year					\$ 11,593

The accompanying notes to the financial statements are an integral part of this statement.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS

	General Fund	Special Revenues Fund	Total
ASSETS			
Cash and cash equivalents	\$ 7,555	\$ -	\$ 7,555
Due from related party	102,132	-	102,132
Due from other agencies	51	-	51
Due from general fund	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Total assets	\$ <u>109,738</u>	\$ <u>75,000</u>	\$ <u>184,738</u>

LIABILITIES AND FUND BALANCE

LIABILITIES			
Accounts payable	\$ 30,745	\$ -	\$ 30,745
Due to special revenues fund	75,000	-	75,000
Deferred revenue	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Total liabilities	<u>105,745</u>	<u>75,000</u>	<u>180,745</u>
FUND BALANCES			
Restricted	-	-	-
Unassigned	<u>3,993</u>	<u>-</u>	<u>3,993</u>
Total fund balance	<u>3,993</u>	<u>-</u>	<u>3,993</u>
Total liabilities and fund balance	\$ <u>109,738</u>	\$ <u>75,000</u>	\$ <u>184,738</u>

The accompanying notes to the financial statements are an integral part of this statement.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	General Fund	Special Revenues Fund	Total
REVENUES			
Florida education finance program	\$ 507,750	\$ -	\$ 507,750
Other income	4,695	-	4,695
	<u>512,445</u>	<u>-</u>	<u>512,445</u>
Total revenues			
	<u>512,445</u>	<u>-</u>	<u>512,445</u>
EXPENDITURES			
Instruction	201,668	-	201,668
Exceptional	-	-	-
Instructional and curriculum development	-	-	-
Instructional staff training	-	-	-
Instructional technology	48,225	-	48,225
School board	117,686	-	117,686
School administration	82,106	-	82,106
Facilities	15,533	-	15,533
Fiscal services	13,476	-	13,476
Food services	6,546	-	6,546
Operation of plant	9,060	-	9,060
Maintenance of plant	14,152	-	14,152
	<u>508,452</u>	<u>-</u>	<u>508,452</u>
Total expenditures			
	<u>508,452</u>	<u>-</u>	<u>508,452</u>
Excess of expenditures over revenues	3,993	-	3,993
	<u>3,993</u>	<u>-</u>	<u>3,993</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	-	-	-
Other financing sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources			
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,993	-	3,993
	<u>3,993</u>	<u>-</u>	<u>3,993</u>
Fund balances - beginning of year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	\$ 3,993	\$ -	\$ 3,993
	<u>\$ 3,993</u>	<u>\$ -</u>	<u>\$ 3,993</u>

The accompanying notes to the financial statements are an integral part of this statement.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2015**

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET	\$ 3,993
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$8,000 and the accumulated depreciation is \$400.	<u>7,600</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>11,593</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	3,993
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Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$8,000 exceed depreciation expense \$400 in the current period.

7,600

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>11,593</u></u>
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The accompanying notes to the financial statements are an integral part of this statement

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 1 - Summary of Significant Accounting Policies

Background and Organization – The East Windsor Middle Academy (the School), (a component unit of the School Board of Pinellas County, Florida) is part of the Florida system of public education under the general direction of the Florida Department of Education (FDOE). The School was incorporated as a Florida not-for-profit corporation in July 2011, and commenced operations as a charter school in August 2014. The School was granted a charter to operate a school, including grades six to eight, by the School Board of Pinellas County, Florida (the District) in November 2013.

The School is primarily funded through the state-wide Florida Education Finance Program (FEFP) funding received by the District and passed through to the School. FEFP is based on the number of FTE (full-time equivalent) students as reported to the FDOE. The School has also received grants from the State of Florida (federal pass through grants) to fund start up costs and initial operations.

The School had developed a philosophy of recognizing and rewarding each student as an individual, each with unique interests, aspirations, and passions. Therefore the educational program, goals and objectives, and methods of accountability toward the objectives, must be set according to the situation of each individual student.

The School has selected a project-based, technology infused, charter school as the model to implement this philosophy. The goal of the charter school is to provide a school program and educational opportunities for students that might not be best suited for larger, traditional schools and to maximize development and learning for students leading into a successful transition to middle school.

A Board of Directors (the Board) governs the School, and the School has retained a management company to operate the School (See Note 4).

Reporting Entity - The School operates under a charter granted by the District. The current charter is effective until June 30, 2019, and may be renewed in increments of five years 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 ninety days prior to the expiration of the charter. During the term of the charter, the District may also immediately terminate the charter if good cause is shown or if the District believes that the health, safety or welfare of the students is threatened. In the event the School is dissolved or terminated, any public unencumbered funds and all property purchased with public funds automatically revert to the District. Because the School is fiscally dependent on and financially accountable to the District, it is considered a component unit of the School Board of Pinellas County, Florida.

The School had no component units itself because it has no subsidiary or fiscally dependent organizations.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 1 - Summary of Significant Accounting Policies, (continued)

Basis of Presentation Type of Entity Presented - Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Not-for-Profit Organizations and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes and not as a not-for-profit organization. The School is required by its agreement with the District to use the governmental reporting model and follow the fund and account structure provided in the “Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book” issued by FDOE.

Financial Statements Presented - The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). All of the School's activities are classified as governmental activities.

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. In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all non-current debt and obligations. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues (unrestricted contributions, investment earnings, miscellaneous revenue, etc). The statement of activities reduces gross expenses (including provision for depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the School. For the year ended June 30, 2015, the School had no program revenue.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net assets resulting from the current year's activities.

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from capital projects funds and the restrictions on their net asset use.

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 1 - Summary of Significant Accounting Policies, (continued)

Basis of Presentation – Fund Financial Statements - The accounts of the School are organized on the basis of funds, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the fund financial statements in this report, into fund and account group types as follows:

Fund Accounting - Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School's major governmental funds.

General Fund - The General Fund is used to account for all financial resources not required to be accounted for in other funds.

Special Revenues Fund - The Special Revenues Fund is used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes; specifically the Public Charter Schools Grant Program (PCSGP) and certain amounts from the local School Board allocated for start up and initial operational purposes.

Measurement Focus - The accounting and reporting treatment applied to the financial statements is determined by its measurement focus.

The governmental-wide financial statements use the economic resources measurement focus, which means that all assets and liabilities, whether current or non-current, are included.

General and Special Revenues Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the statements of financial position. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 1 - Summary of Significant Accounting Policies, (continued)

Basis of Accounting, (continued) - Governmental activity in the government-wide financial statements is presented on the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

General and Special Revenue Funds are accounted for using the modified accrual basis of accounting, under which revenues are recognized when they become both measurable and available as net current assets. Expenditures and the related liabilities are recognized when incurred under this method of accounting. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the current period is defined as 60 days.

Net Assets and Fund Balances - Both the government wide financial statements and the fund financial statements divide the residual equity shown on the financial statements into categories as follows:

Government Wide Financial Statements - Net assets are classified into categories as follows:

Invested in capital assets, net of related debt - represents the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted - consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. As of June 30, 2015, the School did not have any restricted amounts.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Financial Statements - Fund balances are classified into categories as follows:

Nonspendable - fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held of sale (unless the proceeds are restricted, committed, or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.

Restricted - indicates the portion of fund balance that is not available for appropriation in subsequent periods because it is legally segregated for a specific future use. These amounts do not represent available, spendable resources.

Committed - fund balance that can be only for the specific purposes determined by a formal action of the School Board of Governance.

Assigned - fund balance that is intended to be used by the School's management for specific purposes but does not meet the criteria to be classified as restricted or committed.

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Note 1 - Summary of Significant Accounting Policies, (continued)

Net Assets and Fund Balances, (continued)

Unassigned - indicates the portion of fund balance that is available to fund future operations.

Budgets and Budgetary Accounting - The School prepares its budgets at the function level utilizing the basis of accounting noted above. The statement of revenue, expenditures, and changes in fund balances - actual compared to budget – general fund use this budget adopted by the School. This general fund budget to actual financial statement shows certain line items significantly over budget; however because of the nature of the management contract and the current budget process, these over budget line items are not considered a violation of law and no remedial action is required.

The School does not prepare an annual budget for the Capital Projects Fund. Therefore, no actual compared to budget financial statement is prepared for the Capital Projects Fund.

Use of Unrestricted versus Restricted Resources - It is the School's policy to use restricted resources in the Capital Projects Funds before using unrestricted resources when both are available to pay the expenses.

Cash and Cash Equivalents - Cash and cash equivalents are either demand deposit accounts, certificates of deposit or money market accounts. For financial reporting purposes, cash and cash equivalents includes all demand deposit, savings and money market accounts, and certificates of deposits with maturities of less than 90 days from June 30, 2015.

Capital Assets and Depreciation - The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date donated. The School capitalizes assets with a cost of \$750 or more. Expenditures of normal maintenance and repair that do not add to the asset value or extend the useful life are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Leasehold improvements	10
Furniture, fixtures and equipment	3-5

Information related to the change in capital assets is described in Note 4

Long-Term Liabilities - Long-term liabilities financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund.

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Note 1 - Summary of Significant Accounting Policies, (continued)

Revenue Recognition – FEFP and grant funding are recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. The District may only withhold up to a 5% administrative fee for enrollment up to and including 250 students. For charter schools with a population of 251 or more students, the difference between the total administrative fee calculation on total enrollment and the amount of the administrative fee withheld may only be used for capital outlay purposes. The total funding is received on a pro-rata basis over a twelve-month period and is adjusted for changes in full-time (FTE) student population.

Income Taxes - The School is a for-profit corporation whose revenue is derived primarily from foundations and other governmental entities. The School has submitted their application to the Internal Revenue Service in order to receive a determination letter granting tax exempt status and expect a retroactive to inception treatment, under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. There are no tax years open for examination by tax authorities as this is the year of inception.

Use of Estimates - In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Revenue Sources - Revenues for operations are received primarily from the School Board, pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of students and related data to the FDOE for funding through the 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 period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida 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)(e)2., Florida Statutes. For the year ended June 30, 2015, the School reported 86.50 unweighted FTE.

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Note 1 - Summary of Significant Accounting Policies, (continued)

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

Note 2 - Cash and Cash Equivalents

At June 30, 2015, the carrying amount of the demand deposits and cash on hand totaled \$7,555.

As State of Florida Statutes and the School's policy require, all cash and cash equivalents are held at financial institutions approved by the State Treasurer to hold public deposits in accordance with the "Florida Security for Public Deposits Act", Chapter 280 Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depository to the State Treasurer is defined by the statute. In the event of a failure of any member in the pool, the Public Deposit Security Trust Fund has a procedure whereby the remaining member institutions would be responsible for covering any resulting losses. Since the School's deposits are held in a qualified public depository, they are covered by the collateral pool as the School had identified itself as a public entity at June 30, 2015.

These deposits are also insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit and at June 30, 2015, the amount was not in excess of the FDIC insured amount. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

Note 3 - Due from Other Agencies

Due from other agencies included in the accompanying financial statements includes \$51 in general funds receivable from the State of Florida. Based on the sources of funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

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YEAR ENDED JUNE 30, 2015**

Note 4 - Capital Assets

Capital assets activity during the year ended June 30, 2015 was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets:				
Furniture, fixtures and equipment	\$ -	\$ 8,000	\$ -	\$ 8,000
Total capital assets	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Accumulated depreciation:				
Furniture, fixtures and equipment	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>(400)</u>
Total accumulated depreciation	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>(400)</u>
Capital assets, net	<u>\$ -</u>	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 7,600</u>

Depreciation expense for the year ended June 30, 2015 was \$400.

Note 5 - Commitments, Contingencies and Related Party Transactions

Management Agreement

The School has entered into a management agreement with Windsor Education, LLC, a Florida Corporation, (the "Company") to provide for most of the School's resources and management services. The agreement commenced upon its execution and continues through June 2019. The agreement renews automatically for additional, successive five (5) years terms unless either party notifies the other party at least six months prior to the expiration of the then current contract period of its intention not to renew the agreement. Under the terms of the agreement, the School is charged fees for services of eighteen percent (18%) of the School's qualified gross revenues as defined by the agreement. Qualified gross revenues include various federal, state and local source revenues with certain exceptions. The qualified gross revenues do not include any federal or state awards that are a direct reimbursement of expenditures previously incurred by the School. The Company is also entitled to all grants and contributions not defined by the agreement within the terms of qualified gross revenues.

In return for the above fees the Company is responsible for providing the educational model, salaries for all personnel, costs for curriculum materials, textbooks, library books, facilities, computers and other equipment, software, supplies, maintenance and capital improvements of the School. The contract may be terminated by the School for non-renewal of the charter with the District, and for breaches of contract terms which have not been cured within sixty (60) days written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material defaults under

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 5 - Commitments, Contingencies and Related Party Transactions, (continued)

Management Agreement, continued

the provisions of the management agreement, material changes in federal or state funding, damages to the school facility that make School operations unfeasible, uneconomical or impractical as long as such notification comes within sixty (60) days after the occurrence that caused such situation. If the Contract is terminated by the Company after the beginning of the school year, the termination will not be effective until the end of that school year.

Upon termination of the agreement, the School has the right to have all real and personal property leases related to the School assigned to and assumed by the School, as long as the lease permits assignment. The School also has the right to purchase all personal property and leasehold improvements owned by the Company and used exclusively or primarily in connection with School operations at the asset's "remaining cost basis", which shall be calculated based on the straight line method of depreciation. The useful lives assigned for this calculation are three (3) years for computers and software; five (5) years for furniture, fixtures and textbooks; and twenty (20) years for buildings and leasehold improvements.

For the year ended June 30, 2015, the School incurred approximately \$86,800 of management fees and is reflected as a school administration expense/expenditure in the accompanying statements of activities and statement of revenues, expenditures and changes in fund balances – governmental fund. As of June 30, 2015, the Company owed the School a balance of \$4,600 for services rendered as stated above. The amount is reflected in the accompanying statement of net position and balance sheet – governmental funds.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 5 - Commitments, Contingencies and Related Party Transactions, (continued)

Advances to Related Party

The School made payments to various third parties on behalf of a related party school (Windsor School, Inc.). As of June 30, 2015, the balance owed from the related party school amounted to \$102,131.

Note 6 - Deferred Revenues

During the year ended June 30, 2015, the School collected \$75,000 from the Public Charter Schools Grant Program (PCSGP), for the reimbursement of costs allocated for start up and initial operational purposes. However, these allocated costs had not yet been purchased as of June 30, 2015. Therefore, the funds had not yet been earned and were classified as deferred revenue in the accompanying statement of net position and balance sheet – governmental funds.

Note 7 - Risk Financing

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters, illnesses of and injuries to employees. Some of this risk is subject to limitations imposed by sovereign immunity and Florida law applicable to tort settlements.

The School maintains insurance policies for property and general liability, boiler and machinery, flood, general umbrella, workers compensation, bond payment, and certain employee accident and health insurance.

It is the School's policy to report liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. For the year ended June 30, 2015, no claims meeting this definition were known to exist, nor are any incurred but not reported claims estimated to exist. Accordingly, no liabilities resulting from claims or uncertainties are reported in the financial statements at June 30, 2015.

Note 8 - Concentrations and Dependence on Management Company

The School does not currently own any fixed assets and has no employees. Instead, the Company supplies the educational model, all employees and substantially all management services to the School. In addition, the Company, researches, negotiates, arranges for and manages all purchases, including insurance, supplies etc. Substantially all of the School's accounting transactions, except for some minor local expenses, are managed and controlled by the Company through a single integrated accounting system.

In addition, since the School receives all of its administrative and management support from the Company (as discussed in Note 4 above), a reduction in the levels of administrative and management support would have a significant effect on the School's activities and it may not be able to continue in its present form.

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Note 9 - Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 29, 2015, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**EAST WINDSOR MIDDLE ACADEMY
(A COMPONENT UNIT OF THE
SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
ACTUAL COMPARED TO BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Florida education finance program	\$ 377,894	\$ 507,750	\$ 129,856
Public charter schools grant program	175,000	-	(175,000)
Other income	6,402	4,695	(1,707)
	<u>559,296</u>	<u>512,445</u>	<u>-</u>
Total revenues	<u>559,296</u>	<u>512,445</u>	<u>(46,851)</u>
EXPENDITURES			
Instruction	327,262	201,668	125,594
Exceptional	7,297	-	7,297
Instructional staff training	6,000	-	6,000
Instructional technology	6,800	48,225	(41,425)
School board	85,960	117,686	(31,726)
School administration	112,131	82,106	30,025
Facilities acquisition	-	15,533	(15,533)
Fiscal services	10,196	13,476	(3,280)
Food services	-	6,546	(6,546)
Operation of plant	17,166	9,060	8,106
Maintenance of plant	3,521	14,152	(10,631)
	<u>576,333</u>	<u>508,452</u>	<u>67,881</u>
Total expenditures	<u>576,333</u>	<u>508,452</u>	<u>67,881</u>
Excess of expenditures over revenues	(17,037)	3,993	21,030
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	25,000	-	(25,000)
Other financing sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ 7,963</u>	<u>\$ 3,993</u>	<u>\$ (3,970)</u>

OTHER REPORTS

**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 East Windsor Middle Academy, a Charter School and Component Unit of the District School Board of Pinellas County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General and Special Revenues Funds of East Windsor Middle Academy, (the School), (a component unit of the School Board of Pinellas County, Florida), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 29, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the 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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A material weakness is a significant deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 would not necessarily 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 weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely to describe the scope of our testing of internal control and compliance and 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.

This report is intended solely for the information and use of management of the School, the District School Board of Pinellas County, Florida, the Florida Department of Education and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Klasfeld & Company, P.C.

Plantation, Florida
September 29, 2015

**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 East Windsor Middle Academy, a Charter School and Component Unit of the District School Board of Pinellas County, Florida

Report on the Financial Statements

We have audited the financial statements of East Windsor Middle Academy (the "School") (a component unit of the School Board of Pinellas County, Florida), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon September 29, 2015.

Auditor's Responsibility

We conducted our audit accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Required by Government Auditing Standards

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in those reports and schedule, which are dated September 29, 2015, 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. The school did not have findings and recommendations made in the preceding annual financial audit report.

Financial Condition

Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. 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.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the 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 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.

Purpose of the 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.

Klasfeld & Company, P.L.

September 29, 2015